

REFINITIV

DELTA REPORT

10-Q

DVN - DEVON ENERGY CORP/DE
10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	1890
CHANGES	147
DELETIONS	872
ADDITIONS	871

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

Form 10-Q


(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 31, June 30, 2024**
or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 001-32318

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DEVON ENERGY CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

73-1567067
(I.R.S. Employer
identification No.)

333 West Sheridan Avenue, Oklahoma City, Oklahoma
(Address of principal executive offices)

73102-5015
(Zip code)

Registrant's telephone number, including area code: **(405) 235-3611**

Former name, address and former fiscal year, if changed from last report: **Not applicable**

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.10 per share	DVN	The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>	Non-accelerated filer	<input type="checkbox"/>
Smaller reporting company	<input type="checkbox"/>	Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

On **April 18, 2024** **July 24, 2024**, **632.0** **626.2** million shares of common stock were outstanding.

DEVON ENERGY CORPORATION

FORM 10-Q

TABLE OF CONTENTS

Part I. Financial Information

Item 1.	Financial Statements	6
	Consolidated Statements of Comprehensive Earnings	6
	Consolidated Balance Sheets	7
	Consolidated Statements of Cash Flows	8
	Consolidated Statements of Equity	9
	Notes to Consolidated Financial Statements	10
	Note 1 – Summary of Significant Accounting Policies	10
	Note 2 – Acquisitions and Divestitures	11
	Note 3 – Derivative Financial Instruments	12
	Note 4 – Share-Based Compensation	14
	Note 5 – Income Taxes	15
	Note 6 – Net Earnings Per Share	15
	Note 7 – Other Comprehensive Earnings (Loss)	15 16
	Note 8 – Supplemental Information to Statements of Cash Flows	16
	Note 9 – Accounts Receivable	16
	Note 10 – Property, Plant and Equipment	16 17
	Note 11 – Debt and Related Expenses	17
	Note 12 – Leases	18
	Note 13 – Asset Retirement Obligations	18
	Note 14 – Stockholders' Equity	19
	Note 15 – Commitments and Contingencies	19
	Note 16 – Fair Value Measurements	21
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	22
	Executive Overview	22
	Results of Operations	23
	Capital Resources, Uses and Liquidity	30 31
	Critical Accounting Estimates	33 34
	Non-GAAP Measures	33 34
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	34 35
Item 4.	Controls and Procedures	34 36

Part II. Other Information

Item 1.	Legal Proceedings	35 37
Item 1A.	Risk Factors	35 37
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	35 37
Item 3.	Defaults Upon Senior Securities	35 37

Item 4.	Mine Safety Disclosures	35 37
Item 5.	Other Information	35 37
Item 6.	Exhibits	36 38
Signatures		37 39

[Table of Contents](#)

DEFINITIONS

Unless the context otherwise indicates, references to “us,” “we,” “our,” “ours,” “Devon,” the “Company” and “Registrant” refer to Devon Energy Corporation and its consolidated subsidiaries. All monetary values, other than per unit and per share amounts, are stated in millions of U.S. dollars unless otherwise specified. In addition, the following are other abbreviations and definitions of certain terms used within this Quarterly Report on Form 10-Q:

“2018 Senior Credit Facility” means Devon’s syndicated unsecured revolving line of credit, effective as of October 5, 2018.

“2023 Senior Credit Facility” means Devon’s syndicated unsecured revolving line of credit, effective as of March 24, 2023.

“ASU” means Accounting Standards Update.

“Bbl” or “Bbls” means barrel or barrels.

“Boe” means barrel of oil equivalent. Gas proved reserves and production are converted to Boe, at the pressure and temperature base standard of each respective state in which the gas is produced, at the rate of six Mcf of gas per Bbl of oil, based upon the approximate relative energy content of gas and oil. NGL proved reserves and production are converted to Boe on a one-to-one basis with oil.

“Btu” means British thermal units, a measure of heating value.

“Catalyst” means Catalyst Midstream Partners, LLC.

“CDM” means Cotton Draw Midstream, L.L.C.

“DD&A” means depreciation, depletion and amortization expenses.

“ESG” means environmental, social and governance.

“FASB” “FASB” means Financial Accounting Standards Board.

“Fervo” means Fervo Energy Company.

“G&A” means general and administrative expenses.

“GAAP” means U.S. generally accepted accounting principles.

“Inside FERC” refers to the publication *Inside FERC’s Gas Market Report*.

“LOE” means lease operating expenses.

“Matterhorn” refers to Matterhorn Express Pipeline, LLC and, as applicable, its direct parent, MXP Parent, LLC.

“MBbls” means thousand barrels.

“MBoe” means thousand Boe.

“Mcf” means thousand cubic feet.

"MMBoe" "MMBoe" means million Boe.

"MMBtu" means million Btu.

"MMcf" means million cubic feet.

"N/M" means not meaningful.

[Table of Contents](#)

"NCI" means noncontrolling interests.

"NGL" or "NGLs" means natural gas liquids.

"NYMEX" means New York Mercantile Exchange.

"SEC" means United States Securities and Exchange Commission.

"TSR" means total shareholder return.

"U.S." means United States of America.

"VIE" means variable interest entity.

"Water JV" means NDB Midstream L.L.C.

"WTI" means West Texas Intermediate.

"/Bbl" means per barrel.

"/d" means per day.

"/MMBtu" means per MMBtu.

[Table of Contents](#)

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This report includes "forward-looking statements" as defined by the SEC. Such statements include those concerning strategic plans, our expectations and objectives for future operations, as well as other future events or conditions, and are often identified by use of the words and phrases "expects," "believes," "will," "would," "could," "continue," "may," "aims," "likely to be," "intends," "forecasts," "projections," "estimates," "plans," "expectations," "targets," "opportunities," "potential," "anticipates," "outlook" and other similar terminology. All statements, other than statements of historical facts, included in this report that address activities, events or developments that Devon expects, believes or anticipates will or may occur in the future are forward-looking statements. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond our control. Consequently, actual future results could differ materially and adversely from our expectations due to a number of factors, including, but not limited to:

- the volatility of oil, gas and NGL prices;
- uncertainties inherent in estimating oil, gas and NGL reserves;
- the extent to which we are successful in acquiring and discovering additional reserves;

- the uncertainties, costs and risks involved in our operations;
- risks related to our hedging activities;
- our limited control over third parties who operate some of our oil and gas properties;
- midstream capacity constraints and potential interruptions in production, including from limits to the build out of midstream infrastructure;
- competition for assets, materials, people and capital;
- regulatory restrictions, compliance costs and other risks relating to governmental regulation, including with respect to federal lands, environmental matters and seismicity;
- climate change and risks related to regulatory, social and market efforts to address climate change;
- governmental interventions in energy markets;
- counterparty credit risks;
- risks relating to our indebtedness;
- cybersecurity risks;
- risks relating to global pandemics;
- the extent to which insurance covers any losses we may experience;
- risks related to stockholder activism;
- our ability to successfully complete mergers, acquisitions and divestitures;
- our ability to pay dividends and make share repurchases; and
- any of the other risks and uncertainties discussed in this report, our [2023 Annual Report on Form 10-K](#) and our other filings with the SEC.

The forward-looking statements included in this filing speak only as of the date of this report, represent management's current reasonable expectations as of the date of this filing and are subject to the risks and uncertainties identified above as well as those described elsewhere in this report and in other documents we file from time to time with the SEC. We cannot guarantee the accuracy of our forward-looking statements, and readers are urged to carefully review and consider the various disclosures made in this report and in other documents we file from time to time with the SEC. All subsequent written and oral forward-looking statements attributable to Devon, or persons acting on its behalf, are expressly qualified in their entirety by the cautionary statements above. We do not undertake, and expressly disclaim, any duty to update or revise our forward-looking statements based on new information, future events or otherwise.

[Table of Contents](#)

Part I. Financial Information

Item 1. Financial Statements

DEVON ENERGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
	(Unaudited)		(Unaudited)		(Unaudited)	
Oil, gas and NGL sales	\$ 2,629	\$ 2,679	\$ 2,796	\$ 2,493	\$ 5,425	\$ 5,172
Oil, gas and NGL derivatives	(145)	64	23	(76)	(122)	(12)
Marketing and midstream revenues	1,112	1,080	1,098	1,037	2,210	2,117
Total revenues	3,596	3,823	3,917	3,454	7,513	7,277
Production expenses	751	693	788	719	1,539	1,412
Exploration expenses	9	3	3	10	12	13
Marketing and midstream expenses	1,133	1,105	1,108	1,051	2,241	2,156
Depreciation, depletion and amortization	722	615	768	638	1,490	1,253
Asset dispositions	1	—	15	(41)	16	(41)
General and administrative expenses	114	106	114	92	228	198

Financing costs, net	76	72	76	78	152	150
Other, net	22	5	5	10	27	15
Total expenses	2,828	2,599	2,877	2,557	5,705	5,156
Earnings before income taxes	768	1,224	1,040	897	1,808	2,121
Income tax expense	159	221	185	199	344	420
Net earnings	609	1,003	855	698	1,464	1,701
Net earnings attributable to noncontrolling interests	13	8	11	8	24	16
Net earnings attributable to Devon	\$ 596	\$ 995	\$ 844	\$ 690	\$ 1,440	\$ 1,685
Net earnings per share:						
Basic net earnings per share	\$ 0.95	\$ 1.53	\$ 1.35	\$ 1.08	\$ 2.29	\$ 2.61
Diluted net earnings per share	\$ 0.94	\$ 1.53	\$ 1.34	\$ 1.07	\$ 2.29	\$ 2.60
Comprehensive earnings:						
Net earnings	\$ 609	\$ 1,003	\$ 855	\$ 698	\$ 1,464	\$ 1,701
Other comprehensive earnings, net of tax:						
Pension and postretirement plans	1	1	1	1	2	2
Other comprehensive earnings, net of tax	1	1	1	1	2	2
Comprehensive earnings:	610	1,004	\$ 856	\$ 699	\$ 1,466	\$ 1,703
Comprehensive earnings attributable to noncontrolling interests	13	8	11	8	24	16
Comprehensive earnings attributable to Devon	\$ 597	\$ 996	\$ 845	\$ 691	\$ 1,442	\$ 1,687

See accompanying notes to consolidated financial statements.

[Table of Contents](#)

DEVON ENERGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
	(Unaudited)		(Unaudited)	
ASSETS				
Current assets:				
Cash, cash equivalents and restricted cash	\$ 1,149	\$ 875	\$ 1,169	\$ 875
Accounts receivable	1,670	1,573	1,589	1,573
Inventory	234	249	258	249
Other current assets	345	460	343	460
Total current assets	3,398	3,157	3,359	3,157
Oil and gas property and equipment, based on successful efforts accounting, net	18,033	17,825	18,216	17,825
Other property and equipment, net (\$154 million and \$136 million related to CDM in 2024 and 2023, respectively)	1,551	1,503		
Other property and equipment, net (\$159 million and \$136 million related to CDM in 2024 and 2023, respectively)	1,569	1,503		
Total property and equipment, net	19,584	19,328	19,785	19,328
Goodwill	753	753	753	753
Right-of-use assets	276	267	297	267
Investments	713	666	704	666
Other long-term assets	254	319	264	319
Total assets	\$ 24,978	\$ 24,490	\$ 25,162	\$ 24,490

LIABILITIES AND EQUITY				
Current liabilities:				
Accounts payable	\$ 879	\$ 760	\$ 754	\$ 760
Revenues and royalties payable	1,268	1,222	1,363	1,222
Short-term debt	479	483	475	483
Income taxes payable	189	67		
Other current liabilities	451	417	424	484
Total current liabilities	3,266	2,949	3,016	2,949
Long-term debt	5,668	5,672	5,665	5,672
Lease liabilities	301	295	315	295
Asset retirement obligations	683	643	691	643
Other long-term liabilities	841	876	829	876
Deferred income taxes	1,878	1,838	1,917	1,838
Stockholders' equity:				
Common stock, \$0.10 par value. Authorized 1.0 billion shares; issued 633 million and 636 million shares in 2024 and 2023, respectively	63	64		
Common stock, \$0.10 par value. Authorized 1.0 billion shares; issued 628 million and 636 million shares in 2024 and 2023, respectively	63	64		
Additional paid-in capital	5,718	5,939	5,478	5,939
Retained earnings	6,509	6,195	7,132	6,195
Accumulated other comprehensive loss	(123)	(124)	(122)	(124)
Treasury stock, at cost, 0.3 million shares in 2023	—	(13)	—	(13)
Total stockholders' equity attributable to Devon	12,167	12,061	12,551	12,061
Noncontrolling interests	174	156	178	156
Total equity	12,341	12,217	12,729	12,217
Total liabilities and equity	\$ 24,978	\$ 24,490	\$ 25,162	\$ 24,490

See accompanying notes to consolidated financial statements.

[Table of Contents](#)

DEVON ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
	(Unaudited)		(Unaudited)			
Cash flows from operating activities:						
Net earnings	\$ 609	\$ 1,003	\$ 855	\$ 698	\$ 1,464	\$ 1,701
Adjustments to reconcile net earnings to net cash from operating activities:						
Depreciation, depletion and amortization	722	615	768	638	1,490	1,253
Leasehold impairments	1	3	1	3		
Amortization of liabilities	—	(7)	—	(8)	—	(15)
Total (gains) losses on commodity derivatives	145	(64)	(23)	76	122	12
Cash settlements on commodity derivatives	24	13	54	37	78	50
Gains on asset dispositions	1	—				

(Gains) losses on asset dispositions	15	(41)	16	(41)		
Deferred income tax expense	40	80	39	119	79	199
Share-based compensation	24	23	27	25	51	48
Other	3	2	—	(2)	3	—
Changes in assets and liabilities, net	170	12	(201)	(140)	(31)	(128)
Net cash from operating activities	1,738	1,677	1,535	1,405	3,273	3,082
Cash flows from investing activities:						
Capital expenditures	(894)	(1,012)	(948)	(1,079)	(1,842)	(2,091)
Acquisitions of property and equipment	(8)	(13)	(82)	(18)	(90)	(31)
Divestitures of property and equipment	17	21	1	1	18	22
Distributions from investments	11	8	11	9	22	17
Contributions to investments and other	(47)	(37)	(1)	(15)	(48)	(52)
Net cash from investing activities	(921)	(1,033)	(1,019)	(1,102)	(1,940)	(2,135)
Cash flows from financing activities:						
Repurchases of common stock	(205)	(517)	(256)	(228)	(461)	(745)
Dividends paid on common stock	(299)	(596)	(223)	(462)	(522)	(1,058)
Contributions from noncontrolling interests	12	—	12	8	24	8
Distributions to noncontrolling interests	(7)	(11)	(19)	(13)	(26)	(24)
Shares exchanged for tax withholdings and other	(42)	(87)	(9)	(9)	(51)	(96)
Net cash from financing activities	(541)	(1,211)	(495)	(704)	(1,036)	(1,915)
Effect of exchange rate changes on cash	(2)	—	(1)	2	(3)	2
Net change in cash, cash equivalents and restricted cash	274	(567)	20	(399)	294	(966)
Cash, cash equivalents and restricted cash at beginning of period	875	1,454	1,149	887	875	1,454
Cash, cash equivalents and restricted cash at end of period	\$ 1,149	\$ 887	\$ 1,169	\$ 488	\$ 1,169	\$ 488
Reconciliation of cash, cash equivalents and restricted cash:						
Cash and cash equivalents	\$ 1,126	\$ 761	\$ 1,140	\$ 372	\$ 1,140	\$ 372
Restricted cash	23	126	29	116	29	116
Total cash, cash equivalents and restricted cash	\$ 1,149	\$ 887	\$ 1,169	\$ 488	\$ 1,169	\$ 488

See accompanying notes to consolidated financial statements.

[Table of Contents](#)

DEVON ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY

Other Comprehensive							Other Comprehensive						
Common Stock	Additional Paid-In	Retained Earnings	Treasury	Noncontrolling	Total		Common Stock	Additional Paid-In	Retained Earnings	Treasury	Noncontrolling	Total	

	Shares	Amount	Capital	Earnings	(Loss)	Stock	Interests	Equity	Shares	Amount	Capital	Earnings	(Loss)	Stock	Interests	Equity
	(Unaudited)								(Unaudited)							
Three Months Ended March 31, 2024																
Three Months Ended June 30, 2024																
Balance as of March 31, 2024	633	\$ 63	\$ 5,718	\$ 6,509	\$ (123)	\$ —	\$ 174	\$ 12,341								
Net earnings	—	—	—	844	—	—	11	855								
Other comprehensive earnings, net of tax	—	—	—	—	1	—	—	1								
Common stock repurchased	—	—	(3)	—	—	(264)	—	(267)								
Common stock retired	(5)	—	(264)	—	—	264	—	—								
Common stock dividends	—	—	—	(221)	—	—	—	(221)								
Share-based compensation	—	—	27	—	—	—	—	27								
Contributions from noncontrolling interests	—	—	—	—	—	—	12	12								
Distributions to noncontrolling interests	—	—	—	—	—	—	(19)	(19)								
Balance as of June 30, 2024	628	\$ 63	\$ 5,478	\$ 7,132	\$ (122)	\$ —	\$ 178	\$ 12,729								
Three Months Ended June 30, 2023																
Balance as of March 31, 2023	645	\$ 64	\$ 6,344	\$ 4,712	\$ (115)	\$ (28)	\$ 126	\$ 11,103								
Net earnings	—	—	—	690	—	—	8	698								
Other comprehensive earnings, net of tax	—	—	—	—	1	—	—	1								
Common stock repurchased	—	—	(2)	—	—	(208)	—	(210)								
Common stock retired	(4)	—	(236)	—	—	236	—	—								
Common stock dividends	—	—	—	(462)	—	—	—	(462)								
Share-based compensation	—	—	25	—	—	—	—	25								

Contributions from noncontrolling interests	—	—	—	—	—	—	8	8								
Distributions to noncontrolling interests	—	—	—	—	—	—	(13)	(13)								
Balance as of June 30, 2023	641	\$ 64	\$ 6,131	\$ 4,940	\$ (114)	\$ —	\$ 129	\$ 11,150								
Six Months Ended June 30, 2024																
Balance as of December 31, 2023	636	\$ 64	\$ 5,939	\$ 6,195	\$ (124)	\$ (13)	\$ 156	\$ 12,217	636	\$ 64	\$ 5,939	\$ 6,195	\$ (124)	\$ (13)	\$ 156	\$ 12,217
Net earnings	—	—	—	596	—	—	13	609	—	—	—	1,440	—	—	24	1,474
Other comprehensive earnings, net of tax	—	—	—	—	1	—	—	1	—	—	—	—	2	—	—	—
Restricted stock grants, net of cancellations	2	—	—	—	—	—	—	—	2	—	—	—	—	—	—	—
Common stock repurchased	—	—	(1)	—	—	(232)	—	(233)	—	—	(4)	—	—	(496)	—	—
Common stock retired	(6)	(1)	(244)	—	—	245	—	—	(11)	(1)	(508)	—	—	509	—	—
Common stock dividends	—	—	—	(282)	—	—	—	(282)	—	—	—	(503)	—	—	—	—
Share-based compensation	1	—	24	—	—	—	—	24	1	—	51	—	—	—	—	—
Contributions from noncontrolling interests	—	—	—	—	—	—	12	12	—	—	—	—	—	—	24	24
Distributions to noncontrolling interests	—	—	—	—	—	—	(7)	(7)	—	—	—	—	—	—	(26)	(26)
Balance as of March 31, 2024	633	\$ 63	\$ 5,718	\$ 6,509	\$ (123)	\$ —	\$ 174	\$ 12,341	633	\$ 63	\$ 5,718	\$ 6,509	\$ (123)	\$ —	\$ 174	\$ 12,341
Three Months Ended March 31, 2023																
Balance as of June 30, 2024	628	\$ 63	\$ 5,478	\$ 7,132	\$ (122)	\$ —	\$ 178	\$ 12,729	628	\$ 63	\$ 5,478	\$ 7,132	\$ (122)	\$ —	\$ 178	\$ 12,729
Six Months Ended June 30, 2023																
Balance as of December 31, 2022	653	\$ 65	\$ 6,921	\$ 4,297	\$ (116)	\$ —	\$ 129	\$ 11,296	653	\$ 65	\$ 6,921	\$ 4,297	\$ (116)	\$ —	\$ 129	\$ 11,296
Net earnings	—	—	—	995	—	—	8	1,003	—	—	—	1,685	—	—	16	1,701

Other comprehensive earnings, net of tax	—	—	—	—	1	—	—	1	—	—	—	—	2	—	—
Restricted stock grants, net of cancellations	2	—	—	—	—	—	—	—	2	—	—	—	—	—	—
Common stock repurchased	—	—	(4)	—	—	(625)	—	(629)	—	—	(6)	—	—	(833)	—
Common stock retired	(11)	(1)	(596)	—	—	597	—	—	(15)	(1)	(832)	—	—	833	—
Common stock dividends	—	—	—	(580)	—	—	—	(580)	—	—	—	(1,042)	—	—	—
Share-based compensation	1	—	23	—	—	—	—	23	1	—	48	—	—	—	—
Contributions from noncontrolling interests	—	—	—	—	—	—	—	8	8						
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(11)	(11)	—	—	—	—	—	(24)
Balance as of March 31, 2023	645	\$ 64	\$ 6,344	\$ 4,712	\$ (115)	\$ (28)	\$ 126	\$ 11,103							
Balance as of June 30, 2023	641	\$ 64	\$ 6,131	\$ 4,940	\$ (114)	\$ —	\$ 129	\$ 11,150							

See accompanying notes to consolidated financial statements.

[Table of Contents](#)

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Summary of Significant Accounting Policies

The accompanying unaudited interim financial statements and notes of Devon have been prepared pursuant to the rules and regulations of the SEC. Pursuant to such rules and regulations, certain disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been omitted. The accompanying unaudited interim financial statements and notes should be read in conjunction with the financial statements and notes included in Devon's [2023 Annual Report on Form 10-K](#). The accompanying unaudited interim financial statements in this report reflect all adjustments that are, in the opinion of management, necessary for a fair statement of Devon's results of operations and cash flows for the three-month and six-month periods ended **March 31, 2024** **June 30, 2024** and 2023 and Devon's financial position as of **March 31, 2024** **June 30, 2024**.

Variable Interest Entity

CDM is a joint venture entity formed by Devon and an affiliate of QL Capital Partners, LP. CDM provides gathering, compression and dehydration services for natural gas production in the Cotton Draw area of the Delaware Basin. Devon holds a controlling interest in CDM and the portions of CDM's net earnings and equity not attributable to Devon's controlling interest are shown separately as noncontrolling interests in the accompanying consolidated statements of comprehensive earnings and consolidated balance sheets. CDM is considered a VIE to Devon. The assets of CDM cannot be used by Devon for general corporate purposes and are included in, and disclosed parenthetically, on Devon's

consolidated balance sheets. The carrying amount of liabilities related to CDM for which the creditors do not have recourse to Devon's assets are also included in, and disclosed parenthetically, if material, on Devon's consolidated balance sheets.

Investments

The following table presents Devon's investments.

Investments	% Interest	Carrying Amount		% Interest	Carrying Amount	
		March 31, 2024	December 31, 2023		June 30, 2024	December 31, 2023
Catalyst	50%	\$ 300	\$ 311	50%	\$ 291	\$ 311
Water JV	30%	217	216	30%	218	216
Matterhorn	12.5%	90	90	12.5%	90	90
Fervo	12%	57	—	12%	56	—
Other	Various	49	49	Various	49	49
Total		\$ 713	\$ 666		\$ 704	\$ 666

Devon has an interest in Catalyst, which is a joint venture with an affiliate of Howard Energy Partners, LLC ("HEP") and certain other investors, to develop oil gathering and natural gas processing infrastructure in the Stateline area of the Delaware Basin. Under the terms of the arrangement, Devon and a holding company owned by the other joint venture investors each have a 50% voting interest in the joint venture legal entity, and HEP serves as the operator. Through 2038, Devon's production from 50,000 net acres in the Stateline area of the Delaware Basin has been dedicated to Catalyst subject to fixed-fee oil gathering and natural gas processing agreements. Devon accounts for the investment in Catalyst as an equity method investment. Devon's investment in Catalyst is shown within investments on the consolidated balance sheets and Devon's share of Catalyst earnings are reflected as a component of other, net in the accompanying consolidated statements of comprehensive earnings.

In the second quarter of 2023, Devon made an investment in the Water JV, a joint venture entity formed with an affiliate of WaterBridge NDB LLC ("WaterBridge"), for the purpose of providing increased capacity and flexibility in disposing of produced water in the Delaware Basin and Eagle Ford. Under terms of the arrangement, Devon contributed water infrastructure assets and committed to a water gathering and disposal dedication to the Water JV through 2038, in exchange for a 30% voting interest in the joint venture legal entity. WaterBridge contributed water infrastructure assets to the Water JV, in exchange for a 70% voting interest in the joint venture legal entity and will serve as the operator. In the second quarter of 2023, Devon recognized a \$64 million gain in asset dispositions in the consolidated statements of comprehensive earnings, which represented the excess of the estimated fair value of Devon's interest in the Water JV over the carrying value of the water infrastructure assets Devon contributed to the Water JV. Devon accounts for the investment in the Water JV as an equity method investment. Devon's investment in the Water JV is shown within investments on the consolidated balance sheets and Devon's share of the Water JV earnings are reflected as a component of other, net in the accompanying consolidated statements of comprehensive earnings.

10

[Table of Contents](#)

DEVON ENERGY CORPORATION AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued) (Unaudited)

Matterhorn is a joint venture entity and was formed for the purpose of constructing a natural gas pipeline that will transport natural gas from the Permian Basin to the Katy, Texas area. Devon's investment in Matterhorn does not give it the ability to exercise significant influence over Matterhorn.

In the first quarter of 2024, Devon committed to invest approximately \$100 million in Fervo, a company that generates energy from geothermal wells. As of **March 31, 2024** **June 30, 2024**, Devon has funded approximately \$55 million of the commitment and expects to fund the remaining \$45 million commitment throughout 2024. The investment in Fervo allows Devon to exercise significant influence over Fervo, and the investment is accounted for under the equity method of accounting. Devon's investment in Fervo is shown within investments on the consolidated balance sheets and Devon's share of Fervo earnings are reflected as a component of other, net in the accompanying consolidated statements of comprehensive earnings.

Disaggregation of Revenue

The following table presents revenue from contracts with customers that are disaggregated based on the type of good or service.

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
Oil	\$ 2,189	\$ 2,143	\$ 2,413	\$ 2,106	\$ 4,602	\$ 4,249
Gas	128	213	57	122	185	335
NGL	312	323	326	265	638	588
Oil, gas and NGL sales	2,629	2,679	2,796	2,493	5,425	5,172
Oil	807	730	801	735	1,608	1,465
Gas	121	152	100	123	221	275
NGL	184	198	197	179	381	377
Marketing and midstream revenues	1,112	1,080	1,098	1,037	2,210	2,117
Total revenues from contracts with customers	\$ 3,741	\$ 3,759	\$ 3,894	\$ 3,530	\$ 7,635	\$ 7,289

Recently Issued Accounting Standards Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, Improvements to Income Tax Disclosures. ASU 2023-09 intends to provide investors with enhanced information about an entity's income taxes by requiring disclosure of items such as disaggregation of the effective tax rate reconciliation as well as information regarding income taxes paid. This ASU is effective for annual reporting periods beginning after December 15, 2024, with early adoption permitted for annual financial statements that have not yet been issued. Devon is evaluating the impact this ASU will have on the disclosures that accompany its consolidated financial statements.

In November 2023, the FASB issued ASU 2023-07, Improvements to Reportable Segments Disclosures. Under this ASU, the scope and frequency of segment disclosures is increased to provide investors with additional detail about information utilized by an entity's "Chief Operating Decision Maker." This ASU is effective for Devon beginning with our 2024 annual reporting and interim periods beginning in 2025. Devon is evaluating the impact this ASU will have on the disclosures that accompany its consolidated financial statements.

2. Acquisitions and Divestitures

Acquisition

In July 2024, Devon announced it had entered into an agreement to acquire the Williston Basin business of Grayson Mill Energy. The purchase price for the transaction consists of \$3.25 billion of cash and approximately 37 million shares of Devon common stock, in each case subject to various purchase price adjustments. Devon plans to fund the cash portion of the purchase price through cash on hand and debt, which we expect to include a combination of term loans and bond issuances. The transaction is expected to close by the end of the third quarter of 2024, subject to regulatory approvals and other customary closing conditions.

Contingent Earnout Payments

Devon is entitled to contingent earnout payments associated with the sale of its Barnett Shale assets in 2020 with upside participation beginning at a \$2.75 Henry Hub natural gas price or a \$50 WTI oil price. The contingent payment period commenced on January 1, 2021

11

[Table of Contents](#)

DEVON ENERGY CORPORATION AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued) (Unaudited)

January 1, 2021 and has a term of four years. Devon received \$20 million in contingent earnout payments related to this transaction in the first quarter of 2024 and \$65 million in the first quarter of 2023. Devon could also receive up to an additional \$65 million in contingent earnout payments for the remaining performance period depending on future commodity prices. The valuation of the future contingent earnout payment included within other current assets in the March 31, 2024 June 30, 2024 consolidated balance sheet was approximately \$35.20 million. This value was derived utilizing a Monte Carlo valuation model and qualifies as a level 3 fair value measurement.

Devon also received \$4 million in contingent earnout payments in the first quarter of 2023 related to the sale of non-core assets in the Rockies.

11

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

3. Derivative Financial Instruments

Objectives and Strategies

Devon enters into derivative financial instruments with respect to a portion of its oil, gas and NGL production to hedge future prices received. Additionally, Devon periodically enters into derivative financial instruments with respect to a portion of its oil, gas and NGL marketing activities. These commodity derivative financial instruments include financial price swaps, basis swaps and costless price collars. **Devon also periodically enters into interest rate swaps to manage its exposure to interest rate volatility. As of June 30, 2024, Devon did not have any open interest rate contracts.**

Devon does not intend to hold or issue derivative financial instruments for speculative trading purposes and has elected not to designate any of its derivative instruments for hedge accounting treatment.

Counterparty Credit Risk

By using derivative financial instruments, Devon is exposed to credit risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. To mitigate this risk, the hedging instruments are placed with a number of counterparties whom Devon believes are acceptable credit risks. It is Devon's policy to enter into derivative contracts only with investment-grade rated counterparties deemed by management to be competent and competitive market makers. Additionally, Devon's derivative contracts generally contain provisions that provide for collateral payments if Devon's or its counterparty's credit rating falls below certain credit rating levels. As of **March 31, 2024** **June 30, 2024**, Devon neither held cash collateral of its counterparties nor posted cash collateral to its counterparties.

Commodity Derivatives

As of **March 31, 2024** **June 30, 2024**, Devon had the following open oil derivative positions. The first table presents Devon's oil derivatives that settle against the average of the prompt month NYMEX WTI futures price. The second table presents Devon's oil derivatives that settle against the respective indices noted within the table.

Period	Price Swaps			Price Collars			Price Swaps			Price Collars		
	Volume (Bbls/d)	Weighted Average		Volume (Bbls/d)	Weighted Average Floor Price (\$/Bbl)		Volume (Bbls/d)	Weighted Average		Volume (Bbls/d)	Weighted Average Floor Price (\$/Bbl)	
		Price (\$/Bbl)				Ceiling Price (\$/Bbl)		Price (\$/Bbl)				Ceiling Price (\$/Bbl)
Q2-Q4 2024	27,451	\$	78.98	71,691	\$	66.95						
Q3-Q4 2024	28,000	\$	78.97	83,000	\$	67.80						
Q1-Q4 2025	3,468	\$	72.75	992	\$	70.00	4,468	\$	72.83	5,992	\$	70.00
											\$	77.97

Period	Oil Basis Swaps			Oil Basis Swaps		
	Index	Weighted Average Differential to WTI		Index	Weighted Average Differential to WTI	
		Volume (Bbls/d)	(\$/Bbl)		Volume (Bbls/d)	(\$/Bbl)
Q2-Q4 2024	Midland Sweet	67,184	\$			
Q2-Q4 2024	NYMEX Roll	26,000	\$			
Q3-Q4 2024	Midland Sweet	69,500	\$			
Q3-Q4 2024	NYMEX Roll	26,000	\$			
Q1-Q4 2025	Midland Sweet	63,000	\$	Midland Sweet	63,000	\$
Q1-Q4 2026	Midland Sweet	7,000	\$	Midland Sweet	18,000	\$
						1.21

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(Unaudited)

As of **March 31, 2024** **June 30, 2024**, Devon had the following open natural gas derivative positions. The first table presents Devon's natural gas derivatives that settle against the Inside FERC first of the month Henry Hub index. The second table presents Devon's natural gas derivatives that settle against the respective indices noted within the table.

Period	Price Swaps			Price Collars			Price Swaps			Price Collars		
	Volume (MMBtu/d)	Weighted Average Price (\$/MMBtu)	Volume (MMBtu/d)	Weighted Average Price (\$/MMBtu)	Floor Price (\$/MMBtu)	Ceiling Price (\$/MMBtu)	Volume (MMBtu/d)	Weighted Average Price (\$/MMBtu)	Volume (MMBtu/d)	Weighted Average Price (\$/MMBtu)	Floor Price (\$/MMBtu)	Ceiling Price (\$/MMBtu)
Q2-Q4 2024	244,935	\$ 3.20	18,531	\$ 3.91		\$ 6.19						
Q3-Q4 2024	279,000	\$ 3.18	15,000	\$ 3.00		\$ 3.65						
Q1-Q4 2025	75,537	\$ 3.04	—	—		—	200,537	\$ 3.34	15,000	\$ 3.00		\$ 3.65
Q1-Q4 2026	80,000	\$ 3.90	—	—		—						

12

[Table of Contents](#)

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(Unaudited)

Period	Index	Natural Gas Basis Swaps	
		Volume (MMBtu/d)	Weighted Average Differential to Henry Hub (\$/MMBtu)
Q3-Q4 2024	El Paso Natural Gas	10,000	\$ (1.00)
Q3-Q4 2024	Houston Ship Channel	160,000	\$ (0.28)
Q3-Q4 2024	WAHA	80,000	\$ (0.74)
Q1-Q4 2025	Houston Ship Channel	40,000	\$ (0.35)
Q1-Q4 2025	WAHA	10,000	\$ (0.63)
Q1-Q4 2026	Houston Ship Channel	25,000	\$ (0.25)

Period	Index	Natural Gas Basis Swaps	
		Volume (MMBtu/d)	Weighted Average Differential to Henry Hub (\$/MMBtu)
Q2-Q4 2024	El Paso Natural Gas	26,545	\$ (0.92)
Q2-Q4 2024	Houston Ship Channel	110,000	\$ (0.24)
Q2-Q4 2024	WAHA	63,309	\$ (0.61)
Q1-Q4 2025	WAHA	10,000	\$ (0.63)

As of **March 31, 2024** **June 30, 2024**, Devon had the following open NGL derivative positions. Devon's NGL positions settle against the average of the prompt month OPIS Mont Belvieu, Texas index.

Period	Product	Price Swaps	
		Volume (Bbls/d)	Weighted Average Price (\$/Bbl)
Q2-Q4 2024	Natural Gasoline	3,000	\$ 69.11
Q2-Q4 2024	Normal Butane	3,350	\$ 37.58
Q2-Q4 2024	Propane	5,032	\$ 32.97

Period	Product	Price Swaps	
		Volume (Bbls/d)	Weighted Average Price (\$/Bbl)
Q3-Q4 2024	Natural Gasoline	3,000	\$ 69.11
Q3-Q4 2024	Normal Butane	3,350	\$ 37.58
Q3-Q4 2024	Propane	5,250	\$ 33.01

Financial Statement Presentation

All derivative financial instruments are recognized at their current fair value as either assets or liabilities in the consolidated balance sheets. Amounts related to contracts allowed to be netted upon payment subject to a master netting arrangement with the same counterparty are reported on a net basis in the consolidated balance sheets. The **tables** **table** below **present** **presents** a summary of these positions as of **March 31, 2024** **June 30, 2024** and December 31, 2023.

	March 31, 2024			December 31, 2023			Balance Sheet Classification	June 30, 2024			December 31, 2023			Balance Sheet Classification
	Gross Fair	Amounts	Net Fair	Gross Fair	Amounts	Net Fair		Gross Fair	Amounts	Net Fair	Gross Fair	Amounts	Net Fair	
	Value	Netted	Value	Value	Netted	Value		Value	Netted	Value	Value	Netted	Value	
Commodity derivatives:														
Short-term derivative asset	\$ 82	\$ (8)	\$ 74	\$ 213	\$ (5)	\$ 208	Other current assets	\$ 44	\$ (15)	\$ 29	\$ 213	\$ (5)	\$ 208	Other current assets
Long-term derivative asset	1	(1)	—	—	—	—	Other long-term assets	5	(3)	2	—	—	—	Other long-term assets
Short-term derivative liability	(46)	8	(38)	(7)	5	(2)	Other current liabilities	(39)	15	(24)	(7)	5	(2)	Other current liabilities
Long-term derivative liability	(7)	1	(6)	(7)	—	(7)	Other long-term liabilities	(10)	3	(7)	(7)	—	(7)	Other long-term liabilities
Total derivative asset	\$ 30	\$ —	\$ 30	\$ 199	\$ —	\$ 199		\$ —	\$ —	\$ —	\$ 199	\$ —	\$ 199	

[Table of Contents](#)

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

4. Share-Based Compensation

The table below presents the share-based compensation expense included in Devon's accompanying consolidated statements of comprehensive earnings.

Three Months Ended March 31,	Six Months Ended June 30,
------------------------------	---------------------------

	2024	2023	2024	2023
G&A	\$ 24	\$ 23	\$ 50	\$ 48
Exploration expenses	1	—		
Total	\$ 51	\$ 48		
Related income tax benefit	\$ 9	\$ 20	\$ 18	\$ 27

Under its approved long-term incentive plan, Devon grants share-based awards to its employees. The following table presents a summary of Devon's unvested restricted stock awards and units and performance share units granted under the plan.

	Restricted Stock Awards & Units				Performance Share Units				Restricted Stock Awards & Units				Performance Share Units			
	Weighted Average Grant-Date		Weighted Average Grant-Date		Weighted Average Grant-Date		Weighted Average Grant-Date		Weighted Average Grant-Date		Weighted Average Grant-Date		Weighted Average Grant-Date		Weighted Average Grant-Date	
	Awards/Units	Fair Value	Units	Fair Value	Awards/Units	Fair Value	Units	Fair Value	Awards/Units	Fair Value	Units	Fair Value	Awards/Units	Fair Value	Units	Fair Value
	(Thousands, except fair value data)								(Thousands, except fair value data)							
Unvested at 12/31/23	4,033	\$ 42.10	1,547	\$ 43.25	4,033	\$ 42.10	1,547	\$ 43.25	4,033	\$ 42.10	1,547	\$ 43.25	4,033	\$ 42.10	1,547	\$ 43.25
Granted	1,815	\$ 42.29	858	\$ 40.41	1,883	\$ 42.46	858	\$ 40.41	1,883	\$ 42.46	858	\$ 40.41	1,883	\$ 42.46	858	\$ 40.41
Vested	(1,277)	\$ 38.64	(1,226)	\$ 18.08	(1,789)	\$ 34.84	(1,226)	\$ 18.08	(1,789)	\$ 34.84	(1,226)	\$ 18.08	(1,789)	\$ 34.84	(1,226)	\$ 18.08
Forfeited	(25)	\$ 44.84	—	\$ —	(58)	\$ 45.04	—	\$ —	(58)	\$ 45.04	—	\$ —	(58)	\$ 45.04	—	\$ —
Unvested at 3/31/24	4,546	\$ 43.13	1,179	\$ 67.38	4,546	\$ 43.13	1,179	\$ 67.38	4,546	\$ 43.13	1,179	\$ 67.38	4,546	\$ 43.13	1,179	\$ 67.38
Unvested at 6/30/24	4,069	\$ 45.42	1,179	\$ 67.38	4,069	\$ 45.42	1,179	\$ 67.38	4,069	\$ 45.42	1,179	\$ 67.38	4,069	\$ 45.42	1,179	\$ 67.38

(1) A maximum of 2.4 million common shares could be awarded based upon Devon's final TSR ranking.

The following table presents the assumptions related to the performance share units granted in 2024, as indicated in the previous summary table. The grants in the previous summary table also include the impacts of performance share units granted in a prior year that vested higher than 100% of target due to Devon's TSR performance compared to our peers.

	2024
Grant-date fair value	\$ 56.99
Risk-free interest rate	4.28%
Volatility factor	46.03%
Contractual term (years)	2.89

The following table presents a summary of the unrecognized compensation cost and the related weighted average recognition period associated with unvested awards and units as of **March 31, 2024** and **June 30, 2024**.

	Restricted Stock Awards/Units	Performance Share Units	Restricted Stock Awards/Units	Performance Share Units
Unrecognized compensation cost	\$ 143	\$ 39	\$ 128	\$ 33
Weighted average period for recognition (years)	2.9	2.0	2.8	1.8

5. Income Taxes

The following table presents Devon's total income tax expense and a reconciliation of its effective income tax rate to the U.S. statutory income tax rate.

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
Earnings before income taxes	\$ 768	\$ 1,224	\$ 1,040	\$ 897	\$ 1,808	\$ 2,121
Current income tax expense	\$ 119	\$ 141	\$ 146	\$ 80	\$ 265	\$ 221
Deferred income tax expense	40	80	39	119	79	199
Total income tax expense	\$ 159	\$ 221	\$ 185	\$ 199	\$ 344	\$ 420
U.S. statutory income tax rate	21 %	21 %	21 %	21 %	21 %	21 %
State income taxes	1 %	1 %	1 %	1 %	1 %	1 %
Income tax credits	(1 %)	(3 %)	(4 %)	—	(3 %)	(2 %)
Other	—	(1 %)				
Effective income tax rate	21 %	18 %	18 %	22 %	19 %	20 %

In the first quarter six months of 2024 and 2023, Devon recognized income tax credits associated with its qualified research activities.

6. Net Earnings Per Share

The following table reconciles net earnings available to common shareholders and weighted-average common shares outstanding used in the calculations of basic and diluted net earnings per share.

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
Net earnings available to common shareholders - basic and diluted	\$ 596	\$ 987	\$ 844	\$ 687	\$ 1,440	\$ 1,674
Common shares:						
Average common shares outstanding - basic	629	645	626	638	628	641
Dilutive effect of potential common shares issuable	3	2	2	1	2	2
Average common shares outstanding - diluted	632	647	628	639	630	643
Net earnings per share available to common shareholders:						
Basic	\$ 0.95	\$ 1.53	\$ 1.35	\$ 1.08	\$ 2.29	\$ 2.61
Diluted	\$ 0.94	\$ 1.53	\$ 1.34	\$ 1.07	\$ 2.29	\$ 2.60

7. Other Comprehensive Earnings (Loss)

Components of other comprehensive earnings (loss) consist of the following:

	Three Months Ended March 31,	
	2024	2023
Pension and postretirement benefit plans:		
Beginning accumulated pension and postretirement benefits	\$ (124)	\$ (116)
Recognition of net actuarial loss and prior service cost in earnings ⁽¹⁾	1	1
Accumulated other comprehensive loss, net of tax	\$ (123)	\$ (115)

(1) Recognition of net actuarial loss and prior service cost are included in the computation of net periodic benefit cost, which is

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

7. Other Comprehensive Earnings (Loss)

Components of other comprehensive earnings (loss) consist of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Pension and postretirement benefit plans:				
Beginning accumulated pension and postretirement benefits	\$ (123)	\$ (115)	\$ (124)	\$ (116)
Recognition of net actuarial loss and prior service cost in earnings ⁽¹⁾	2	2	3	3
Income tax expense	(1)	(1)	(1)	(1)
Accumulated other comprehensive loss, net of tax	<u>\$ (122)</u>	<u>\$ (114)</u>	<u>\$ (122)</u>	<u>\$ (114)</u>

(1) Recognition of net actuarial loss and prior service cost are included in the computation of net periodic benefit cost, which is a component of other, net in the accompanying consolidated statements of comprehensive earnings.

8. Supplemental Information to Statements of Cash Flows

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
Changes in assets and liabilities, net:						
Accounts receivable	\$ (96)	\$ 150	\$ 81	\$ 98	\$ (15)	\$ 248
Other current assets	(23)	16	(84)	(12)	(107)	4
Other long-term assets	49	31	(16)	(13)	33	18
Accounts payable and revenues and royalties payable	143	(165)	42	(65)	185	(230)
Other current liabilities	116	(3)	(224)	(138)	(108)	(141)
Other long-term liabilities	(19)	(17)	—	(10)	(19)	(27)
Total	<u>\$ 170</u>	<u>\$ 12</u>	<u>\$ (201)</u>	<u>\$ (140)</u>	<u>\$ (31)</u>	<u>\$ (128)</u>
Supplementary cash flow data:						
Interest paid	\$ 63	\$ 101	\$ 112	\$ 88	\$ 175	\$ 189
Income taxes refunded	\$ (4)	\$ —				
Income taxes paid	\$ 388	\$ 259	\$ 384	\$ 259		

Devon's non-cash investing activities for the three and six months ended June 30, 2023, included approximately \$150 million of contributions of other property and equipment for the formation of the Water JV.

9. Accounts Receivable

Components of accounts receivable include the following:

	March 31, 2024		December 31, 2023		June 30, 2024		December 31, 2023	
Oil, gas and NGL sales	\$ 1,013	\$ 965	\$ 941	\$ 965				
Joint interest billings	246	251	253	251				
Marketing and midstream revenues	394	342	370	342				
Other	24	22	32	22				
Gross accounts receivable	<u>1,677</u>	<u>1,580</u>	<u>1,596</u>	<u>1,580</u>				
Allowance for doubtful accounts	<u>(7)</u>	<u>(7)</u>	<u>(7)</u>	<u>(7)</u>				
Net accounts receivable	<u>\$ 1,670</u>	<u>\$ 1,573</u>	<u>\$ 1,589</u>	<u>\$ 1,573</u>				

[Table of Contents](#)

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

10. Property, Plant and Equipment

The following table presents the aggregate capitalized costs related to Devon's oil and gas and non-oil and gas activities.

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Property and equipment:				
Proved	\$ 47,512	\$ 46,659	\$ 48,402	\$ 46,659
Unproved and properties under development	1,333	1,279	1,370	1,279
Total oil and gas	48,845	47,938	49,772	47,938
Less accumulated DD&A	(30,812)	(30,113)	(31,556)	(30,113)
Oil and gas property and equipment, net	18,033	17,825	18,216	17,825
Other property and equipment	2,353	2,289	2,386	2,289
Less accumulated DD&A	(802)	(786)	(817)	(786)
Other property and equipment, net ⁽¹⁾	1,551	1,503	1,569	1,503
Property and equipment, net	\$ 19,584	\$ 19,328	\$ 19,785	\$ 19,328

(1) \$154 million and \$136 million related to CDM in 2024 and 2023, respectively.

[Table of Contents](#)

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

11. Debt and Related Expenses

See below for a summary of debt instruments and balances. The notes and debentures are senior, unsecured obligations of Devon.

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
5.25% due September 15, 2024	\$ 472	\$ 472	\$ 472	\$ 472
5.85% due December 15, 2025	485	485	485	485
7.50% due September 15, 2027	73	73	73	73
5.25% due October 15, 2027	390	390	390	390
5.875% due June 15, 2028	325	325	325	325
4.50% due January 15, 2030	585	585	585	585
7.875% due September 30, 2031	675	675	675	675
7.95% due April 15, 2032	366	366	366	366
5.60% due July 15, 2041	1,250	1,250	1,250	1,250
4.75% due May 15, 2042	750	750	750	750
5.00% due June 15, 2045	750	750	750	750
Net premium on debentures and notes	57	64	49	64
Debt issuance costs	(31)	(30)	(30)	(30)

Total debt	\$	6,147	\$	6,155	\$	6,140	\$	6,155
Less amount classified as short-term debt		479		483		475		483
Total long-term debt	\$	5,668	\$	5,672	\$	5,665	\$	5,672

Retirement of Senior Notes

On August 1, 2023, Devon repaid the \$242 million of 8.25% senior notes at maturity.

Credit Lines

In 2023, Devon amended and restated its 2018 Senior Credit Facility to provide for a new \$3.0 billion revolving 2023 Senior Credit Facility. In the first quarter of 2024, Devon exercised its option to extend the 2023 Senior Credit Facility maturity date from March 24, 2028 to March 24, 2029. Devon has the option to extend the March 24, 2029 maturity date by two additional one-year periods subject to lender consent. As of **March 31, 2024** **June 30, 2024**, Devon had no outstanding borrowings under the 2023 Senior Credit Facility and had issued \$3 million in outstanding letters of credit under this facility. The 2023 Senior Credit Facility contains only one material financial covenant. This covenant requires Devon's ratio of total funded debt to total capitalization, as defined in the credit agreement, to be no greater than 65%. Under the terms of the credit agreement, total capitalization is adjusted to add back non-cash financial write-downs such as impairments. As of March 31, 2024, Devon was in compliance with this covenant with a debt-to-capitalization ratio of **21.5%**.

Net Financing Costs

The following schedule includes the components of net financing costs.

	Three Months Ended March 31,	
	2024	2023
Interest based on debt outstanding	\$ 87	\$ 93
Interest income	(13)	(17)
Other	2	(4)
Total net financing costs	\$ 76	\$ 72

17

[Table of Contents](#)

DEVON ENERGY CORPORATION AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued) (Unaudited)

write-downs such as impairments. As of June 30, 2024, Devon was in compliance with this covenant with a debt-to-capitalization ratio of 21.2%.

Net Financing Costs

The following schedule includes the components of net financing costs.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Interest based on debt outstanding	\$ 88	\$ 96	\$ 175	\$ 189
Interest income	(14)	(15)	(27)	(32)
Other	2	(3)	4	(7)
Total net financing costs	\$ 76	\$ 78	\$ 152	\$ 150

12. Leases

The following table presents Devon's right-of-use assets and lease liabilities as of **March 31, 2024** **June 30, 2024** and December 31, 2023.

	March 31, 2024			December 31, 2023			June 30, 2024			December 31, 2023		
	Finance	Operating	Total	Finance	Operating	Total	Finance	Operating	Total	Finance	Operating	Total
Right-of-use assets	\$ 244	\$ 32	\$ 276	\$ 246	\$ 21	\$ 267	\$ 241	\$ 56	\$ 297	\$ 246	\$ 21	\$ 267

Lease liabilities:														
Current lease liabilities ⁽¹⁾	\$ 22	\$ 16	\$ 38	\$ 21	\$ 12	\$ 33	\$ 21	\$ 26	\$ 47	\$ 21	\$ 12	\$ 33		
Long-term lease liabilities	285	16	301	286	9	295	285	30	315	286	9	295		
Total lease liabilities ⁽²⁾	<u>\$ 307</u>	<u>\$ 32</u>	<u>\$ 339</u>	<u>\$ 307</u>	<u>\$ 21</u>	<u>\$ 328</u>	<u>\$ 306</u>	<u>\$ 56</u>	<u>\$ 362</u>	<u>\$ 307</u>	<u>\$ 21</u>	<u>\$ 328</u>		

- (1) Current lease liabilities are included in other current liabilities on the consolidated balance sheets.
- (2) Devon has entered into certain leases of equipment related to the exploration, development and production of oil and gas that had terms not yet commenced as of **March 31, 2024** **June 30, 2024** and are therefore excluded from the amounts shown above.

Devon's operating lease right-of-use assets relate to real estate, drilling rigs and other equipment related to the exploration, development and production of oil and gas.

Devon's financing lease right-of-use assets relate to real estate.

13. Asset Retirement Obligations

The following table presents the changes in Devon's asset retirement obligations.

	Three Months Ended March 31,		Six Months Ended June 30,	
	2024	2023	2024	2023
Asset retirement obligations as of beginning of period	\$ 665	\$ 529	\$ 665	\$ 529
Liabilities incurred	8	6	15	14
Liabilities settled and divested	(8)	(6)	(16)	(18)
Revision of estimated obligation	35	27	35	27
Accretion expense on discounted obligation	9	7	18	14
Asset retirement obligations as of end of period	<u>709</u>	<u>563</u>	<u>717</u>	<u>566</u>
Less current portion	<u>26</u>	<u>17</u>	<u>26</u>	<u>18</u>
Asset retirement obligations, long-term	<u>\$ 683</u>	<u>\$ 546</u>	<u>\$ 691</u>	<u>\$ 548</u>

During the first **quarter** **six months** of 2024, Devon increased its asset retirement obligations by approximately \$35 million primarily due to changes in current cost estimates and future retirement dates for its oil and gas assets. During the first **quarter** **six months** of 2023, Devon increased its asset retirement obligations by approximately \$27 million primarily due to inflation-driven increases in **current** cost estimates.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

14. Stockholders' Equity

Share Repurchases

In July 2024, Devon's Board of Directors has authorized a an expansion to the company's share repurchase program from \$3.0 billion share repurchase program with a to \$5.0 billion and extended the expiration date from December 31, 2024 **expiration date**, to June 30, 2026. The table below provides information regarding purchases of Devon's common stock under the **\$3.0** **5.0** billion share repurchase program (shares in thousands).

	Total Number of Shares Purchased	Dollar Value of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased	Dollar Value of Shares Purchased	Average Price Paid per Share
\$3.0 Billion Plan						
\$5.0 Billion Plan						
2021	13,983	\$ 589	\$ 42.15	13,983	\$ 589	\$ 42.15

2022	11,708	718	61.36	11,708	718	\$	61.36
2023:							
First quarter	10,090	545	53.96	10,090	545	\$	53.96
Second quarter	3,795	200	52.70	3,795	200	\$	52.70
Fourth quarter	5,465	247	45.17	5,465	247	\$	45.17
2023 Total	19,350	992	51.23	19,350	992	\$	51.23
2024:							
First quarter	4,428	193	43.47	4,428	193	\$	43.47
Second quarter	5,188	256	\$ 49.40				
2024 Total	9,616	449	\$ 46.67				
Total plan	49,469	\$ 2,492	\$ 50.37	54,657	\$ 2,748	\$	50.28

Dividends

Devon pays a quarterly dividend which is comprised of a fixed dividend and a variable dividend. The variable dividend is dependent on quarterly cash flows, among other factors. Devon has raised its fixed dividend multiple times over the past two calendar years and most recently raised it by 10% from \$0.20 to \$0.22 per share in the first quarter of 2024. The following table summarizes Devon's fixed and variable dividends for the first quarter six months of 2024 and 2023, respectively.

	Fixed	Variable	Total	Rate Per Share	Fixed	Variable	Total	Rate Per Share
2024:								
First quarter	\$ 143	\$ 156	\$ 299	\$ 0.44	\$ 143	\$ 156	\$ 299	\$ 0.44
Second quarter	138	85	223	\$ 0.35				
Total year-to-date	\$ 281	\$ 241	\$ 522					
2023:								
First quarter	\$ 133	\$ 463	\$ 596	\$ 0.89	\$ 133	\$ 463	\$ 596	\$ 0.89
Second quarter	128	334	462	\$ 0.72				
Total year-to-date	\$ 261	\$ 797	\$ 1,058					

In May August 2024, Devon announced a cash dividend in the amount of \$0.35 0.44 per share payable in the second third quarter of 2024. The dividend consists of a \$0.22 per share fixed quarterly dividend and a \$0.13 0.22 per share variable quarterly dividend and will total approximately \$221 276 million.

Noncontrolling Interests

The noncontrolling interests' share of CDM's net earnings and the contributions from and distributions to the noncontrolling interests are presented as components of equity.

15. Commitments and Contingencies

Devon is party to various legal actions arising in connection with its business. Matters that are probable of unfavorable outcome to Devon and which can be reasonably estimated are accrued. Such accruals are based on information known about the matters, Devon's estimates of the outcomes of such matters and its experience in contesting, litigating and settling similar matters. None of the actions are believed by management to likely involve future amounts that would be material to Devon's financial position or results of operations after consideration of recorded accruals. Actual amounts could differ materially from management's estimates.

Royalty Matters

Numerous oil and natural gas producers and related parties, including Devon, have been named in various lawsuits alleging royalty underpayments. Devon is currently named as a defendant in a number of such lawsuits, including some lawsuits in which the plaintiffs seek to certify classes of similarly situated plaintiffs. Among the allegations

typically asserted in these suits are claims that Devon used below-market prices, made improper deductions, paid royalty proceeds in an untimely manner without including required

[Table of Contents](#)

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

interest, used improper measurement techniques and entered into gas purchase and processing arrangements with affiliates that resulted in underpayment of royalties in connection with oil, natural gas and NGLs produced and sold. Devon is also involved in governmental agency proceedings and royalty audits and is subject to related contracts and regulatory controls in the ordinary course of business, some that may lead to additional royalty claims. As of **March 31, 2024** **June 30, 2024**, Devon has accrued approximately **\$50.35** million in other current liabilities pertaining to such royalty matters.

Environmental and Climate Change Matters

Devon's business is subject to numerous federal, state, tribal and local laws and regulations governing the discharge of materials into the environment or otherwise relating to environmental protection. Failure to comply with these laws and regulations may result in the assessment of administrative, civil and criminal fines and penalties, as well as remediation costs. Although Devon believes that it is in substantial compliance with applicable environmental laws and regulations and that continued compliance with existing requirements will not have a material adverse impact on its business, there can be no assurance that this will continue in the future.

Beginning in 2013, various parishes in Louisiana filed suit against numerous oil and gas companies, including Devon, alleging that the companies' operations and activities in certain fields violated the State and Local Coastal Resource Management Act of 1978, as amended, and caused substantial environmental contamination, subsidence and other environmental damages to land and water bodies located in the coastal zone of Louisiana. The plaintiffs' claims against Devon relate primarily to the operations of several of Devon's corporate predecessors. The plaintiffs seek, among other things, payment of the costs necessary to clear, re-vegetate and otherwise restore the allegedly impacted areas. Although Devon cannot predict the ultimate outcome of these matters, Devon denies the allegations in these lawsuits and intends to vigorously defend against these claims.

The State of Delaware and various municipalities and other governmental and private parties in California have filed legal proceedings against numerous oil and gas companies, including Devon, seeking relief to abate alleged impacts of climate change. These proceedings include far-reaching claims for monetary damages and injunctive relief. Although Devon cannot predict the ultimate outcome of these matters, Devon denies the allegations asserted in these lawsuits and intends to vigorously defend against these claims.

Other Indemnifications and Legacy Matters

Pursuant to various sale agreements relating to divested businesses and assets, Devon has indemnified various purchasers against liabilities that they may incur with respect to the businesses and assets acquired from Devon. Additionally, federal, state and other laws in areas of former operations may require previous operators (including corporate successors of previous operators) to perform or make payments in certain circumstances where the current operator may no longer be able to satisfy the applicable obligation. Such obligations may include plugging and abandoning wells, removing production facilities, undertaking other restorative actions or performing requirements under surface agreements in existence at the time of disposition. For example, a predecessor entity of a Devon subsidiary previously sold certain private, state and federal oil and gas leases covering properties in shallow waters off the coast of Louisiana in the Gulf of Mexico. These assets are generally referred to as the East Bay Field. The current operator of the East Bay Field has filed for protection under Chapter 11 of the U.S. Bankruptcy Code and may be unable to satisfy the eventual decommissioning obligations associated with the East Bay Field. Other companies in the chain of title of the East Bay Field have also sought bankruptcy protection and may be similarly unable to satisfy the eventual decommissioning obligations associated with the East Bay Field. Depending upon the outcome of these bankruptcy proceedings, amounts available under decommissioning bonds and a cash security account and other factors, Devon may be required to perform or fund certain decommissioning obligations associated with the East Bay Field under state and federal regulations applicable to predecessor operators. As a result of these factors and uncertainties, we are currently unable to provide an estimate of potential loss.

[Table of Contents](#)

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

16. Fair Value Measurements

The following table provides carrying value and fair value measurement information for certain of Devon's financial assets and liabilities. The carrying values of cash, accounts receivable, other current receivables, accounts payable, other current payables, accrued expenses and lease liabilities included in the accompanying consolidated balance sheets approximated fair value at **March 31, 2024** **June 30, 2024** and December 31, 2023, as applicable. Therefore, such financial assets and liabilities are not presented in the following table.

	Fair Value Measurements Using:					Fair Value Measurements Using:				
	Carrying Amount	Total Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Carrying Amount	Total Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
March 31, 2024 assets (liabilities):										
June 30, 2024 assets (liabilities):										
Cash equivalents	\$ 406	\$ 406	\$ 406	\$ —	\$ —	\$ 487	\$ 487	\$ 487	\$ —	\$ —
Commodity derivatives	\$ 74	\$ 74	\$ —	\$ 74	\$ —	\$ 31	\$ 31	\$ —	\$ 31	\$ —
Commodity derivatives	\$ (44)	\$ (44)	\$ —	\$ (44)	\$ —	\$ (31)	\$ (31)	\$ —	\$ (31)	\$ —
Debt	\$ (6,147)	\$ (6,047)	\$ —	\$ (6,047)	\$ —	\$ (6,140)	\$ (5,932)	\$ —	\$ (5,932)	\$ —
Contingent earnout payments	\$ 35	\$ 35	\$ —	\$ —	\$ 35	\$ 20	\$ 20	\$ —	\$ —	\$ 20
December 31, 2023 assets (liabilities):										
Cash equivalents	\$ 306	\$ 306	\$ 306	\$ —	\$ —	\$ 306	\$ 306	\$ 306	\$ —	\$ —
Commodity derivatives	\$ 208	\$ 208	\$ —	\$ 208	\$ —	\$ 208	\$ 208	\$ —	\$ 208	\$ —
Commodity derivatives	\$ (9)	\$ (9)	\$ —	\$ (9)	\$ —	\$ (9)	\$ (9)	\$ —	\$ (9)	\$ —
Debt	\$ (6,155)	\$ (6,090)	\$ —	\$ (6,090)	\$ —	\$ (6,155)	\$ (6,090)	\$ —	\$ (6,090)	\$ —
Contingent earnout payments	\$ 55	\$ 55	\$ —	\$ —	\$ 55	\$ 55	\$ 55	\$ —	\$ —	\$ 55

The following methods and assumptions were used to estimate the fair values in the table above.

Level 1 Fair Value Measurements

Cash equivalents – Amounts consist primarily of money market investments and the fair value approximates the carrying value.

Level 2 Fair Value Measurements

Commodity derivatives – The fair value of commodity derivatives is estimated using internal discounted cash flow calculations based upon forward curves and data obtained from independent third parties for contracts with similar terms or data obtained from counterparties to the agreements.

Debt – Devon's debt instruments do not consistently trade actively in an established market. The fair values of its debt are estimated based on rates available for debt with similar terms and maturity when active trading is not available.

Level 3 Fair Value Measurements

Contingent Earnout Payments – Devon has the right to receive contingent consideration related to the Barnett asset divestiture based on future oil and gas prices. These values were derived using a Monte Carlo valuation model and qualify as a level 3 fair value measurement. For additional information, see [Note 2](#).

[Table of Contents](#)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis addresses material changes in our results of operations for the three-month **period and six-month periods** ended **March 31, 2024** **June 30, 2024** compared to previous periods, and in our financial condition and liquidity since December 31, 2023. For information regarding our critical accounting policies and estimates, see our [2023 Annual Report on Form 10-K](#) under "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations."

Executive Overview

We are a leading independent oil and natural gas exploration and production company whose operations are focused onshore in the United States. Our operations are currently focused in five core areas: the Delaware Basin, Eagle Ford, Anadarko Basin, Williston Basin and Powder River Basin. Our asset base is underpinned by premium acreage in the economic core of the Delaware Basin and our diverse, top-tier resource plays, provide providing a deep inventory of opportunities for years to come.

We In July 2024, Devon announced it had entered into an agreement to acquire the Williston Basin business of Grayson Mill Energy. The purchase price for the transaction consists of \$3.25 billion of cash and approximately 37 million shares of Devon common stock, in each case subject to various purchase price adjustments. The transaction is expected to close by the end of the third quarter of 2024 and increase our volumes in 2025 by approximately 100 MBoe/d, with approximately 55% being oil. The acquisition will allow us to efficiently expand our oil production and operating scale, creating immediate and long-term, sustainable value to shareholders over time. As evidenced by this recent acquisition, we remain focused on building economic value by executing on our strategic priorities of moderating production growth, emphasizing capital and operational efficiencies, optimizing reinvestment rates to maximize free cash flow, maintaining low leverage, delivering cash returns to our shareholders and pursuing ESG excellence. Our recent performance highlights for these priorities include the following items for the first second quarter of 2024:

- Oil production totaled 319 335 MBbls/d, exceeding our plan by 4% 3%.
- As of March 31, 2024, completed approximately 83% of our authorized \$3.0 billion Expanded share repurchase program with to \$5.0 billion and have repurchased approximately 49.5 million 54.7 million of our common shares repurchased for approximately \$2.5 billion \$2.7 billion, or \$50.37 \$50.28 per share since inception of the plan.
- Exited with \$4.1 billion \$4.2 billion of liquidity, including \$1.1 billion \$1.2 billion of cash.
- Generated \$1.7 billion \$1.5 billion of operating cash flow and \$6.6 billion \$6.7 billion for the past twelve trailing months.
- Increased our fixed dividend 10% to \$0.22 per share.
- Including variable dividends, paid dividends of \$299 million \$223 million and have declared approximately \$221 million \$276 million of dividends to be paid in the second quarter of 2024.
- Earnings attributable to Devon were \$596 million \$844 million, or \$0.94 \$1.34 per diluted share.
- Core earnings (Non-GAAP) were \$730 million \$885 million, or \$1.16 \$1.41 per diluted share.

We remain committed to capital discipline and delivering the objectives that underpin our current plan. Those objectives prioritize value creation through moderated capital investment and production growth, particularly with a view of the volatility in commodity prices, supply chain constraints and the economic uncertainty arising from inflation and geopolitical events. Our cash-return objectives remain focused on opportunistic share repurchases, funding our fixed and variable dividends, repaying debt at upcoming maturities and building cash balances.

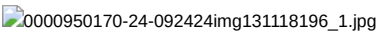
[Table of Contents](#)

Results of Operations

The following graphs, discussion and analysis are intended to provide an understanding of our results of operations and current financial condition. To facilitate the review, these numbers are being presented before consideration of noncontrolling interests.

Q1 Q2 2024 vs. Q4 2023 Q1 2024

Our second quarter 2024 and first quarter 2024 and fourth quarter 2023 net earnings were \$0.6 billion \$855 million and \$1.2 billion \$609 million, respectively. The graph below shows the change in net earnings from the fourth first quarter of 2023 2024 to the first second quarter of 2024. The material changes are further discussed by category on the following pages.



Production Volumes

	Q1 2024	% of Total	Q4 2023	Change	Q2 2024	% of Total	Q1 2024	Change
Oil (MBbls/d)								
Delaware Basin	208	65 %	208	0 %	221	66 %	208	6 %
Eagle Ford	43	14 %	43	0 %	46	14 %	43	8 %
Anadarko Basin	11	3 %	13	-14 %	14	4 %	11	27 %
Williston Basin	40	13 %	36	12 %	37	11 %	40	-6 %
Powder River Basin	13	4 %	13	-2 %	13	4 %	13	-1 %
Other	4	1 %	4	-1 %	4	1 %	4	-3 %

Total	319	100 %	317	1 %	335	100 %	319	5 %
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	Q1 2024	% of Total	Q4 2023	Change	Q2 2024	% of Total	Q1 2024	Change
Gas (MMcf/d)								
Delaware Basin	695	64 %	673	3 %	712	63 %	695	2 %
Eagle Ford	79	7 %	81	-2 %	92	8 %	79	16 %
Anadarko Basin	223	21 %	225	-1 %	244	21 %	223	9 %
Williston Basin	63	6 %	61	2 %	71	6 %	63	13 %
Powder River Basin	18	2 %	20	-9 %	18	2 %	18	0 %
Other	1	0 %	1	-6 %	—	0 %	1	N/M
Total	1,079	100 %	1,061	2 %	1,137	100 %	1,079	5 %

	Q1 2024	% of Total	Q4 2023	Change	Q2 2024	% of Total	Q1 2024	Change
NGLs (MBbls/d)								
Delaware Basin	113	68 %	112	1 %	121	66 %	113	7 %
Eagle Ford	14	9 %	15	-10 %	17	10 %	14	26 %
Anadarko Basin	26	16 %	29	-10 %	30	16 %	26	15 %
Williston Basin	10	6 %	10	5 %	12	7 %	10	19 %
Powder River Basin	2	1 %	3	-19 %	2	1 %	2	3 %
Other	—	0 %	—	N/M	—	0 %	—	N/M
Total	165	100 %	169	-2 %	182	100 %	165	11 %

23

[Table of Contents](#)

	Q1 2024	% of Total	Q4 2023	Change	Q2 2024	% of Total	Q1 2024	Change
Combined (MBoe/d)								
Delaware Basin	437	66 %	433	1 %	461	65 %	437	5 %
Eagle Ford	70	10 %	72	-3 %	79	11 %	70	13 %
Anadarko Basin	74	11 %	79	-6 %	84	12 %	74	14 %
Williston Basin	61	9 %	55	9 %	61	9 %	61	1 %
Powder River Basin	18	3 %	19	-6 %	18	2 %	18	0 %
Other	4	1 %	4	-2 %	4	1 %	4	0 %
Total	664	100 %	662	0 %	707	100 %	664	7 %

From the **fourth first** quarter of **2023 2024** to the **first second** quarter of 2024, the change in volumes contributed to **an \$18 million decrease a \$151 million increase** in earnings. **Volumes per day increased slightly** **The increase in volumes was** primarily due to new well activity in the Delaware Basin, **Anadarko Basin** and **Williston Basin** which was **partially offset** by natural well declines in the Anadarko Basin. However, overall volumes declined slightly due to one less day in the first quarter of 2024 compared to the fourth quarter of 2023.

Eagle Ford.

Realized Prices

	Q1 2024	Realization	Q4 2023	Change	Q2 2024	Realization	Q1 2024	Change
Oil (per Bbl)								
WTI index	\$ 77.01		\$ 78.48	-2 %	\$ 80.62		\$ 77.01	5 %

Realized price, unhedged	\$ 75.40	98%	\$ 77.32	-2%	\$ 79.10	98%	\$ 75.40	5%
Cash settlements	\$ (0.25)		\$ (0.34)		\$ (0.15)		\$ (0.25)	
Realized price, with hedges	\$ 75.15	98%	\$ 76.98	-2%	\$ 78.95	98%	\$ 75.15	5%

	Q1 2024	Realization	Q4 2023	Change	Q2 2024	Realization	Q1 2024	Change
Gas (per Mcf)								
Henry Hub index	\$ 2.25		\$ 2.88	-22%	\$ 1.89		\$ 2.25	-16%
Realized price, unhedged	\$ 1.30	58%	\$ 1.83	-29%	\$ 0.55	29%	\$ 1.30	-58%
Cash settlements	\$ 0.32		\$ 0.19		\$ 0.55		\$ 0.32	
Realized price, with hedges	\$ 1.62	72%	\$ 2.02	-20%	\$ 1.10	58%	\$ 1.62	-32%

	Q1 2024	Realization	Q4 2023	Change	Q2 2024	Realization	Q1 2024	Change
NGLs (per Bbl)								
WTI index	\$ 77.01		\$ 78.48	-2%	\$ 80.62		\$ 77.01	5%
Realized price, unhedged	\$ 20.81	27%	\$ 19.67	6%	\$ 19.60	24%	\$ 20.81	-6%
Cash settlements	\$ (0.08)		\$ —		\$ 0.11		\$ (0.08)	
Realized price, with hedges	\$ 20.73	27%	\$ 19.67	5%	\$ 19.71	24%	\$ 20.73	-5%

	Q1 2024	Q4 2023	Change	Q2 2024	Q1 2024	Change
Combined (per Boe)						
Realized price, unhedged	\$ 43.52	\$ 44.93	-3%	\$ 43.44	\$ 43.52	0%
Cash settlements	\$ 0.39	\$ 0.14		\$ 0.85	\$ 0.39	
Realized price, with hedges	\$ 43.91	\$ 45.07	-3%	\$ 44.29	\$ 43.91	1%

From the fourth first quarter of 2023 2024 to the first second quarter of 2024, realized prices contributed to a \$90 million decrease \$16 million increase in earnings. Unhedged realized oil prices increased primarily due to higher WTI index prices, while unhedged gas and gas NGL prices decreased primarily due to lower WTI Henry Hub and Mont Belvieu index prices. The decrease in the Henry Hub index prices. These were price was partially offset by hedge cash settlements primarily related to gas commodities.

We currently have approximately 30% and 25% of our remaining anticipated 2024 oil and gas production hedged, respectively.

24

Table of Contents

Hedge Settlements

	Q1 2024	Q4 2023	Change	Q2 2024	Q1 2024	Change
Oil	\$ (7)	\$ (10)	30%	\$ (5)	\$ (7)	29%
Natural gas	32	18	78%	57	32	78%
NGL	(1)	—	N/M	2	(1)	N/M
Total cash settlements ⁽¹⁾	\$ 24	\$ 8	200%	\$ 54	\$ 24	125%

(1) Included as a component of oil, gas and NGL derivatives on the consolidated statements of comprehensive earnings.

24

[Table of Contents](#)

Cash settlements as presented in the tables above represent realized gains or losses related to the instruments described in [Note 3](#) in "Part I. Financial Information – Item 1. Financial Statements" in this report.

Production Expenses

	Q1 2024	Q4 2023	Change	Q2 2024	Q1 2024	Change
LOE	\$ 380	\$ 381	0%	\$ 383	\$ 380	1%
Gathering, processing & transportation	180	181	-1%	197	180	9%
Production taxes	175	182	-4%	188	175	7%
Property taxes	16	15	7%	20	16	25%
Total	<u>\$ 751</u>	<u>\$ 759</u>	-1%	<u>\$ 788</u>	<u>\$ 751</u>	5%
Per Boe:						
LOE	\$ 6.29	\$ 6.25	1%	\$ 5.95	\$ 6.29	-5%
Gathering, processing & transportation	\$ 2.98	\$ 2.97	0%	\$ 3.07	\$ 2.98	3%
Percent of oil, gas and NGL sales:						
Production taxes	6.7%	6.6%	0%	6.7%	6.7%	1%

Production expenses increased during the second quarter of 2024 primarily due to increased activity as well as higher production taxes resulting from an increase in oil prices.

Field-Level Cash Margin

The table below presents the field-level cash margin for each of our operating areas. Field-level cash margin is computed as oil, gas and NGL sales less production expenses and is not a measure defined by GAAP. A reconciliation to the comparable GAAP measures is found in "Non-GAAP Measures" in this Item 2. The changes in production volumes, realized prices and production expenses, shown above, had the following impact on our field-level cash margins by asset.

	Q1 2024	\$ per BOE	Q4 2023	\$ per BOE	Q2 2024	\$ per BOE	Q1 2024	\$ per BOE
Field-level cash margin (Non-GAAP)								
Delaware Basin	\$ 1,275	\$ 32.06	\$ 1,350	\$ 33.93	\$ 1,346	\$ 32.12	\$ 1,275	\$ 32.06
Eagle Ford	266	\$ 41.82	285	\$ 43.02	303	\$ 42.15	266	\$ 41.82
Anadarko Basin	98	\$ 14.64	118	\$ 16.32	119	\$ 15.48	98	\$ 14.64
Williston Basin	164	\$ 29.74	141	\$ 27.58	160	\$ 28.62	164	\$ 29.74
Powder River Basin	60	\$ 36.00	70	\$ 39.42	65	\$ 39.44	60	\$ 36.00
Other	15	N/M	14	N/M	15	N/M	15	N/M
Total	<u>\$ 1,878</u>	<u>\$ 31.09</u>	<u>\$ 1,978</u>	<u>\$ 32.47</u>	<u>\$ 2,008</u>	<u>\$ 31.19</u>	<u>\$ 1,878</u>	<u>\$ 31.09</u>

DD&A

	Q1 2024	Q4 2023	Change	Q2 2024	Q1 2024	Change
Oil and gas per Boe	\$ 11.57	\$ 10.31	12%	\$ 11.56	\$ 11.57	0%
Oil and gas	\$ 699	\$ 628	11%	\$ 744	\$ 699	6%
Other property and equipment	23	22	3%	24	23	2%
Total	<u>\$ 722</u>	<u>\$ 650</u>	11%	<u>\$ 768</u>	<u>\$ 722</u>	6%

DD&A increased \$72 million primarily due to a 12% increase in the oil and gas DD&A rate. The largest contributor to the higher rate was our 2023 drilling and development activity.

G&A

	Q1 2024	Q4 2023	Change
G&A per Boe	\$ 1.89	\$ 1.83	3%

Labor and benefits	\$	63	\$	53	19 %
Non-labor		51		58	-12 %
Total	\$	114	\$	111	3 %

G&A increased marginally in the first second quarter of 2024 primarily due to higher labor and benefit costs which was partially offset by lower non-labor costs volumes.

25

[Table of Contents](#)

G&A

	Q2 2024	Q1 2024	Change
G&A per Boe	\$ 1.77	\$ 1.89	-7 %
Labor and benefits	\$ 62	\$ 63	-2 %
Non-labor	52	51	2 %
Total	\$ 114	\$ 114	0 %

Other Items

	Q1 2024	Q4 2023	Change in earnings	Q2 2024	Q1 2024	Change in earnings
Commodity hedge valuation changes ⁽¹⁾	\$ (169)	\$ 316	\$ (485)	\$ (31)	\$ (169)	\$ 138
Marketing and midstream operations	(21)	(9)	(12)	(10)	(21)	11
Exploration expenses	9	4	(5)	3	9	6
Asset dispositions	1	11	10	15	1	(14)
Net financing costs	76	77	1	76	76	—
Other, net	22	10	(12)	5	22	17
			\$ (503)			\$ 158

(1) Included as a component of oil, gas and NGL derivatives on the consolidated statements of comprehensive earnings.

We recognize fair value changes on our oil, gas and NGL derivative instruments in each reporting period. The changes in fair value resulted from new positions and settlements that occurred during each period, as well as the relationship between contract prices and the associated forward curves. For additional information, see [Note 3](#) in "Part I. Financial Information – Item 1. Financial Statements" in this report.

Income Taxes

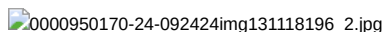
	Q1 2024	Q4 2023	Q2 2024	Q1 2024
Current expense	\$ 119	\$ 105	\$ 146	\$ 119
Deferred expense	40	164	39	40
Total expense	\$ 159	\$ 269	\$ 185	\$ 159
Current tax rate	16 %	7 %	14 %	16 %
Deferred tax rate	5 %	12 %	4 %	5 %
Effective income tax rate	21 %	19 %	18 %	21 %

For discussion on income taxes, see [Note 5](#) in "Part I. Financial Information – Item 1. Financial Statements" in this report.

Q1 June 30, 2024 YTD vs. Q1 2023 June 30, 2023 YTD

Our first quarter 2024 and first quarter 2023 six months ended June 30, 2024 net earnings were \$0.6 billion and \$1.0 billion \$1.5 billion, respectively, compared to net earnings of \$1.7 billion for the first six months ended June 30, 2023. The graph below shows the change in net earnings from the first quarter of 2023 six months ended June 30,

2023 to the first quarter of 2024, six months ended June 30, 2024. The material changes are further discussed by category on the following pages.



[Table of Contents](#)

Production Volumes

Six Months Ended June 30,								
	Q1 2024	% of Total	Q1 2023	Change	2024	% of Total	2023	Change
Oil (MBbls/d)								
Delaware Basin	208	65 %	211	-1 %	215	66 %	210	2 %
Eagle Ford	43	14 %	40	7 %	45	13 %	43	5 %
Anadarko Basin	11	3 %	15	-29 %	12	4 %	15	-19 %
Williston Basin	40	13 %	36	12 %	39	12 %	36	8 %
Powder River Basin	13	4 %	14	-7 %	13	4 %	14	-7 %
Other	4	1 %	4	-5 %	3	1 %	4	N/M
Total	319	100 %	320	0 %	327	100 %	322	2 %

Six Months Ended June 30,								
	Q1 2024	% of Total	Q1 2023	Change	2024	% of Total	2023	Change
Gas (MMcf/d)								
Delaware Basin	695	64 %	640	9 %	703	63 %	638	10 %
Eagle Ford	79	7 %	82	-3 %	86	8 %	84	2 %
Anadarko Basin	223	21 %	237	-6 %	233	21 %	245	-5 %
Williston Basin	63	6 %	54	16 %	67	6 %	57	18 %
Powder River Basin	18	2 %	16	13 %	18	2 %	17	6 %
Other	1	0 %	1	-24 %	1	0 %	1	N/M
Total	1,079	100 %	1,030	5 %	1,108	100 %	1,042	6 %

Six Months Ended June 30,								
	Q1 2024	% of Total	Q1 2023	Change	2024	% of Total	2023	Change
NGLs (MBbls/d)								
Delaware Basin	113	68 %	97	16 %	117	67 %	101	15 %
Eagle Ford	14	9 %	15	-6 %	16	9 %	15	4 %
Anadarko Basin	26	16 %	26	-1 %	28	16 %	29	-3 %
Williston Basin	10	6 %	8	22 %	11	7 %	9	26 %
Powder River Basin	2	1 %	2	1 %	2	1 %	2	1 %
Other	—	0 %	1	N/M	—	0 %	—	N/M
Total	165	100 %	149	11 %	174	100 %	156	11 %

Six Months Ended June 30,								
	Q1 2024	% of Total	Q1 2023	Change	2024	% of Total	2023	Change
Combined (MBoe/d)								
Delaware Basin	437	66 %	415	5 %	449	65 %	418	7 %
Eagle Ford	70	10 %	68	2 %	75	10 %	71	4 %
Anadarko Basin	74	11 %	81	-9 %	79	12 %	85	-7 %

Williston Basin	61	9%	53	14%	61	9%	54	12%
Powder River Basin	18	3%	19	-4%	18	3%	19	-4%
Other	4	1%	5	-9%	4	1%	5	-8%
Total	664	100%	641	4%	686	100%	652	5%

From the first quarter 2023 six months ended June 30, 2023 to the first quarter of 2024, six months ended June 30, 2024, the change in volumes contributed to a \$67 million \$190 million increase in earnings. Volumes increased primarily due to new well activity in the Delaware Basin, and Williston Basin and Eagle Ford, which was partially offset by natural well declines in the Anadarko Basin.

Realized Prices

			Q1 2024	Realization	Q1 2023		Change	
Oil (per Bbl)								
WTI index			\$ 77.01		\$ 76.17			1 %
Realized price, unhedged			\$ 75.40	98%	\$ 74.32			1 %
Cash settlements			\$ (0.25)		\$ (0.10)			
Realized price, with hedges			\$ 75.15	98%	\$ 74.22			1 %
	Q1 2024	Realization	Q1 2023	Change	Six Months Ended June 30,			
Gas (per Mcf)								
Henry Hub index	\$ 2.25		\$ 3.44	-35 %				
	2024	Realization	2023	Change				
Oil (per Bbl)								
WTI index	\$ 78.82		\$ 74.96	5 %				
Realized price, unhedged	\$ 1.30	58%	\$ 2.29	-43 %	\$ 77.30	98%	\$ 73.02	6 %
Cash settlements	\$ 0.32		\$ 0.18		\$ (0.20)		\$ (0.06)	
Realized price, with hedges	\$ 1.62	72%	\$ 2.47	-34 %	\$ 77.10	98%	\$ 72.96	6 %

27

[Table of Contents](#)

	Q1 2024	Realization	Q1 2023	Change	Six Months Ended June 30,			
NGLs (per Bbl)								
WTI index	\$ 77.01		\$ 76.17	1 %				
	2024	Realization	2023	Change				
Gas (per Mcf)								
Henry Hub index	\$ 2.07		\$ 2.77	-25 %				
Realized price, unhedged	\$ 20.81	27%	\$ 24.12	-14 %	\$ 0.92	44%	\$ 1.77	-48 %
Cash settlements	\$ (0.08)		\$ —		\$ 0.44		\$ 0.29	
Realized price, with hedges	\$ 20.73	27%	\$ 24.12	-14 %	\$ 1.36	66%	\$ 2.06	-34 %
	Q1 2024	Q1 2023	Change	Six Months Ended June 30,				
Combined (per Boe)								
	2024	Realization	2023	Change				
NGLs (per Bbl)								
WTI index	\$ 78.82		\$ 74.96	5 %				
Realized price, unhedged	\$ 43.52	\$ 46.44	-6 %	\$ 20.17	26%	\$ 20.79	-3 %	

Cash settlements	\$ 0.39	\$ 0.22		\$ 0.02	\$ —
Realized price, with hedges	\$ 43.91	\$ 46.66	-6 %	\$ 20.19	\$ 20.79
				26%	-3 %
Six Months Ended June 30,					
	2024	2023	Change		
Combined (per Boe)					
Realized price, unhedged	\$ 43.48	\$ 43.86	-1 %		
Cash settlements	\$ 0.62	\$ 0.42			
Realized price, with hedges	\$ 44.10	\$ 44.28	0 %		

From the first quarter of 2023 six months ended June 30, 2023 to the first quarter of 2024, six months ended June 30, 2024, realized prices contributed to a \$117 million decrease \$63 million increase in earnings. This decrease increase was due to lower higher unhedged realized gas and NGL oil prices which decreased increased primarily due to lower Henry Hub and Mont Belvieu higher WTI index prices. This decrease increase was partially offset by a slight increase decrease in unhedged realized oil gas prices which was primarily due to higher WTI lower Henry Hub index prices. Realized prices were strengthened by hedge cash settlements related primarily to gas commodities in the first quarter six months of 2024.

Hedge Settlements

Six Months Ended June 30,						
	Q1 2024	Q1 2023	Change	2024	2023	Change
Oil	\$ (7)	\$ (3)	-133 %	\$ (12)	\$ (3)	-300 %
Natural gas	32	16	100 %	89	53	68 %
NGL	(1)	—	N/M	1	—	N/M
Total cash settlements ⁽¹⁾	\$ 24	\$ 13	85 %	\$ 78	\$ 50	56 %

(1) Included as a component of oil, gas and NGL derivatives on the consolidated statements of comprehensive earnings.

Cash settlements as presented in the tables above represent realized gains or losses related to the instruments described in Note 3 in "Part I. Financial Information – Item 1. Financial Statements" in this report.

Table of Contents

Production Expenses

Six Months Ended June 30,						
	Q1 2024	Q1 2023	Change	2024	2023	Change
LOE	\$ 380	\$ 327	16 %	\$ 763	\$ 680	12 %
Gathering, processing & transportation	180	166	8 %	377	343	10 %
Production taxes	175	175	0 %	363	340	7 %
Property taxes	16	25	-36 %	36	49	-28 %
Total	\$ 751	\$ 693	8 %	\$ 1,539	\$ 1,412	9 %
Per Boe:						
LOE	\$ 6.29	\$ 5.67	11 %	\$ 6.12	\$ 5.77	6 %
Gathering, processing & transportation	\$ 2.98	\$ 2.88	4 %	\$ 3.02	\$ 2.91	4 %
Percent of oil, gas and NGL sales:						
Production taxes	6.7 %	6.5 %	2 %	6.7 %	6.6 %	2 %

LOE and gathering, processing and transportation expenses increased in for the first quarter six months of 2024 primarily due to increased activity.

Field-Level Cash Margin

The table below presents the field-level cash margin for each of our operating areas. Field-level cash margin is computed as oil, gas and NGL sales less production expenses and is not a measure defined by GAAP. A reconciliation to the comparable GAAP

28

Table of Contents

measures is found in "Non-GAAP Measures" in this Item 2. The changes in production volumes, realized prices and production expenses, shown above, had the following impact on our field-level cash margins by asset.

Six Months Ended June 30,									
	Q1 2024	\$ per BOE	Q1 2023	\$ per BOE	2024	\$ per BOE	2023	\$ per BOE	
Field-level cash margin (Non-GAAP)									
Delaware Basin	\$ 1,275	\$ 32.06	\$ 1,334	\$ 35.71	\$ 2,621	\$ 32.09	\$ 2,530	\$ 33.47	
Eagle Ford	266	\$ 41.82	257	\$ 41.75	570	\$ 41.99	520	\$ 40.24	
Anadarko Basin	98	\$ 14.64	154	\$ 21.09	217	\$ 15.09	265	\$ 17.22	
Williston Basin	164	\$ 29.74	156	\$ 32.65	323	\$ 29.18	284	\$ 29.00	
Powder River Basin	60	\$ 36.00	70	\$ 41.43	125	\$ 37.72	133	\$ 38.97	
Other	15	N/M	15	N/M	30	N/M	28	N/M	
Total	\$ 1,878	\$ 31.09	\$ 1,986	\$ 34.42	\$ 3,886	\$ 31.14	\$ 3,760	\$ 31.88	

DD&A

Six Months Ended June 30,						
	Q1 2024	Q1 2023	Change	2024	2023	Change
Oil and gas per Boe	\$ 11.57	\$ 10.25	13%	\$ 11.56	\$ 10.24	13%
Oil and gas	\$ 699	\$ 591	18%	\$ 1,443	\$ 1,207	20%
Other property and equipment	23	24	-5%	47	46	2%
Total	\$ 722	\$ 615	17%	\$ 1,490	\$ 1,253	19%

DD&A increased \$107 million in the first six months of 2024 primarily due to a 13% increase in the oil and gas DD&A rate. The largest contributor to the higher rate was our 2023 drilling and development activity. DD&A also increased in the first six months of 2024 due to higher volumes.

29

Table of Contents

G&A

Six Months Ended June 30,						
	Q1 2024	Q1 2023	Change	2024	2023	Change
G&A per Boe	\$ 1.89	\$ 1.85	2%	\$ 1.83	\$ 1.68	9%
Labor and benefits	\$ 63	\$ 56	13%	\$ 125	\$ 106	18%

Non-labor	51	50	2 %	103	92	12 %
Total	\$ 114	\$ 106	8 %	\$ 228	\$ 198	15 %

G&A increased in for the first quarter of six months ended 2024 due to higher labor and benefit non-labor costs.

Other Items

Six Months Ended June 30,						
	Q1 2024	Q1 2023	Change in earnings	2024	2023	Change in earnings
Commodity hedge valuation changes ⁽¹⁾	\$ (169)	\$ 51	\$ (220)	\$ (200)	\$ (62)	\$ (138)
Marketing and midstream operations	(21)	(25)	4	(31)	(39)	8
Exploration expenses	9	3	(6)	12	13	1
Asset dispositions	1	—	(1)	16	(41)	(57)
Net financing costs	76	72	(4)	152	150	(2)
Other, net	22	5	(17)	27	15	(12)
			\$ (244)			\$ (200)

(1) Included as a component of oil, gas and NGL derivatives on the consolidated statements of comprehensive earnings.

We recognize fair value changes on our oil, gas and NGL derivative instruments in each reporting period. The changes in fair value resulted from new positions and settlements that occurred during each period, as well as the relationship between contract prices and the associated forward curves. For additional information, see [Note 3](#) in "Part I. Financial Information – Item 1. Financial Statements" in this report.

29 In the second quarter of 2023, we recorded a \$64 million gain within asset dispositions related to the difference between the fair market value and book value of assets contributed to the Water JV. For additional information, see

[Table of Contents](#) [Note 1](#) in "Part I. Financial Information - Item 1. Financial Statements" in this report.

Income Taxes

Six Months Ended June 30,				
	Q1 2024	Q1 2023	2024	2023
Current expense	\$ 119	\$ 141	\$ 265	\$ 221
Deferred expense	40	80	79	199
Total expense	\$ 159	\$ 221	\$ 344	\$ 420
Current tax rate	16 %	12 %	15 %	11 %
Deferred tax rate	5 %	6 %	4 %	9 %
Effective income tax rate	21 %	18 %	19 %	20 %

For discussion on income taxes, see [Note 5](#) in "Part I. Financial Information – Item 1. Financial Statements" in this report.

[Table of Contents](#)

Capital Resources, Uses and Liquidity

Sources and Uses of Cash

The following table presents the major changes in cash and cash equivalents for the three and six months ended **March 31, 2024**, **June 30, 2024** and 2023.

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
Operating cash flow	\$ 1,738	\$ 1,677	\$ 1,535	\$ 1,405	\$ 3,273	\$ 3,082
Capital expenditures	(894)	(1,012)	(948)	(1,079)	(1,842)	(2,091)
Acquisitions of property and equipment	(82)	(18)	(90)	(31)		
Divestitures of property and equipment	17	21	1	1	18	22
Investment activity, net	(36)	(29)	10	(6)	(26)	(35)
Repurchases of common stock	(205)	(517)	(256)	(228)	(461)	(745)
Common stock dividends	(299)	(596)	(223)	(462)	(522)	(1,058)
Noncontrolling interest activity, net	5	(11)	(7)	(5)	(2)	(16)
Other	(52)	(100)	(10)	(7)	(54)	(94)
Net change in cash, cash equivalents and restricted cash	\$ 274	\$ (567)	\$ 20	\$ (399)	\$ 294	\$ (966)
Cash, cash equivalents and restricted cash at end of period	\$ 1,149	\$ 887	\$ 1,169	\$ 488	\$ 1,169	\$ 488

Operating Cash Flow

As presented in the table above, net cash provided by operating activities continued to be a significant source of capital and liquidity. Operating cash flow funded all of our capital expenditures, and we continued to return value to our shareholders by utilizing cash flow and cash balances for dividends and share repurchases.

Capital Expenditures

The amounts in the table below reflect cash payments for capital expenditures, including cash paid for capital expenditures incurred in prior periods.

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
Delaware Basin	\$ 534	\$ 584	\$ 539	\$ 644	\$ 1,073	\$ 1,228
Eagle Ford	157	192	202	198	359	390
Anadarko Basin	60	62	59	79	119	141
Williston Basin	42	99	42	83	84	182
Powder River Basin	33	38	53	41	86	79
Other	2	1	1	1	3	2
Total oil and gas	828	976	896	1,046	1,724	2,022
Midstream	37	16	30	18	67	34
Other	29	20	22	15	51	35
Total capital expenditures	\$ 894	\$ 1,012	\$ 948	\$ 1,079	\$ 1,842	\$ 2,091

Capital expenditures consist primarily of amounts related to our oil and gas exploration and development operations, midstream operations and other corporate activities. Our capital investment program is driven by a disciplined allocation process focused on

Table of Contents

moderating our production growth and maximizing our returns. As such, our capital expenditures for the first **three** **six** months of 2024 represented approximately **51%** **56%** of our operating cash flow.

Acquisitions of Property and Equipment

During the first six months of 2024, we acquired leasehold interests across our portfolio, including in the Delaware Basin.

Divestitures of Property and Equipment

During the first **three six** months of 2024 and 2023, we received contingent earnout payments related to assets previously sold. For additional information, please see [Note 2](#) in "Part I. Financial Information – Item 1. Financial Statements" in this report.

31

[Table of Contents](#)

Investment Activity

During the first **three six** months of 2024 and 2023, Devon received distributions from our investments of **\$11 million \$22 million** and **\$8 million \$17 million**, respectively. Devon contributed **\$47 million \$48 million** and **\$37 million \$52 million** to our investments during the first **three six** months of 2024 and 2023, respectively.

Shareholder Distributions and Stock Activity

We repurchased approximately **4.4 million 9.6 million** shares of common stock for **\$193 million \$449 million** and approximately **10.1 million 13.9 million** shares of common stock for **\$545 million \$745 million** under the share repurchase program authorized by our Board of Directors in the first **three six** months of 2024 and 2023, respectively. For additional information, see [Note 14](#) in "Part I. Financial Information – Item 1. Financial Statements" in this report.

The following table summarizes our common stock dividends during the **second quarter and total for the first quarter six months** of 2024 and 2023. Devon has raised its fixed dividend multiple times over the past two calendar years and most recently raised it by 10% from \$0.20 to \$0.22 per share in the first quarter of 2024. In addition to the fixed quarterly dividend, we paid a variable dividend in the first **quarter and second quarters** of 2024 and 2023.

	Fixed	Variable	Total	Rate Per Share	Fixed	Variable	Total	Rate Per Share
2024:								
First quarter	\$ 143	\$ 156	\$ 299	\$ 0.44	\$ 143	\$ 156	\$ 299	\$ 0.44
Second quarter	138	85	223	\$ 0.35				
Total year-to-date	\$ 281	\$ 241	\$ 522					
2023:								
First quarter	\$ 133	\$ 463	\$ 596	\$ 0.89	\$ 133	\$ 463	\$ 596	\$ 0.89
Second quarter	128	334	462	\$ 0.72				
Total year-to-date	\$ 261	\$ 797	\$ 1,058					

Noncontrolling Interest Activity, net

During the first **three six** months of 2024 and 2023, we distributed **\$7 million \$26 million** and **\$10 million \$24 million**, respectively, to our noncontrolling interests in CDM. During the first **three six** months of 2024 and 2023, we received **\$24 million and \$8 million**, respectively, in contributions from our noncontrolling **interests of \$12 million, interests.**

Liquidity

The business of exploring for, developing and producing oil and natural gas is capital intensive. Because oil, natural gas and NGL reserves are a depleting resource, we, like all upstream operators, must continually make capital investments to grow and even sustain production. Generally, our capital investments are focused on drilling and completing new wells and maintaining production from existing wells. At opportunistic times, we also acquire operations and properties from other operators or landowners to enhance our existing portfolio of assets.

Historically, our primary sources of capital funding and liquidity have been our operating cash flow, cash on hand and asset divestiture proceeds. Additionally, we maintain a commercial paper program, supported by our revolving line of credit, which can be accessed as needed to supplement operating cash flow and cash balances. If needed, we can also issue debt and equity securities, including through transactions under our shelf registration statement filed with the SEC. We estimate the combination of our sources of capital will continue to be adequate to fund our planned capital requirements as discussed in this section as well as accelerate our cash-return business model.

Operating Cash Flow

Key inputs into determining our planned capital investment are the amount of cash we hold and operating cash flow we expect to generate over the next one to three or more years. At the end of the **first second** quarter of 2024, we held approximately **\$1.1 billion \$1.2 billion** of cash. Our operating cash flow forecasts are sensitive to many variables and include a measure of uncertainty as actual results may differ from our expectations.

Commodity Prices – The most uncertain and volatile variables for our operating cash flow are the prices of the oil, gas and NGLs we produce and sell. Prices are determined primarily by prevailing market conditions. Regional and worldwide economic

31 32

[Table of Contents](#)

activity, weather and other highly variable factors influence market conditions for these products. These factors, which are difficult to predict, create volatility in prices and are beyond our control.

To mitigate some of the risk inherent in prices, we utilize various derivative financial instruments to protect a portion of our production against downside price risk. The key terms to our oil, gas and NGL derivative financial instruments as of **March 31, 2024** **June 30, 2024** are presented in [Note 3](#) in "Part I. Financial Information – Item 1. Financial Statements" of this report.

Further, when considering the current commodity price environment and our current hedge position, we expect to achieve our capital investment priorities. Additionally, we remain committed to capital discipline and focused on delivering the objectives that underpin our capital plan for 2024. The currently elevated level of cost inflation has eroded, and could continue to erode, our cost efficiencies gained over previous years and pressure our margins for the remainder of 2024. Despite this, we expect to continue generating material amounts of free cash flow at current commodity price levels due to our strategy of spending within cash flow.

Operating Expenses – Commodity prices can also affect our operating cash flow through an indirect effect on operating expenses. Significant commodity price decreases can lead to a decrease in drilling and development activities. As a result, the demand and cost for people, services, equipment and materials may also decrease, causing a positive impact on our cash flow as the prices paid for services and equipment decline. However, the inverse is also generally true during periods of rising commodity prices. We expect to mitigate the impact of cost inflation through efficiencies gained from the scale of our operations as well as by leveraging our long-standing relationships with our suppliers.

Credit Losses – Our operating cash flow is also exposed to credit risk in a variety of ways. This includes the credit risk related to customers who purchase our oil, gas and NGL production, the collection of receivables from our joint interest owners for their proportionate share of expenditures made on projects we operate and counterparties to our derivative financial contracts. We utilize a variety of mechanisms to limit our exposure to the credit risks of our customers, joint interest owners and counterparties. Such mechanisms include, under certain conditions, requiring letters of credit, prepayments or cash collateral postings.

Credit Availability

As of **March 31, 2024** **June 30, 2024**, we had approximately \$3.0 billion of available borrowing capacity under our 2023 Senior Credit Facility. This credit facility supports our \$3.0 billion of short-term credit under our commercial paper program. At **March 31, 2024** **June 30, 2024**, there were no borrowings under our commercial paper program, and we were in compliance with the Senior Credit Facility's financial covenant.

Debt Ratings

We receive debt ratings from the major ratings agencies in the U.S. In determining our debt ratings, the agencies consider a number of qualitative and quantitative items including, but not limited to, commodity pricing levels, our liquidity, asset quality, reserve mix, debt levels, cost structure, planned asset sales and the size and scale of our production. Our credit rating from Standard and Poor's Financial Services is BBB with a stable outlook. Our credit rating from Fitch is BBB+ with a stable outlook. Our credit rating from Moody's Investor Service is Baa2 with a stable outlook. Any rating downgrades may result in additional letters of credit or cash collateral being posted under certain contractual arrangements.

There are no "rating triggers" in any of our contractual debt obligations that would accelerate scheduled maturities should our debt rating fall below a specified level. However, a downgrade could adversely impact our interest rate on any credit facility borrowings and the ability to economically access debt markets in the future.

Cash Returns to Shareholders

We are committed to returning approximately 70% of our free cash flow to shareholders through a fixed dividend, variable dividend and share repurchases. Our Board of Directors will consider a number of factors when setting the quarterly dividend, if any, including a general target of paying out approximately 10% of operating cash flow through the fixed dividend. In addition to the fixed quarterly dividend, we may pay a variable dividend or complete share repurchases. Each quarter's free cash flow, which is a non-GAAP measure, is computed as operating cash flow (a GAAP measure) before balance sheet changes less capital expenditures. The declaration and payment of any future dividend, whether fixed or variable, will remain at the full discretion of our Board of Directors and will depend on our financial results, cash requirements, future prospects and other factors deemed relevant by the Board.

In **May** **August** 2024, Devon announced a cash dividend in the amount of **\$0.35** **\$0.44** per share payable in the **second** **third** quarter of 2024. The dividend consists of a \$0.22 per share fixed quarterly dividend and a **\$0.13** **\$0.22** per share variable quarterly dividend and will total approximately **\$221 million** **\$276 million**.

[Table of Contents](#)

Our Board of Directors has authorized a **\$3.0 billion** **\$5.0 billion** share repurchase program that expires **December 31, 2024** **June 30, 2026**. Through **April** **July** 2024, we had executed **\$2.6 billion** **\$2.8 billion** of the authorized program.

Capital Expenditures

Our capital expenditures budget for the remainder of 2024 is expected to range from approximately **\$2.4 billion** **\$1.4 billion** to **\$2.7 billion** **\$1.7 billion**. These ranges do not include the potential impact of the Grayson Mill Energy acquisition that is expected to close by the end of the third quarter of 2024.

Acquisition

In July 2024, Devon announced it had entered into an agreement to acquire the Williston Basin business of Grayson Mill Energy. The purchase price for the transaction consists of \$3.25 billion of cash and approximately 37 million shares of Devon common stock, in each case subject to various purchase price adjustments. Devon plans to fund the cash portion of the purchase price through cash on hand and debt, which we expect to include a combination of term loans and bond issuances. Pursuant to the agreement, Devon made a \$250 million deposit in July into an escrow account. The transaction is expected to close by the end of the third quarter of 2024, subject to regulatory approvals and other customary closing conditions.

Critical Accounting Estimates

For information regarding our critical accounting policies and estimates, see our [2023 Annual Report on Form 10-K](#).

Non-GAAP Measures

We utilize "core earnings attributable to Devon" and "core earnings per share attributable to Devon" that are not required by or presented in accordance with GAAP. These non-GAAP measures are not alternatives to GAAP measures and should not be considered in isolation or as a substitute for analysis of our results reported under GAAP. Core earnings attributable to Devon, as well as the per share amount, represent net earnings excluding certain non-cash and other items that are typically excluded by securities analysts in their published estimates of our financial results. Our non-GAAP measures are typically used as a quarterly performance measure. Amounts excluded relate to asset dispositions, **noncash asset impairments (including unproved asset impairments)**, deferred tax asset valuation allowance and fair value changes in derivative financial instruments.

We believe these non-GAAP measures facilitate comparisons of our performance to earnings estimates published by securities analysts. We also believe these non-GAAP measures can facilitate comparisons of our performance between periods and to the performance of our peers.

Below are reconciliations of core earnings and core earnings per share attributable to Devon to comparable GAAP measures.

	Three Months Ended March 31,				Three Months Ended June 30,				Six Months Ended June 30,			
	Before Tax	After Tax	After NCI	Per Diluted Share	Before Tax	After Tax	After NCI	Per Diluted Share	Before Tax	After Tax	After NCI	Per Diluted Share
2024												
2024:												
Earnings attributable to Devon (GAAP)	\$ 768	\$ 609	\$ 596	\$ 0.94	\$ 1,040	\$ 855	\$ 844	\$ 1.34	\$ 1,808	\$ 1,464	\$ 1,440	\$ 2.29
Adjustments:												
Asset dispositions	1	1	1	—	15	11	11	0.02	16	12	12	0.02
Asset and exploration impairments	1	1	1	—	1	1	1	—				
Deferred tax asset valuation allowance	—	(1)	(1)	—	—	4	4	0.01	—	3	3	—
Fair value changes in financial instruments	172	134	134	0.22	32	25	25	0.04	204	159	159	0.25
Core earnings attributable to Devon (Non-GAAP)	\$ 941	\$ 743	\$ 730	\$ 1.16	\$ 1,088	\$ 896	\$ 885	\$ 1.41	\$ 2,029	\$ 1,639	\$ 1,615	\$ 2.56
2023												

2023:													
Earnings attributable to Devon (GAAP)	\$ 1,224	\$ 1,003	\$ 995	\$ 1.53	\$ 897	\$ 698	\$ 690	\$ 1.07	\$ 2,121	\$ 1,701	\$ 1,685	\$ 2.60	
Adjustments:													
Asset dispositions	(41)	(31)	(31)	(0.05)	(41)	(31)	(31)	(0.05)					
Asset and exploration impairments	3	2	2	0.01	3	2	2	0.01					
Deferred tax asset valuation allowance	—	(3)	(3)	(0.01)	—	10	10	0.02	—	7	7	0.01	
Fair value changes in financial instruments	(53)	(40)	(40)	(0.06)	112	84	84	0.13	59	44	44	0.07	
Core earnings attributable to Devon (Non-GAAP)	\$ 1,171	\$ 960	\$ 952	\$ 1.46	\$ 971	\$ 763	\$ 755	\$ 1.18	\$ 2,142	\$ 1,723	\$ 1,707	\$ 2.64	

34

[Table of Contents](#)

EBITDAX and Field-Level Cash Margin

To assess the performance of our assets, we use EBITDAX and Field-Level Cash Margin. We compute EBITDAX as net earnings before income tax expense; financing costs, net; exploration expenses; DD&A; asset impairments; asset disposition gains and losses; non-cash share-based compensation; non-cash valuation changes for derivatives and financial instruments; restructuring and transaction costs; accretion on discounted liabilities; and other items not related to our normal operations. Field-Level Cash Margin is computed as oil, gas and NGL sales less production expenses. Production expenses consist of lease operating, gathering, processing and transportation expenses, as well as production and property taxes.

We exclude financing costs from EBITDAX to assess our operating results without regard to our financing methods or capital structure. Exploration expenses and asset disposition gains and losses are excluded from EBITDAX because they generally are not indicators of operating efficiency for a given reporting period. DD&A and impairments are excluded from EBITDAX because capital expenditures are evaluated at the time capital costs are incurred. We exclude share-based compensation, valuation changes,

33

[Table of Contents](#)

restructuring and transaction costs, accretion on discounted liabilities and other items from EBITDAX because they are not considered a measure of asset operating performance.

We believe EBITDAX and Field-Level Cash Margin provide information useful in assessing our operating and financial performance across periods. EBITDAX and Field-Level Cash Margin as defined by Devon may not be comparable to similarly titled measures used by other companies and should be considered in conjunction with net earnings from operations.

Below are reconciliations of net earnings to EBITDAX and a further reconciliation to Field-Level Cash Margin.

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
Net earnings (GAAP)	\$ 609	\$ 1,003	\$ 855	\$ 698	\$ 1,464	\$ 1,701
Financing costs, net	76	72	76	78	152	150
Income tax expense	159	221	185	199	344	420
Exploration expenses	9	3	3	10	12	13
Depreciation, depletion and amortization	722	615	768	638	1,490	1,253
Asset dispositions	1	—	15	(41)	16	(41)
Share-based compensation	24	23	26	25	50	48

Derivative and financial instrument non-cash valuation changes	169	(51)	31	113	200	62
Accretion on discounted liabilities and other	22	5	5	10	27	15
EBITDAX (Non-GAAP)	1,791	1,891	1,964	1,730	3,755	3,621
Marketing and midstream revenues and expenses, net	21	25	10	14	31	39
Commodity derivative cash settlements	(24)	(13)	(54)	(37)	(78)	(50)
General and administrative expenses, cash-based	90	83	88	67	178	150
Field-level cash margin (Non-GAAP)	\$ 1,878	\$ 1,986	\$ 2,008	\$ 1,774	\$ 3,886	\$ 3,760

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Commodity Price Risk

As of **March 31, 2024** **June 30, 2024**, we have commodity derivatives that pertain to a portion of our estimated production for the last **nine** **six** months of 2024, as well as for 2025 and 2026. The key terms to our open oil, gas and NGL derivative financial instruments are presented in [Note 3](#) in "Part I. Financial Information – Item 1. Financial Statements" in this report.

The fair values of our commodity derivatives are largely determined by the forward curves of the relevant price indices. At **March 31, 2024** **June 30, 2024**, a 10% change in the forward curves associated with our commodity derivative instruments would have changed our net positions by approximately **\$200 million** **\$190 million**.

Interest Rate Risk

As of **March 31, 2024** **June 30, 2024**, we had total debt of \$6.1 billion. All of our debt is based on fixed interest rates averaging 5.7%.

35

[Table of Contents](#)

Item 4. Controls and Procedures

Disclosure Controls and Procedures

We have established disclosure controls and procedures to ensure that material information relating to Devon, including its consolidated subsidiaries, is made known to the officers who certify Devon's financial reports and to other members of senior management and the Board of Directors.

Based on their evaluation, our principal executive and principal financial officers have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) were effective as of **March 31, 2024** **June 30, 2024** to ensure that the information required to be disclosed by Devon in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

34 36

[Table of Contents](#)

PART II. Other Information

Item 1. Legal Proceedings

We are involved in various legal proceedings incidental to our business. However, to our knowledge as of the date of this report and subject to the environmental matters noted **below** and in Part I, Item 3. Legal Proceedings of our [2023 Annual Report on Form 10-K](#), there were no material pending legal proceedings to which we are a party or to which any of our property is subject. For more information on our legal contingencies, see [Note 15](#) in "Part I. Financial Information – Item 1. Financial Statements" of this report.

On March 5, 2024, we received a notice of violation from the New Mexico Environment Department ("NMED") relating to alleged violations by WPX Energy Permian, LLC, a wholly-owned subsidiary of the Company, of certain notice, repair and facility design requirements under New Mexico environmental laws. The Company has been engaging with the NMED to resolve this matter, with the most recent exchanges occurring in June 2024. In addition, on May 29, 2024, we received a notice of violation from the Oil Conservation Division of New Mexico relating to alleged violations by Devon Energy Production Company, L.P., a wholly-owned subsidiary of the Company, of certain flaring reporting requirements, and we are working to resolve this matter. Although these matters are ongoing and management cannot predict their ultimate outcome, the resolution of each of these matters may result in a fine or penalty in excess of \$300,000.

Please see our [2023 Annual Report on Form 10-K](#) and other SEC filings for additional information.

Item 1A. Risk Factors

There have been no material changes to the information included in Item 1A. "Risk Factors" in our [2023 Annual Report on Form 10-K](#).

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information regarding purchases of our common stock that were made by us during the **first** **second** quarter of 2024 (shares in thousands).

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share	Total Number of Shares Purchased As Part of Publicly Announced Plans or Programs ⁽²⁾	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs ⁽²⁾
January 1 - January 31	1,965	\$ 43.11	1,964	\$ 616
February 1 - February 29	2,856	\$ 42.57	1,913	\$ 534
March 1 - March 31	562	\$ 47.31	551	\$ 508
Total	5,383	\$ 43.26	4,428	

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share	Total Number of Shares Purchased As Part of Publicly Announced Plans or Programs ⁽²⁾	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs ⁽²⁾
April 1 - April 30	1,538	\$ 52.74	1,399	\$ 435
May 1 - May 31	2,185	\$ 49.48	2,181	\$ 327
June 1 - June 30	1,609	\$ 46.53	1,608	\$ 252
Total	5,332	\$ 49.53	5,188	

- (1) In addition to shares purchased under the share repurchase program described below, these amounts include approximately **1 million** **0.1 million** shares received by us from employees for the payment of personal income tax withholdings on vesting transactions.
- (2) On November 2, 2021, we announced a \$1.0 billion share repurchase program that would expire on December 31, 2022. Through subsequent **approval**, **approvals**, Devon's Board of Directors **ultimately** expanded the share repurchase program authorization to \$3.0 billion, with a December 31, 2024 expiration date. In **July 2024**, **Devon's Board of Directors further expanded the first share repurchase program authorization to \$5.0 billion, with a June 30, 2026 expiration date. In the second quarter of 2024, we repurchased 4.4 million 5.2 million common shares for \$193 million \$256 million, or \$43.47 \$49.40 per share, under this share repurchase program. For additional information, see Note 14 in "Part I. Financial Information – Item 1. Financial Statements" in this report.**

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three months ended **March 31, 2024** **June 30, 2024**, none of the Company's directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934) adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K).

35 **37**

[Table of Contents](#)

Item 6. Exhibits

Exhibit Number	Description
10.1 10.1*	Extension Agreement, dated as of March 25, 2024, to the Amended and Restated Credit Agreement, dated as of March 24, 2023, among Devon Energy Corporation 2022 Long-Term Incentive Plan (amended and restated effective as Borrower, Bank of America, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer, and each Lender and L/C Issuer from time to time party thereto, with respect to Borrower's extension of the maturity date from March 24, 2028 to March 24, 2029, June 4, 2024).
10.2*	2024 Form of Notice of Grant of Restricted Stock Award and Award Agreement under the 2022 Long-Term Incentive Plan between Devon Energy Corporation the Company and certain officers non-management directors for restricted stock awarded.
10.3*	2024 Form of Notice of Grant of Performance Share Restricted Stock Unit Award and Award Agreement under the 2022 Long-Term Incentive Plan between Devon Energy Corporation the Company and certain officers non-management directors for performance based restricted share stock units awarded.
31.1	Certification of principal executive officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of principal executive officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of principal financial officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document – the XBRL Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema with Embedded Linkbases Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).
*Indicates management contract or compensatory plan or arrangement.	

36 38

[Table of Contents](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DEVON ENERGY CORPORATION

Date: May 2, 2024 August 7, 2024

/s/ John B. Sherrer

John B. Sherrer

Vice President, Accounting and Controller

37 39

EXTENSION AGREEMENT DEVON ENERGY CORPORATION**(Extension 2022 LONG-TERM INCENTIVE PLAN****Effective as of Maturity Date Pursuant June 8, 2022****(Amended and Restated Effective June 4, 2024)****ARTICLE I****PURPOSE**

SECTION 1.1 Purpose. The Devon Energy Corporation 2022 Long-Term Incentive Plan is established by Devon Energy Corporation ("the Company") to **Section 4.08** create incentives designed to provide meaningful share ownership opportunities that align Participants' long-term interests with those of our stockholders, emphasize long-term performance results, and promote retention of Participants. Toward these objectives, the Plan provides for the grant of Options, Restricted Stock Awards, Restricted Stock Units and SARs to Eligible Employees and the grant of Nonqualified Stock Options, SARs, Restricted Stock Awards and Restricted Stock Units to Eligible Directors, subject to the conditions set forth in the Plan. The Plan is designed to provide flexibility to meet the needs of the **Credit Agreement** Company in a changing and competitive environment and to help further align the interests of Eligible Employees and Eligible Directors with those of the Company's stockholders. The Company does not intend to use all incentive vehicles at all times for each Participant but will selectively grant Awards to Participants to achieve long-term goals.

SECTION 1.2 Establishment. The Plan was effective June 8, 2022, when the Plan was approved by the stockholders of the Company at a stockholders' meeting held on such date ("the Effective Date"). The authority to issue Awards under the Plan will terminate on June 8, 2032, and the remaining terms of the Plan shall continue in effect until all matters relating to the payment of Awards and administration of the Plan have been settled. The Plan was subsequently amended on November 30, 2022 to permit a limited exception to the requirement relating to the outside date upon which awards under the Plan must expire, and June 4, 2024 to permit the immediate vesting of Restricted Stock Awards and Restricted Stock Units that are granted to Eligible Directors.

SECTION 1.3 Shares Subject to the Plan.

(a) Subject to the limitations set forth in the Plan, Awards may be made under the Plan for a total of 27,500,000 shares of Common Stock, plus the number of shares of Common Stock available for issuance as of the Effective Date under the Predecessor Plan, including the shares of Common Stock subject to outstanding awards under the Predecessor Plan that are transferred to the Plan in accordance with the provisions of subsection (b) below.

(b) The Plan shall serve as the successor to the Predecessor Plan, and no further grants shall be made under the Predecessor Plan on or after the Effective Date. All awards outstanding under the Predecessor Plan on the Effective Date shall be transferred to the Plan at that time and shall be treated as outstanding awards under the Plan. However, each outstanding award so transferred shall continue to be governed solely by the terms of the documents evidencing such award, and no provision of the Plan shall be deemed to affect or otherwise modify the rights or obligations of the holders of such transferred awards with respect to their acquisition of shares of Common Stock thereunder.

(c) Any shares granted as Options or SARs shall be counted against the share limit set forth in subsection (a) above as one share for each share granted. Any shares granted under Awards other than Options or SARs shall be counted against this limit as 1.74 shares for each share granted; provided,

This EXTENSION AGREEMENT (

further, that a maximum of 27.5 million shares of Common Stock of the total shares of Common Stock authorized under this Section 1.3 may be granted as Incentive Stock Options.

(d) The limitations of this Section 1.3 shall be subject to adjustment pursuant to Article X.

(e) Notwithstanding the preceding provisions of this Section 1.3:

(i) Effective as of the WPX Merger Closing Date, the number of Awards that were available under the Predecessor Plan were increased by 2,007,033 shares of Common Stock (the "WPX Plan Share Reserve"), which shares shall not be subject to the provisions of subsection (c) above.

(ii) Awards made out of the WPX Share Reserve may be granted only to WPX Reserve Eligible Employees.

(iii) No Award may be granted out of the WPX Share Reserve after May 22, 2023.

(iv) For purposes of Section 4.1(c), any shares of Common Stock made subject to an Award granted out of the WPX Plan Share Reserve shall be credited back to the WPX Plan Share Reserve.

(v) All Awards granted out of the WPX Plan Share Reserve may be Incentive Stock Options.

(vi) For purposes of this subsection (e),

(1) "WPX Merger Closing Date" means the date of consummation of the transactions contemplated by that certain Agreement" and Plan of Merger, dated as of March 25, 2024 (the "Extension Effective Date") is entered into September 26, 2020, by and among the Company, East Merger Sub, Inc. and WPX Energy, Inc.

(2) "WPX Reserve Eligible Employees" means (I) those individuals employed by or otherwise providing services to WPX Energy, Inc. or its affiliates immediately before the Merger Closing Date and (II) those individuals who are hired by, or otherwise first become service providers to, the Company or its Affiliated Entities on or after the WPX Merger Closing Date.

DEVON ENERGY CORPORATION ARTICLE II DEFINITIONS

, a Delaware corporation (the SECTION 2.1 "Borrower Account" means the recordkeeping account established by the Company that will be utilized to track an Award of Restricted Stock Units, dividends or dividend equivalents or certain other cash-payable Awards to a Participant.

SECTION 2.2 "Affiliated Entity" means any partnership or limited liability company in which a majority of the partnership, company or other similar interest thereof is owned or controlled, directly or indirectly, by the Company or one or more of its Subsidiaries or Affiliated Entities or a combination thereof. For purposes hereof, the Company, a Subsidiary or an Affiliated Entity shall be deemed to have a majority ownership interest in a partnership or limited liability company if the Company, such Subsidiary or Affiliated Entity shall be allocated a majority of partnership or limited liability company gains or losses or shall be or control a managing director or a general partner of such partnership or limited liability company.

2

SECTION 2.3 "Award" means, individually or collectively, any Option, Restricted Stock Award, Restricted Stock Unit or SAR granted under the Plan to an Eligible Employee by the Committee or any Nonqualified Stock Option, SAR, Restricted Stock Award or Restricted Stock Unit granted under the Plan to an Eligible Director by the Board pursuant to such terms, conditions, restrictions, and/or limitations, if any, as the Committee may establish by the Award Agreement or otherwise.

SECTION 2.4 "Award Agreement" means any written instrument that establishes the terms, conditions, restrictions, and/or limitations applicable to an Award in addition to those established by the Plan and by the Committee's exercise of its administrative powers.

SECTION 2.5 "Board" means the Board of Directors of the Company.

SECTION 2.6 “Change in Control Event”) means the occurrence of any one of the following events:

(a) the Incumbent Directors cease for any reason to constitute at least a majority of the Board;

(b) any person is or becomes a “beneficial owner” (as such meaning is set forth in Rule 13d-3 under the Exchange Act), directly or indirectly, of Company securities representing 30% or more of either (x) the undersigned Lenders (as defined Company’s outstanding shares of common stock or (y) the combined voting power of the Company’s then-outstanding securities eligible to vote in the Credit Agreement) (the “election of directors (each, “Company Securities”); provided, however, that the event described in this subsection (b) shall not be deemed to be a Change in Control Event by virtue of any of the following acquisitions or transactions: (A) by the Company or any subsidiary, (B) by any employee benefit plan (or related trust) sponsored or maintained by the Company or any subsidiary, (C) by an underwriter temporarily holding securities pursuant to an offering of such securities, or (D) pursuant to a Non-Qualifying Transaction;

(c) Consenting Lenders” the consummation of a merger, consolidation, statutory share exchange, or similar form of corporate transaction involving the Company or any of its subsidiaries that requires the approval of the Company’s stockholders, whether for such transaction or the issuance of securities in the transaction (a “Reorganization”), and BANK OF AMERICA, N.A., as Administrative Agent (in such capacity, or the “Administrative Agent” sale or other disposition of all or substantially all of the Company’s assets to an entity that is not an affiliate (a “Sale”), L/C Issuer unless:

(i) immediately following the consummation of the Reorganization or Sale, the holders of the Company’s shares of Common Stock hold or receive in such Reorganization more than 50% of each of the outstanding common stock and Swing Line Lender. Capitalized terms used the total voting power of securities eligible to vote in the election of directors of (x) the corporation resulting from such Reorganization or the corporation that has acquired all or substantially all of the assets of the Company (in either case, “the Surviving Corporation”), or (y) if applicable, the ultimate parent corporation that directly or indirectly has beneficial ownership of 100% of the voting securities eligible to elect directors of the Surviving Corporation (“the Parent Corporation”),

(ii) no person (other than any employee benefit plan (or related trust) sponsored or maintained by the Surviving Corporation or the Parent Corporation) is or becomes, as a result of the Reorganization or Sale, the beneficial owner, directly or indirectly, of 30% or more of the outstanding shares of common stock or the total voting power of the outstanding voting securities eligible to vote in the election of directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation), and

3

(iii) at least a majority of the members of the board of directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation) following the consummation of the Reorganization or Sale were Incumbent Directors at the time of the Board’s approval of the execution of the initial agreement providing for such Reorganization or Sale;

(any Reorganization or Sale that satisfies all of the criteria specified in (i), (ii) and (iii) above shall be deemed to be a “Non-Qualifying Transaction”); or

(d) the Company’s stockholders consummate a plan of complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, a Change in Control Event shall not be deemed to occur solely because any person acquires beneficial ownership of more than 30% of Company Securities due to the Company’s acquisition of Company Securities that reduces the number of Company Securities outstanding; provided, however, if, following such acquisition by the Company, such person becomes the beneficial owner of additional Company Securities that increases the percentage of outstanding Company Securities beneficially owned by such person, a Change in Control Event shall then occur. In addition, if a Change in Control Event occurs pursuant to paragraph 2.9(b) above, no additional Change in Control Event shall be deemed to occur pursuant to paragraph 2.9(b) by reason of subsequent changes in holdings by such person (except if the holdings by such person are reduced below 30% and thereafter increase to 30% or above).

Solely with respect to any Award that the Committee determines to be subject to Section 409A of the Code (and not excepted therefrom) and a Change in Control Event is a distribution event for purposes of an Award, the foregoing definition of Change of Control Event shall be interpreted, administered, limited and construed in a manner necessary to ensure that the occurrence of any such event shall result in a Change in Control Event

only if such event qualifies as a change in the ownership or effective control of a corporation, or a change in the ownership of a substantial portion of the assets of a corporation, as applicable, within the meaning of Treasury Regulation Section 1.409A-3(i)(5).

Notwithstanding anything herein to the contrary, for the avoidance of doubt, when two or more persons act as a partnership, limited partnership, syndicate, or other group for the purpose of acquiring, holding, voting or disposing of Company securities, such partnership, syndicate or group shall be deemed a “person” for purposes of this definition.

SECTION 2.7 “Code” means the Internal Revenue Code of 1986, as amended. References in the Plan to any section of the Code shall be deemed to include any amendments or successor provisions to such section and not otherwise defined herein any regulations under such section.

SECTION 2.8 “Committee” shall have the meanings attributed meaning set forth in Section 3.1.

SECTION 2.9 “Common Stock” means the common stock, par value \$0.10 per share, of the Company, and after substitution, such other stock as shall be substituted therefore as provided in Article X.

SECTION 2.10 “Compensation Committee” means the Compensation Committee of the Board.

SECTION 2.11 “Date of Grant” means the date on which the grant of an Award is authorized by the Committee or such later date as may be specified by the Committee in such authorization.

SECTION 2.12 “Effective Date” shall have the meaning set forth in Section 1.2.

4

SECTION 2.13 “Eligible Employee” means any employee of the Company, a Subsidiary, or an Affiliated Entity as approved by the Committee.

SECTION 2.14 “Eligible Director” means any member of the Board who is not an employee of the Company, an Affiliated Entity or any Subsidiary.

SECTION 2.15 “Exchange Act” means the Securities Exchange Act of 1934, as amended.

SECTION 2.16 “Executive Officer Participants” means Participants who are (1) employees of the Company, a Subsidiary, or an Affiliated Entity as approved by the Committee and (2) subject to them Section 16(a) of the Exchange Act and the rules promulgated thereunder.

SECTION 2.17 “Fair Market Value” means (a) during such time as the Common Stock is listed upon the New York Stock Exchange or any other national stock exchange on which the Common Stock is listed, the closing market price per share of the Common Stock as reported by such stock exchange on the day for which such value is to be determined, or, if no sale of the Common Stock shall have been made on any such stock exchange that day, on the following day on which there was a sale of such Common Stock; (b) during any such time as the Common Stock is not listed on a national stock exchange, the mean between the last reported “bid” and “ask” prices of the Common Stock in the Credit Agreement over-the-counter market on the day for which such value is to be determined; or (c) during any such time as the Common Stock cannot be valued pursuant to (a) or (b) above, the fair market value shall be as determined by the Board considering all relevant information including, by example and not by limitation, the services of an independent appraiser.

SECTION 2.18 “Incentive Stock Option” means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

SECTION 2.19 “Incumbent Directors” means the members of the Board on the Effective Date; provided, however, that (a) any person becoming a director and whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without written objection to such nomination) shall be deemed an Incumbent Director, and (b) no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest (“Election Contest”), pursuant to any proxy access procedures for stockholders included in the Company’s organizational documents, or other actual or threatened solicitation of proxies or consents by or on behalf of any “person” (as hereinafter defined), such term is defined in Section 3(a)(9) of the Exchange Act and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act

(“Proxy Contest”), including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest, shall be deemed an Incumbent Director; provided further, however, that when two or more persons act as a partnership, limited partnership, syndicate, or other group for the purpose of acquiring, holding, voting or disposing of Company securities, such partnership, syndicate or group shall be deemed a “person” for purposes of this definition.

SECTION 2.20 “Non-Executive Officer Participants” means Participants who are not subject to Section 16(a) of the Exchange Act and the rules promulgated thereunder.

SECTION 2.21 “Nonqualified Stock Option” means an Option which is not intended to qualify as an Incentive Stock Option.

SECTION 2.22 “Option” means an Award granted under Article V of the Plan and includes both Nonqualified Stock Options and Incentive Stock Options to purchase shares of Common Stock.

5

SECTION 2.23 “Participant” means an Eligible Employee of the Company, a Subsidiary, or an Affiliated Entity to whom an Award has been granted by the Committee, or an Eligible Director to whom an Award has been granted by the Board under the Plan.

SECTION 2.24 “Performance-Based Award” means a performance-based Restricted Stock Award or performance-based Restricted Stock Unit granted under the Plan to an Eligible Employee in accordance with Article IX.

SECTION 2.25 “Plan” means this Devon Energy Corporation 2022 Long-Term Incentive Plan, as amended from time to time.

SECTION 2.26 “Predecessor Plan” means the Devon Energy Corporation 2017 Long-Term Incentive Plan, as originally adopted by the Board via Written Consent on April 7, 2017, and subsequently approved by the stockholders of the Company on June 7, 2017.

SECTION 2.27 “Regular Award Committee” means a committee comprised of the individual who is the Company’s chief executive officer and such additional members, if any, as shall be appointed by the Compensation Committee.

SECTION 2.28 “Restricted Stock Award” means an Award granted to an Eligible Employee or Eligible Director under Article VI of the Plan.

SECTION 2.29 “Restricted Stock Unit” means an Award granted to an Eligible Employee or Eligible Director under Article VII of the Plan.

SECTION 2.30 “Restriction Period” means the period when a Restricted Stock Award or Restricted Stock Unit is subject to forfeiture based upon continued employment over a period of time, the achievement of performance criteria, the occurrence of other events and/or the satisfaction of nondisclosure and protection of business provisions as determined by the Committee, in its discretion. Subject to the limitations included in Section 4.1(i), the Committee may determine that the Restriction Period is satisfied on the Date of Grant.

SECTION 2.31 “SAR” means a stock appreciation right granted to an Eligible Employee or Eligible Director under Article VIII of the Plan.

SECTION 2.32 “Secretary” means the corporate secretary of the Company duly elected by the Board.

SECTION 2.33 “Subsidiary” shall have the same meaning set forth in Section 424 of the Code.

SECTION 2.34 “10% Stockholder” means an employee of the Company or its Subsidiary who, as of the date on which an Incentive Stock Option is granted to such employee, owns more than ten percent (10%) of the total combined voting power of all classes of shares of Common Stock then issued by the Company or any of its Subsidiaries.

ARTICLE III ADMINISTRATION

SECTION 3.1 Administration of the Plan by the Committee. For purposes of administration, the Plan shall be deemed to consist of three separate stock incentive plans, a “Non-Executive Officer Participant

A. Reference

Plan,” which is limited to Non-Executive Officer Participants, an “Executive Officer Participant Plan,” which is limited to Executive Officer Participants and a “Non-Employee Director Participant Plan,” which is limited to Eligible Directors. Except for administration and the category of Eligible Employees eligible to receive Awards, the terms of the Non-Executive Officer Participant Plan and the Executive Officer Participant Plan are identical. The Non-Employee Director Plan has other variations in terms and only permits the grant of Nonqualified Stock Options, SARs, Restricted Stock Awards and Restricted Stock Units.

The Non-Executive Officer Participant Plan shall be administered by the Compensation Committee. The Compensation Committee may, at its discretion, delegate authority to the Regular Award Committee to administer the Non-Executive Officer Participant Plan to the extent permitted by applicable law, rule or regulation. The Regular Award Committee may only act within guidelines established by the Compensation Committee.

The Executive Officer Participant Plan shall be administered by the Compensation Committee.

With respect to the Non-Employee Director Plan, the Board shall have the exclusive power to select Eligible Directors to participate in the Plan and to determine the number of Nonqualified Stock Options, SARs, Restricted Stock Units or Restricted Stock Awards to Eligible Directors selected for participation. The Compensation Committee shall administer all other aspects of the Awards made to Eligible Directors.

With respect to the Amended Non-Executive Officer Participant Plan and Restated Credit Agreement dated as to decisions relating to Non-Executive Officer Participants, including the grant of March 24, 2023 among Awards, the Borrower, term “Committee” shall mean the Administrative Agent Compensation Committee, and the Lenders (as amended, restated, supplemented Regular Award Committee, as authorized by the Compensation Committee, and with respect to the Executive Officer Participant Plan and to decisions relating to the Executive Officer Participants, including the grant of Awards, the term “Committee” shall mean only the Compensation Committee.

The Compensation Committee shall consist solely of two or more members of the Board who shall be (i) “non-employee directors” within the meaning of Rule 16b-3(b)(3) (or any successor rule) of the Exchange Act and (ii) “independent directors” as determined in accordance with the independence standards established by the New York Stock Exchange or any other national stock exchange on which the Common Stock is at the time primarily traded.

Subject to the provisions of the Plan, the Committee shall have exclusive power to:

- (a) Select Eligible Employees to participate in the Plan.
- (b) Determine the time or times when Awards will be made.
- (c) Determine the form of an Award, whether an Option, Restricted Stock Award, Restricted Stock Unit or SAR, the number of shares of Common Stock or Restricted Stock Units subject to the Award, the amount and all the terms, conditions (including performance requirements), restrictions and/or limitations, if any, of an Award, including the time and conditions of exercise or vesting, and the terms of any Award Agreement.
- (d) Determine whether Awards will be granted singly or in combination.
- (e) Accelerate the vesting, exercise or payment of an Award or the performance period of an Award.

- (f) Take any and all other action it deems necessary or advisable for the proper operation or administration of the Plan.

SECTION 3.2 Compensation Committee to Make Rules and Interpret Plan. The Committee, in its sole discretion, shall have the authority, subject to the provisions of the Plan, to establish, adopt, or revise such rules and regulations and to make all such determinations relating to the Plan, as it may deem necessary or advisable for the administration of the Plan. The Committee's interpretation of the Plan or any Awards and all decisions and determinations by the Committee with respect to the Plan shall be final, binding, and conclusive on all parties.

ARTICLE IV GRANT OF AWARDS

SECTION 4.1 Grant of Awards. Awards granted under the Plan shall be subject to the following conditions:

- (a) Subject to Article X, the aggregate number of shares of Common Stock made subject to the grant of Options and SARs to any Eligible Employee in any calendar year may not exceed 3,000,000.
- (b) Subject to Article X, (i) the aggregate number of shares of Common Stock made subject to the grant of Performance-Based Awards (payable in shares of Common Stock) in any calendar year may not exceed 1,500,000 shares of Common Stock (based on a maximum Award level on the Date of Grant) and (ii) the aggregate amount of cash made subject to the grant of Performance-Based Awards (payable in cash) in any calendar year may not exceed \$15,000,000 (based on a maximum Award level on the Date of Grant).
- (c) If any shares of Common Stock covered by an Award granted under the Plan, the Predecessor Plan or any other Devon Energy Corporation long-term incentive plans, or to which such an Award relates, are forfeited, or an Award (or any portion thereof) otherwise modified terminates or is canceled without the delivery of shares of Common Stock, then the shares of Common Stock covered by such Award, or to which such Award relates, or the number of shares of Common Stock otherwise counted against the aggregate number of shares of Common Stock with respect to which Awards may be granted, to the extent of any such forfeiture, termination or cancellation, shall again become shares of Common Stock with respect to which Awards may be granted under the Plan and shall not reduce the shares authorized under Section 1.3. Shares of Common Stock which are (i) tendered in payment of the exercise price or grant price of an Option or SAR, as applicable, (ii) not issued upon the settlement of SARs, (iii) tendered or withheld by the Company in payment of federal, state or local withholding taxes, (iv) repurchased by the Company using Option exercise proceeds, or (v) not issued or delivered as a result of the net settlement of an outstanding SAR or Option, shall not become available again for issuance under the Plan or be added back to the shares authorized under Section 1.3. Any Award (or any portion thereof) settled in cash will not be counted against, or have any effect upon, the number of shares of Common Stock available for issuance under the Plan.
- (d) Any shares of Common Stock under any Award that are granted in assumption of, or in substitution for, outstanding awards previously granted by a company or business acquired by the Company, a Subsidiary or an Affiliated Entity or with which the Company, a Subsidiary or an Affiliated Entity combines ("Substitute Awards") shall not be applied to reduce the number of shares of Common Stock reserved under Section 1.3 of the Plan, but will be available under the Plan by virtue of the Company's assumption of the plan or arrangement of the acquired company or business.

- (e) Common Stock delivered by the Company in payment of an Award authorized under the Plan may be authorized and unissued Common Stock or Common Stock held in the treasury of the Company.

- (f) The Compensation Committee shall, in its sole discretion, determine the manner in which fractional shares arising under the Plan shall be treated.

- (g) The Compensation Committee shall from time to time establish guidelines for the Regular Award Committee regarding the grant of Awards to Eligible Employees.

- (h) Separate certificates or a book-entry registration representing Common Stock shall be delivered to a Participant upon the exercise of any Option.

Credit Agreement (i) Restricted Stock Awards and Restricted Stock Units which vest based upon the Participant's continued employment shall be limited in such a way that, (i) no portion of the Award will vest prior to the first anniversary of the Date of Grant; (ii) up to one-third of the shares subject to the Award is eligible to vest on or after the first anniversary of the Date of Grant; (iii) up to an additional one-third of the shares subject to the Award is eligible to vest on or after the second anniversary of the Date of Grant; and (iv) up to an additional one-third of the shares subject to the Award is eligible to vest on or after the third anniversary of the Date of Grant; provided, however, that this limitation shall not: (a) apply to Substitute Awards or any other Awards granted in exchange for the surrender of, or substitution of, another company's awards to its employees and directors, (b) apply to grants of Restricted Stock Awards and Restricted Stock Units of up to 5% of the shares of Common Stock authorized for issuance under the Plan pursuant to Section 1.3(a) or (c) apply in the case of a termination due to death, disability, retirement, or involuntary termination of employment or service without cause or on account of good reason or the occurrence of a Change in Control Event.

" (j) Restricted Stock Awards and Restricted Stock Units which vest based upon performance standards shall require that the performance period must be a period of at least twelve months, except in the case of termination due to death, disability, retirement, or involuntary termination of employment or service without cause or on account of good reason or the occurrence of a Change in Control Event.

(k) Notwithstanding the foregoing and any other provision of the Plan, except for adjustments as provided in Article X or in connection with a corporate transaction involving the Company (including, without limitation, any stock dividend, distribution (whether in the form of cash, other Company securities, or other property), stock split, extraordinary cash dividend, recapitalization, Change in Control Event, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of shares of Common Stock or other Company securities, or similar transaction(s)), the terms of outstanding Options or SARs may not be (i) amended to reduce the exercise price or grant price of such outstanding Options or SARs, as applicable, or (ii) cancelled in exchange for cash, other Awards or Options or SARs with an exercise price or grant price that is less than the exercise price or grant price of the original Options or SARs, as applicable, without obtaining stockholder approval.

(l) Eligible Directors may only be granted Nonqualified Stock Options, SARs, Restricted Stock Awards and/or Restricted Stock Units under the Plan.

(m) Subject to Article XI, no Eligible Director may be granted, in any one calendar year, Awards with an aggregate maximum value, calculated as of their respective Dates of Grant, of more than \$750,000.

9

B. This Agreement is being executed (n) The maximum term of any Award shall be eight years; provided, however, that such limitation shall not apply to evidence Borrower's requested extension any Restricted Stock Units granted to any Eligible Director pursuant to an election by such Eligible Director to have settlement of the Maturity Restricted Stock Units made upon termination of the Eligible Director's service on the Board.

(o) Awards under the Plan shall be made conditional upon the Participant's acknowledgement, in writing or by acceptance of the Award, that all decisions and determinations of the Committee shall be final and binding on the Participant, his or her successors and any other person having or claiming an interest under such Award.

ARTICLE V STOCK OPTIONS

SECTION 5.1 Grant of Options. The Committee may grant Options to Eligible Employees, subject to the provisions of the Plan and such other terms and conditions as it may determine. These Options may be Incentive Stock Options or Nonqualified Stock Options, or a combination of both. Each Option shall be designated in the Award Agreement as either an Incentive Stock Option or a Nonqualified Stock Option. Notwithstanding such designations, to the extent that an Option does not qualify as an Incentive Stock Option, it shall be treated as a Nonqualified Stock Option. The Board may, subject to the provisions of the Plan and such other terms and conditions as it may determine, grant Nonqualified Stock Options to Eligible Directors. Each grant of an Option shall be evidenced by an Award Agreement executed by the Company and the Participant, and shall contain such terms and conditions and be in such form as the Committee may from time to time approve, subject to the requirements of Section 5.2.

SECTION 5.2 Conditions of Options. Each Option so granted shall be subject to the following conditions:

(a) **Exercise Price.** As limited by Section 5.2(e) below, each Option shall state the exercise price which shall be set by the Committee at the Date from March 24, 2028 of Grant; provided, however, no Option shall be granted at an exercise price which is less than the Fair Market Value of the Common Stock on the Date of Grant. In the case of an Incentive Stock Option granted to March 24, 2029 a 10% Stockholder, the per share exercise price shall be no less than 110% of the Fair Market Value per share of the Common Stock on the Date of Grant.

(b) **Form of Payment.** The exercise price of an Option may be paid (i) in cash or by check, bank draft or money order payable to the order of the Company; (ii) by delivering shares of Common Stock having a Fair Market Value on the date of payment equal to the amount of the exercise price, but only to the extent such exercise of an Option would not result in an adverse accounting charge to the Company for financial accounting purposes with respect to the shares used to pay the exercise price unless otherwise determined by the Committee; (iii) by the withholding of shares of Common Stock subject to the exercisable Option, which have a Fair Market Value on the date of exercise equal to the exercise price; (iv) pursuant to Section 4.08 procedures approved by the Committee, through the sale of the Credit Agreement (the "shares acquired on exercise of the Option through a broker-dealer acting on behalf of the Participant; (v) a combination of the foregoing; or (vi) by such other method as the Committee may approve.

(c) **Exercise of Options Extension.** Options granted under the Plan shall be exercisable, in whole or in such installments and at such times, and shall expire at such time, as shall be provided by the Committee in the Award Agreement. Exercise of an Option shall be by notice to the Company or its designee of such exercise stating the election to exercise in the form and manner determined by the").

10

C. Each

Committee. Every share of Common Stock acquired through the exercise of an Option shall be deemed to be fully paid at the time of exercise and payment of the Consenting Lenders is entering into this Agreement in order to evidence its consent exercise price.

(d) **Other Terms and Conditions.** No portion of the Option will vest prior to the Extension first anniversary of the Date of Grant; provided, however, that this limitation shall not: (i) apply to Substitute Awards or any other Awards granted in exchange for the surrender of, or substitution of, another company's awards to its employees and directors, (ii) apply to Options to purchase up to 5% of the shares of Common Stock authorized for issuance under the Plan pursuant to Section 1.3(a) shares of Common Stock or (iii) apply in the case of termination due to death, disability, retirement, or involuntary termination of employment or service without cause or on account of good reason or the occurrence of a Change in Control Event. In addition, other conditions that may be imposed by the Committee, if deemed appropriate, include those relating to (i) the period or periods and the conditions of exercisability of any Option; (ii) the minimum periods during which Participants must be employed, or must hold Options before they may be exercised; (iii) the minimum periods during which shares acquired upon exercise must be held before sale or transfer shall be permitted; (iv) conditions under which such Options or shares may be subject to forfeiture; (v) the frequency of exercise or the minimum or maximum number of shares that may be acquired at any one time; (vi) the achievement by the Company of specified performance criteria; and (vii) non-compete and protection of business provisions.

(e) **Special Restrictions Relating to Incentive Stock Options.** Options issued in the form of Incentive Stock Options shall only be granted to Eligible Employees of the Company or a Subsidiary. No Incentive Stock Option will be exercisable more than five years from the Date of Grant in the case of an Incentive Stock Option granted to a 10% Stockholder. The terms of any Incentive Stock Option shall be subject in all respects to the provisions of Section 422 of the Code, or any successor provision thereto, and any regulations promulgated thereunder. To the extent that an Option initially designated as an Incentive Stock Option does not qualify as an Incentive Stock Option, it shall thereafter be treated as a Nonqualified Stock Option.

(f) **Application of Funds.** The proceeds received by the Company from the sale of Common Stock pursuant to Options will be used for general corporate purposes.

(g) **Stockholder Rights.** Participants shall not have any rights as a stockholder with respect to any share of Common Stock subject to an Option prior to purchase of such shares of Common Stock by exercise of the Option. In no event shall dividends or dividend equivalents be granted with respect to Options.

SECTION 5.3Cash Out Rights. With respect to any Options granted to Eligible Employees pursuant to Section 5.1, the Committee may include in the Eligible Employee's Award Agreement the right to surrender the Option once vested. In the event that an Option surrender right is authorized, the Award Agreement shall provide that, upon the vesting of an Option, the holder thereof shall be entitled to, at his or her option:

- (a) Exercise such Option, in whole or in part, in accordance with the procedures specified in Section 5.2; or
- (b) Surrender such Option, in whole or in part, by notice to the Company or its designee of such surrender stating the election to surrender in the form and manner determined by the Committee and a request for payment of the Cash-Out Amount where:

11

NOW, THEREFORE,

"Cash-Out Amount" means an amount of cash equal to the parties hereto agree amount by which the aggregate Fair Market Value of the Common Stock subject to the Option exceeds the aggregate Exercise Price under the Option.

Payment of the Cash-Out Amount shall be made in shares of Common Stock or cash as follows: established by the Committee in the Award Agreement.

ARTICLE VI RESTRICTED STOCK AWARDS

SECTION 6.1Grant of Restricted Stock Awards. The Committee may grant a Restricted Stock Award to any Eligible Employee, subject to the provisions of the Plan and such other terms and conditions as it may determine. Restricted Stock Awards may constitute Performance-Based Awards, as described in Article IX hereof. Restricted Stock Awards shall be awarded in such number and at such times during the term of the Plan as the Committee shall determine. The Board may grant a Restricted Stock Award to an Eligible Director, subject to the provisions of the Plan and such other terms and conditions as it may determine. Each Restricted Stock Award may be evidenced in such manner as the Committee deems appropriate, including, without limitation, a book-entry registration or issuance of a stock certificate or certificates, and by an Award Agreement setting forth the terms of such Restricted Stock Award.

SECTION 6.2Conditions of Restricted Stock Awards. The grant of a Restricted Stock Award shall be subject to the following:

SECTION 6.3Restriction Period. Subject to Section 4.1(i) and Section 4.1(j), the Committee shall determine the Restriction Period(s) that apply to the shares of Common Stock covered by each Restricted Stock Award or portion thereof. At the end of the Restriction Period, the restrictions imposed by the Committee shall lapse with respect to the shares of Common Stock covered by the Restricted Stock Award or portion thereof.

SECTION 6.4Restriction on Transfer. The holder of a Restricted Stock Award may not sell, transfer, pledge, exchange, hypothecate, or otherwise dispose of the shares of Common Stock represented by the Restricted Stock Award during the applicable Restriction Period. The Committee shall impose such other restrictions and conditions on any shares of Common Stock covered by a Restricted Stock Award as it may deem advisable, including, without limitation, restrictions under applicable Federal or state securities laws, and may legend the certificates representing shares of Common Stock covered by a Restricted Stock Award to give appropriate notice of such restrictions.

SECTION 6.5Stockholder Rights. During any Restriction Period, the Committee may, in its discretion, grant to the holder of a Restricted Stock Award all or any of the rights of a stockholder with respect to the shares, including, but not by way of limitation, the right to vote such shares. At the discretion of the Committee, dividends or other distributions with respect to an unvested Restricted Stock Award may be withheld by the Company and credited to the Participant's Account; provided that any such dividends or other distributions shall vest only if and to the extent that the underlying Restricted Stock Award vests, as determined by the Committee. Any dividends or distributions so withheld by the Committee and attributable to any particular share of a Restricted Stock Award shall be subject to the same restrictions on transferability as the shares of the Restricted Stock Award with respect to which they were paid, and, if such shares are forfeited, the Participant shall have no right to such dividends or distributions. For the avoidance of doubt, in no event shall dividends or other distributions with respect to a Restricted Stock Award be paid to a Participant unless and until the underlying Award vests.

12

1. Consent **SECTION 6.6** **Section 83(b) Election.** If a Participant makes an election pursuant to **Extension**, Section 83(b) of the Code with respect to the Restricted Stock Award, such Participant shall file, within 30 days following the Date of Grant, a copy of such election with the Company and with the Internal Revenue Service in accordance with the regulations under Section 83(b) of the Code. The Committee may, in its discretion, provide in an Award Agreement that the Restricted Stock Award is conditioned upon the Participant's making or refraining from making an election with respect to such Award under Section 83(b) of the Code.

ARTICLE VII RESTRICTED STOCK UNITS

SECTION 7.1 **Grant of Restricted Stock Units.** The Committee may grant Restricted Stock Units to any Eligible Employee, subject to the provisions of the Plan and such other terms and conditions as it may determine. Restricted Stock Units may constitute Performance-Based Awards, as described in Article IX hereof. The Board may grant Restricted Stock Units to an Eligible Director, subject to the provisions of the Plan and such other terms and conditions as it may determine. Restricted Stock Units are generally similar to Restricted Stock Awards except that no shares of Common Stock are actually awarded to the Participant on the Date of Grant. Restricted Stock Units shall be awarded in such number and at such times during the term of the Plan as the Committee shall determine.

SECTION 7.2 **Conditions of Restricted Stock Units.** The grant of a Restricted Stock Unit shall be subject to the following:

(a) **Restriction Period.** Subject to Section 4.1(i) and Section 4.1(j), the Committee shall determine the Restriction Period(s) that apply to the shares of Common Stock covered by each Award of Restricted Stock Units or portion thereof. At the end of the Restriction Period, the restrictions imposed by the Committee shall lapse and the Award shall be paid as specified in Section 7.2(c) below

(b) **Restriction on Transfer.** Restricted Stock Units granted herein may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Restriction Period established by the Committee, or upon earlier satisfaction of any other conditions, as specified by the Committee, in its sole discretion, and set forth in the Award Agreement or otherwise.

(c) **Form of Payment.** Restricted Stock Units shall be paid in cash, shares of Common Stock, or a combination of cash and shares as established by the Committee in the Award Agreement, no later than March 15 of the year following the year in which the lapse of the Restriction Period occurs, unless otherwise required by applicable law.

(d) **Stockholder Rights.** During the Restriction Period, Participants shall not have any rights as a stockholder of the Company with respect to an Award of Restricted Stock Units and shall have no right to vote such Restricted Stock Units, but the Committee may at the Date of Grant, authorize the payment of dividend equivalents on such Restricted Stock Units, either in cash or in additional shares of Common Stock; provided, however, that dividend equivalents on Restricted Stock Units subject to a Restriction Period that lapses as a result of the achievement of a performance condition shall be deferred until and paid contingent upon the achievement of the applicable performance condition. Any such dividend equivalent on Restricted Stock Units shall be subject to the same restrictions on transferability as the shares underlying the Restricted Stock Units, and, if such shares are forfeited, the Participant shall have no right to such dividend equivalents. For the avoidance of doubt, in no event shall dividend equivalents with respect to a Restricted Stock Unit Award be paid to a Participant unless and until the underlying Restricted Stock Unit Award vests.

ARTICLE VIII STOCK APPRECIATION RIGHTS

SECTION 8.1*Grant of SARs.* The Committee may grant a SAR to any Eligible Employee, subject to the provisions of the Plan and subject to other terms and conditions as the Committee may determine. The Board may grant a SAR to any Eligible Director, subject to the provisions of the Plan and subject to other terms and conditions as the Board may determine. SARs may be granted as an independent Award separate from an Option or granted in tandem with an Option, subject to the limitations of Section 8.3. Each grant of a SAR shall be evidenced by an Award Agreement executed by the Company and the Participant and shall contain such terms and conditions and be in such form as the Committee may from time to time approve, subject to the requirements of the Plan. The exercise price of the SAR shall not be less than the Fair Market Value of a share of Common Stock on the Date of Grant of the SAR. In no event shall dividends or dividend equivalents be granted with respect to a SAR.

SECTION 8.2*Exercise and Payment.* SARs granted under the Plan shall be exercisable in whole or in installments and at such times as shall be provided by the Committee in the Award Agreement, provided that no portion of the SARs shall vest prior to the first anniversary of the Date of Grant, except in the case of death, disability, retirement, or involuntary termination of employment or service without cause or on account of good reason or the occurrence of a Change in Control Event. The amount payable with respect to each SAR shall be equal in value to the excess, if any, of the Fair Market Value of a share of Common Stock on the exercise date over the exercise price of the SAR. Payment of amounts attributable to a SAR shall be made in shares of Common Stock or cash as established by the Committee in the Award Agreement.

SECTION 8.3*Tandem Awards.* SARs may be granted in tandem with an Option, in which event, the Participant has the right to elect to exercise either the SAR or the Option. Upon the Participant's election to exercise one of these Awards, the other tandem award is automatically terminated. In the event a SAR is granted in tandem with an Incentive Stock Option, the Committee shall subject the SAR to restrictions necessary to ensure satisfaction of the conditions precedent requirements under Section 422 of the Code.

ARTICLE IX PERFORMANCE-BASED AWARDS

SECTION 9.1*Generally.* Performance-Based Awards may be based on the achievement of one or more of the business criteria, as determined by the Committee, including, without limitation, those criteria described in Section 9.2 below.

SECTION 9.2*Business Criteria.* The Committee may use objectively determinable performance goals based on one or more of the following business criteria, individually or in combination: earnings; earnings per share (actual or targeted growth); earnings before interest and taxes; pretax earnings before interest, depreciation, amortization, exploration and abandonment costs; pretax operating earnings after interest expense and before incentives, service fees, and extraordinary or special items or operating income; revenues; sales; debt level; cost reduction targets; interest-sensitivity gap levels; cash flow (including, but not limited to, cash flow before balance sheet changes, free cash flow, net cash flow, net cash flow before financing activities, cash flow from operations, increase in cash flow return); capital expenditures; weighted average cost of capital; debt/proved reserves; net income or gross income (including, but not limited to, income after capital costs and income before or after taxes); operating income; expense; working capital; operating or profit margin; pre-tax margin; contribution margin; return factors (including, but not limited to, return on equity, capital employed, or investment; risk adjusted return on capital; return on investors' capital; return on average equity; return on assets; cash return on capital employed; and return on net assets);

book value; operating expenses (including, but not limited to, lease operating expenses, severance taxes and other production taxes, gathering and transportation and general and administrative costs); unit costs; net borrowing, debt leverage levels, credit quality, or debt ratings; accomplishment of mergers, acquisitions, dispositions, or similar business transactions (including, but not limited to, acquisition goals based on value of assets acquired or similar objectives); debt to debt plus stockholder equity; debt to EBIT, EBITDA or EBITDAX; interest coverage; total stockholder return; comparative stockholder return; market price per share; book value per share; net asset value per share; growth measures; debt to total capitalization ratio; asset quality levels; investments; economic value added; stock price appreciation; market capitalization; accounts receivables day sales outstanding; accounts receivables to sales; achievement of balance sheet or income statement objectives; market share; assets; asset sale targets; non-performing assets; satisfactory internal or external audits; improvement of financial ratings; charge-offs; regulatory compliance; employee retention/attrition rates; individual business objectives; risk management activities, corporate value measures which may be objectively determined (including ethics, compliance, environmental, diversity commitment, and safety); amount of oil, gas and/or other similar energy commodity reserves; costs of finding oil, gas and/or other similar energy commodity reserves; reserve replacement ratio, reserve additions, or other reserve level measures; drilling results; natural gas, oil and/or other energy commodity production, production and reserve growth; implementation or completion of critical projects or

processes; production volume; sales volume; production efficiency; inventory to sales; inventory turns; and other financial, operational, strategic or individual performance criteria. Such business criteria may be measured not only in terms of the Company's performance but also in terms of its performance relative to the performance of other entities or may be measured on the basis of the performance of any of the Company's business units or divisions or any parent, Subsidiary or Affiliated Entity. Performance may also be measured on an absolute basis, relative to internal business plans, or based on growth. As may be applicable, they may also be measured in aggregate or on a per-share basis. Business criteria need not be uniform as among Participants.

In setting the business criteria with respect to Performance-Based Awards, the Committee may provide for appropriate adjustment as it deems appropriate, including, but not limited to, one or more of the following items: asset write-downs; litigation or claim judgments or settlements (including, without limitation, any tax settlement with a tax authority); the effect of changes in tax law, changes in accounting principles or other laws or principles affecting reported results; changes in commodity prices; currency fluctuations and/or foreign exchange gains or losses; severance, contract termination, and other costs related to exiting, modifying or reducing any business activities; costs of, and gains and losses from, the acquisition, disposition, or abandonment of businesses or assets; gains and losses from the early extinguishment of debt; gains and losses in connection with the termination or withdrawal from a pension plan; expenses for productivity initiatives; items attributable to any stock dividend, stock split, combination or exchange or stock occurring during the performance period; stock compensation costs and other non-cash expenses; items related to amortization of acquired intangible assets; items that are outside the scope of the Company's core, on-going business activities; financing activities; impairment charges related to goodwill or other intangible assets; unrealized gains or losses on investments in debt and equity securities; any gain or loss recognized as a result of derivative instrument transactions or other hedging activities; pension curtailment or settlement charges; any infrequent and/or non-recurring items as described in applicable Accounting Principles Board opinions or Financial Accounting Standards Board statements, in management's discussion and analysis of financial condition and results of operation appearing in the Company's periodic reports filed under the Exchange Act, including but not limited to acquisition or merger and integration costs, and/or in a press release or conference call, publicly announced by the Company, relating to the Company's results of operations or financial condition for a completed quarterly or annual fiscal period; and any other specified non-operating items as determined by the Committee in establishing the business criteria.

SECTION 9.3 Establishment of Performance Goals. With respect to Performance-Based Awards, the Committee shall establish in writing: (i) the business criteria applicable to a given period, (ii) the method for computing the amount of compensation payable to the Participant if such business criteria is achieved and (iii) the individual employees or class of employees to which such performance goals apply.

SECTION 9.4 Certification of Performance. As soon as administratively practicable following the completion of the performance period, and on or prior to March 15 of the year following the year in which the performance period ends, the Committee shall certify in writing the actual levels at which the objective business criteria applicable to Performance-Based Award for that period (and other material terms) have been attained and determine, on the basis of such certified levels, the actual amount to be paid to each Participant for that performance period.

ARTICLE X

STOCK ADJUSTMENTS; CHANGE IN CONTROL EVENT

SECTION 10.1 Stock Adjustments. In the event that the shares of Common Stock shall be changed into or exchanged for a different number or kind of shares of stock or other securities of the Company or of another entity (whether by reason of merger, consolidation, recapitalization, reclassification, stock split, combination of shares or otherwise), or if the number of such shares of Common Stock shall be increased through the payment of a stock dividend, or if rights or warrants to purchase securities of the Company shall be issued to holders of all outstanding Common Stock, then there shall be substituted for or added to each share available under and subject to the Plan, and each share theretofore appropriated under the Plan, the number and kind of shares of stock or other securities into which each outstanding share of Common Stock shall be so changed or for which each such share shall be exchanged or to which each such share shall be entitled, as the case may be, on a fair and equivalent basis in accordance with the applicable provisions of Section 424 of the Code; provided, however, with respect to Options, in no such event will such adjustment result in a modification of any Option as defined in Section 424(h) of the Code. Any adjustments to Options or SARs shall be made in accordance with the requirements of Section 422 and Section 409A of the Code, to the extent applicable. Notwithstanding, for each Option or SAR with an exercise price or grant price, as the case may be, greater than the consideration offered in connection with any transaction or event described herein, the Committee may, in its sole discretion, elect to cancel such Option or SAR without any payment to the person holding such Option or SAR. In the event there shall

be any other change in the number or kind of the outstanding shares of Common Stock, or any stock or other securities into which the Common Stock shall have been changed or for which it shall have been exchanged, then if the Committee shall, in its sole discretion, determine that such change equitably requires an adjustment in the shares available under and subject to the Plan, the Award limits set forth in **Paragraph 2 below, each Consenting Lender hereby consents** Section 4.1, or in any Award, theretofore granted, such adjustments shall be made in accordance with such determination, except that no adjustment of the number of shares of Common Stock available under the Plan or to which any Award relates that would otherwise be required shall be made unless and until such adjustment either by itself or with other adjustments not previously made would require an increase or decrease of at least 1% in the number of shares of Common Stock available under the Plan or to which any Award relates immediately prior to the **Extension**, making of such adjustment (the "Minimum Adjustment"). Any adjustment representing a change of less than such minimum amount shall be carried forward and **effective** made as soon as such adjustment together with other adjustments required by this Article X and not previously made would result in a Minimum Adjustment. Notwithstanding the foregoing, any adjustment required by this Article X which otherwise would not result in a Minimum Adjustment shall be made with respect to shares of Common Stock relating to any Award immediately prior to exercise, payment or settlement of such Award. No fractional shares of Common Stock or units of other securities shall be issued pursuant to any such adjustment, and any fractions resulting from any such adjustment shall be eliminated in each case by rounding downward to the nearest whole share.

SECTION 10.2 Change in Control Event.

Notwithstanding anything to the contrary in this Plan, the following provisions shall apply in connection with a Change in Control Event:

(a) Awards Assumed by Successor:

(i) Upon the occurrence of a Change in Control Event, any Awards that are Assumed (as defined in Section 10.2(a)(v)) by the entity effecting the Change in Control Event shall continue to vest and become exercisable in accordance with the terms of the **Extension Effective Date**, original grant unless, during the **Maturity Date applicable** two-year period commencing on the date of the Change in Control Event ("Post-CIC Period"):

(A) the Participant is involuntarily terminated for reasons other than for Cause (as defined in Section 10.2(a)(iii)); or

(B) the Participant terminates his or her employment for Good Reason (as defined in Section 10.2(a)(iv)).

(ii) If a Participant's employment is terminated as described in Section 10.2(a)(i)(A) or (B), on the date of termination of employment any outstanding Options and SARs shall become fully vested and exercisable and any time-based vesting restrictions that apply to **each Consenting Lender** Awards shall lapse and become fully vested.

(iii) Solely for purposes of this Section 10.2(a), "Cause" shall mean the definition of "Cause" provided in any individual written employment or severance agreement between the Participant and the Company or, if none, that the Participant shall have:

(A) committed a willful or grossly negligent violation of a policy of the Company or any Subsidiary or Affiliated Entity;

(B) engaged in a willful and continued failure to substantially perform the Participant's duties with the Company or any Subsidiary or Affiliated Entity (other than any such failure resulting from incapacity due to physical or mental illness); or

(C) engaged in willful or grossly negligent misconduct that is **March 24, 2029** injurious to the Company or any Subsidiary or Affiliated Entity, monetarily or otherwise.

(iv) Solely for purposes of this Section 10.2(a), "Good Reason" shall mean the definition of "Good Reason" provided in any written individual employment or severance agreement between the Participant and the Company or, if none, the occurrence, during the Post-CIC Period, of any of the following events without the Participant's written consent:

(A) the assignment to, or reduction of, duties that are adversely inconsistent with the Participant's job title, position and/or status with the Company immediately prior to the Change in Control Event;

17

2. Conditions Precedent

(B) an aggregate reduction by 15% or more of the sum of the Participant's base salary plus actual or potential target cash bonus;

(C) the Company fails to **Effectiveness. This Agreement** obtain a satisfactory agreement from the acquiring company or any successor to the Company to assume or expressly and agree perform the Company's severance plan and/or any individual employment or severance agreement between the Company and the **Extension** Participant;

(D) the relocation of the Participant's principal location of work to any location that is in excess of 50 miles from the location thereof immediately prior to the Change in Control Event; or

(E) the failure to pay the Participant any compensation within 14 days of the date such compensation is first due and payable;

provided, however, that, Good Reason exists only if (1) the Participant provides the Company or the acquiring company, as the case may be, with written notice, within 90 days of the date the event or condition first arises, that sets forth in reasonable detail the event or condition giving rise to Good Reason; (2) the Company or the acquiring company, as the case may be, fails to cure such event or condition within 30 days of the date it receives the written notice set forth in clause (1); and (3) the Participant terminates employment within 30 days after the expiration of the cure period described in clause (2); and further provided, however, that the Participant's failure to provide notice of, or to resign following, the occurrence of the event or condition will not waive the Participant's right to provide notice of and resign following a separate and distinct event or condition that independently gives rise to Good Reason.

(v) For purposes of this Section 10.2(a), an Award shall be **effective** considered assumed ("Assumed") if each of the following conditions are met:

(A) Options, SARs and other Awards (to the extent such other Awards are payable in cash and not subject to performance goals) are converted into replacement awards in a manner that complies with Section 409A;

(B) Restricted Stock Unit and Restricted Stock Awards that are not subject to performance goals are converted into replacement awards covering a number of shares of the entity effecting the Change in Control Event (or a successor or parent corporation), as determined in a manner substantially similar to the treatment of an equal number of shares of Common Stock covered by the Awards; provided, that to the extent that any portion of the consideration received by holders of shares of Common Stock in the Change in Control Event transaction is not in the form of the common stock of such entity (or a successor or parent corporation), the number of shares covered by the replacement awards shall be based on the average of the high and low selling prices of the common stock of such entity (or a successor or parent corporation) on the established stock exchange on the trading day immediately preceding the date of the Change in Control Event;

18

(C) All Awards subject to Performance Goals are converted into replacement time-based vesting awards that preserve the value of such Awards based on the greater of (1) the target level of the Award, and (2) the level of actual performance achieved, as measured and calculated by the Committee as of the date hereof, provided of the Change in Control Event pursuant to a shortened performance period ending on the date of the Change in Control Event;

(D) The replacement awards contain provisions for scheduled vesting (including, with respect to Awards in 10.2(a)(v)(C), such replacement awards have a time-based vesting date that Administrative Agent shall have received does not extend beyond the following (a) counterparts later of this Agreement, executed the last day of the performance period or the end of such additional time-based vesting period as set forth in such Award prior to the Change in Control Event) and treatment on termination of employment (including the definition of Cause and Good Reason) that are no less favorable to the Participant than the underlying awards being replaced, and all other terms of the replacement awards (other than the security and number of shares represented by the Borrower and replacement awards) are substantially similar to, or more favorable to the Lenders holding more Participant than, 50% the terms of the Aggregate Commitments (calculated underlying awards; and

(E) The security represented by the replacement awards, if any, is of a class that is publicly held and widely traded on an established stock exchange.

(b) *Awards Not Assumed by Successor:*

(i) Upon the occurrence of a Change in accordance with Section 4.08 Control Event, if any Awards are not Assumed by the entity effecting the Change in Control Event, then, on the date of the Credit Agreement), (b) Change in Control Event, Options and SARs shall become fully vested and exercisable, any time-based vesting restrictions that apply to Awards shall lapse, and any Awards that are subject to performance goals shall immediately be determined and deemed to have been earned on a certificate pro rata basis, with such pro ration determined based upon an assumed achievement of each Loan Party dated all relevant performance goals at the greater of (1) "target" level of the Award, and (2) the level of actual performance achieved, as measured and calculated by the Committee as of the date hereof containing the certifications required by Section 4.08(b) of the Credit Agreement, and (c) Change in Control Event pursuant to a fee in the amount separately agreed by the Borrower, for the account of each Consenting Lender.

3. **Affirmation and Ratification of Loan Documents.** The Borrower hereby (a) ratifies and affirms each Loan Document to which it is a party (as modified by the Extension), (b) agrees that all of its obligations and covenants under each Loan Document to which it is a party shall remain unimpaired by the execution and delivery of this Agreement and the other documents and instruments executed in connection herewith, and (c) agrees that each Loan Document to which it is a party (as modified by the Extension) shall remain in full force and effect. This Agreement is a Loan Document.

4. **Representations of Borrowers.** The Borrower represents and warrants for the benefit of the Consenting Lenders and the Administrative Agent as follows: (a) before and after giving effect to the Extension, the representations and warranties contained in Article 7 of the Credit Agreement and the other Loan Documents made by it are true and correct in all material respects shortened performance period ending on and as of the Extension Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date, (b) before and after

giving effect to the Extension no Default exists or will exist, and (c) no event has occurred since the date of the most recent audited financial statements Change in Control Event, and the amount payable based upon the length of time within the performance period that has elapsed prior to the Change in Control Event.

(ii) For each Option and SAR, the Participant shall receive a payment equal to the difference between the consideration (consisting of cash or other property (including securities of a successor or parent corporation)) received by holders of Common Stock in the Change in Control Event transaction and the exercise price of the Borrower delivered applicable Option or SAR, if such difference is positive. Such payment shall be made in the same form as the consideration received by holders of Common Stock. Any Option or SAR with an exercise price that is higher than the per share consideration received by holders of Common Stock in connection with the Change in Control Event shall be cancelled for no additional consideration.

(iii) The Participant shall receive the consideration (consisting of cash or other property (including securities of a successor or parent corporation)) that such Participant would have received in the Change in Control Event transaction had he or she been, immediately prior to such transaction, a holder of the number of shares of Common Stock equal to the number of Restricted Stock

Units and other Awards, and/or shares subject to the Restricted Stock Award and the number of shares of Common Stock payable under Section 10.2(b)(i) for Awards subject to performance goals.

(iv) The payments contemplated by Sections 10.2(b)(ii) and 10.2(b)(iii) shall be made at the same time as consideration is paid to the holders of the Common Stock in connection with the Change in Control Event.

ARTICLE XI GENERAL

SECTION 11.1 Amendment or Termination of Plan. The Board may alter, suspend or terminate the Plan at any time. In addition, the Board may, from time to time, amend the Plan in any manner, but may not, without stockholder approval, adopt any amendment which would (i) increase the aggregate number of shares of Common Stock available under the Plan (except by operation of Article IX), (ii) materially modify the requirements as to eligibility for participation in the Plan, or (iii) materially increase the benefits to Participants provided by the Plan. The termination of the Plan shall not impair the power and authority of the Committee with respect to outstanding Awards. Notwithstanding anything in the Plan to the contrary, the Board may amend the Plan in such manner as it deems appropriate in the event of a change in applicable law or regulations.

SECTION 11.2 Non-transferability of Awards. Awards may be exercised during the lifetime of the Participant only by the Participant. More particularly (but without limiting the generality of the foregoing), an Award shall not be assigned, transferred (except as provided above), pledged or hypothecated in any way whatsoever, shall not be assigned by operation of law, and shall not be subject to execution, attachment or similar process. Any attempted assignment, transfer, pledge, hypothecation, or other disposition of the Award contrary to the provisions hereof, shall be null and void and without effect. However, in the event of a Participant's death, an Award may be transferred in accordance with the provisions of a Participant's will, the applicable laws of descent and distribution or, with respect to Awards other than Incentive Stock Options, a beneficiary designation that is in a form approved by the Committee and in compliance with the provisions of the Plan and the applicable Award Agreement.

SECTION 11.3 Withholding Taxes. Unless otherwise paid by the Participant, the Company, its Subsidiaries or any of its Affiliated Entities shall be entitled to deduct from any payment under the Plan, regardless of the form of such payment, the amount of all applicable income and employment taxes required by law to be withheld with respect to such payment or may require the Participant to pay to it such tax prior to and as a condition of the making of such payment. In accordance with any applicable administrative guidelines it establishes, the Committee may, in its discretion, allow a Participant to pay the amount of taxes required by law to be withheld from an Award by (i) directing the Company to withhold from any payment of the Award a number of shares of Common Stock having a Fair Market Value on the date of payment equal to the amount of the required withholding taxes or (ii) delivering to the Company previously owned shares of Common Stock having a Fair Market Value on the date of payment equal to the amount of the required withholding taxes. However, any payment made by the Participant pursuant to Section 8.02(a) either of the Credit foregoing clauses (i) or (ii) shall not be permitted if it would result in an adverse accounting charge to the Company with respect to such shares used to pay such taxes unless otherwise approved by the Committee.

SECTION 11.4 Amendments to Awards. Subject to the limitations of Article IV, such as the prohibition on repricing of Options, the Committee may at any time unilaterally amend the terms of any Award Agreement, that has had, whether or could reasonably be expected not presently exercisable

or vested, to have, a Material Adverse Effect, the extent it deems appropriate. However, amendments which are materially adverse to the Participant shall require the Participant's consent.

5. Miscellaneous. **SECTION 11.5Regulatory Approval and Listings (a) Headings.** The Company shall use its reasonable efforts to file with the Securities and captions Exchange Commission as soon as practicable following approval by the stockholders of the Company of the Plan as provided in Section 1.2 of the Plan, and keep continuously effectively, a Registration Statement on Form S-8 with respect to shares of Common Stock subject to Awards hereunder. Notwithstanding anything contained in the Plan to the contrary, the Company shall have no obligation to issue shares of Common Stock under the Plan prior to:

- (a) the obtaining of any approval from, or satisfaction of any waiting period or other condition imposed by, any governmental agency which the Committee shall, in its sole discretion, determine to be necessary or advisable;
- (b) the admission of such shares to listing on the stock exchange on which the Common Stock may be listed; and
- (c) the completion of any registration or other qualification of such shares under any state or Federal law or ruling of any governmental body which the Committee shall, in its sole discretion, determine to be necessary or advisable.

SECTION 11.6Foreign Laws. In order to facilitate the making of any grant or combination of grants under the Plan, the Committee may grant Awards to individual participants who are foreign nationals, who are employed by the Company, any Subsidiary or any Affiliated Entity outside of the United States, who provide services to the Company under an agreement with a foreign nation or agency or who are otherwise subject to the tax laws of nations other than the United States, which Awards may have terms and conditions as determined by the Committee as necessary or appropriate to accommodate differences in local law, tax policy or custom, to comply with applicable foreign laws or facilitate the offering and administration of the Plan in view of such foreign laws and to allow for tax-preferred treatment of Awards. Moreover, the Committee may approve such supplements to or amendments, restatements or alternative versions of the Plan (including, without limitation, sub-plans) and modify exercise procedures, and other terms and procedures, as it may consider necessary or appropriate for such purposes, without thereby affecting the terms of the Plan as in effect for any other purpose, and the Secretary or other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as the Plan. No such special terms, supplements, amendments, restatements, sub-plans or modifications, however, will include any provisions that are inconsistent with the terms of the Plan as then in effect unless the Plan could have been amended to eliminate such inconsistency without further approval by the stockholders of the Company. The Committee may take any action which it deems advisable to obtain approval of such Awards by the appropriate foreign governmental entity; provided, however, that no such Awards may be granted pursuant to this Section 11.6 and no action may be taken which would result in a violation of the Exchange Act, the Code or any other applicable law.

SECTION 11.7Company Policies. All Awards granted under the Plan shall be subject to Section 11.18, share trading policies and other policies that may be implemented by the Board or the Company from time to time.

SECTION 11.8Right to Continued Employment. Participation in the Plan shall not give any Eligible Employee any right to remain in the employ of the Company, any Subsidiary, or any Affiliated Entity. The Company or, in the case of employment with a Subsidiary or an Affiliated Entity, the Subsidiary or Affiliated Entity reserves the right to terminate any Eligible Employee at any time. Further, the adoption of the Plan shall not be construed deemed to give any Eligible Employee or any other individual any right to be selected as a Participant or to be granted an Award.

SECTION 11.9 Beneficiary Designation. In the event of the death of a Participant, the portion of the Participant's Award with respect to which vesting dates have occurred shall be paid to the then surviving beneficiary designated by the Participant, and if there is no beneficiary then surviving or designated, then such benefits will automatically be paid to the estate of the Participant.

SECTION 11.10 Reliance on Reports. Each member of the Committee and each member of the Board shall be fully justified in interpreting provisions; (b) this Agreement relying or acting in good faith upon any report made by the independent public accountants of the Company, its Subsidiaries or its Affiliated Entities and upon any other information furnished in connection with the Plan by any person or persons other than himself or herself. In no event shall any person who is or shall have been a member of the Committee or of the Board be liable for any determination made or other action taken or any omission to act in reliance upon any such report or information or for any action taken, including the furnishing of information, or failure to act, if in good faith.

SECTION 11.11 Construction. Masculine pronouns and other words of masculine gender shall refer to both men and women. The titles and headings of the sections in the Plan are for the convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

SECTION 11.12 Governing Law. The Plan shall be governed by and construed in accordance with the law laws of the State of New York; and (c) this Agreement may Delaware except as superseded by applicable federal law.

SECTION 11.13 Severability. If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Participant or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the form determination of an Electronic Record and may be executed using Electronic Signatures (including, without limitation, facsimile and .pdf) and the Committee, materially altering the intent of the Plan or the Award, such provision shall be considered an original, and shall have the same legal effect, validity and enforceability stricken as a paper record. This Agreement may be executed in as many counterparts as necessary to such jurisdiction, Participant or convenient, including both paper and electronic counterparts, but all such counterparts are one Award and the same Agreement. For remainder of the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by Administrative Agent of a manually-signed paper communication which has been converted into electronic form (such as scanned into .pdf format), or an electronically signed communication converted into another format, for transmission, delivery and/or retention. Plan and any such Award shall remain in full force and effect.

6. SECTION 11.14 ENTIRE AGREEMENT Other Laws. The Credit Agreement and Committee may refuse to issue or transfer any shares of Common Stock or other consideration under an Award if, acting in its sole discretion, it determines that the Other Loan Documents, TOGETHER WITH THIS Agreement, represent issuance or transfer of such shares or such other consideration might violate any applicable law or regulation or entitle the final agreement between Company to recover the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements same under Section 16(b) of the parties. There are Exchange Act, and any payment tendered to the Company by a Participant, other holder or beneficiary in connection with the exercise of such Award shall be promptly refunded to the relevant Participant, holder or beneficiary.

SECTION 11.15 Section 409A Considerations. The Plan is intended to comply with the requirements of Section 409A of the Code, to the extent applicable. All Awards shall be construed and administered such that the Award either (i) qualifies for an exemption from the requirements of Section 409A of the Code or (ii) satisfies the requirements of Section 409A of the Code. If an Award is subject to Section 409A of the Code, (A) distributions shall only be made in a manner and upon an event permitted under Section 409A of the Code, (B) payments to be made upon a termination of employment shall only be made upon a "separation from service" under Section 409A of the Code, (C) unless the Award specifies otherwise, each installment payment shall be treated as a separate payment for purposes of Section 409A of the Code, and (D) in no unwritten oral agreements between event shall a participant, directly or indirectly, designate the parties.

[Signature Pages] calendar year in which a distribution is made except in accordance with Section 409A of the Code. Any Award granted under the Plan that is subject to Follow] Section 409A of the Code and that is to be distributed to a key employee (as defined below) upon separation from service shall be administered so that any distribution with respect to such Award shall be postponed for six months following the date of the Participant's separation from

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

DEVON ENERGY CORPORATION,
as the Borrower

By: /s/ Jeffrey L. Ritenour

Name: Jeffrey L. Ritenour

Title: Executive Vice President and Chief Financial Officer

Signature Page
to Extension Agreement

service, if required by Section 409A of the Code. If a distribution is delayed pursuant to Section 409A of the Code, the distribution shall be paid within 30 days after the end of the six-month period. If the Participant dies during such six-month period, any postponed amounts shall be paid within 90 days of the Participant's death. The determination of key employees, including the number and identity of persons considered key employees and the identification date, shall be made by the Committee or its delegate each year in accordance with Section 416(i) of the Code and the "specified employee" requirements of Section 409A of the Code. Notwithstanding any provision of the Plan to the contrary, if any benefit provided under the Plan is subject to the provisions of Section 409A of the Code and the regulations issued thereunder (and not excepted therefrom), the provisions of the Plan shall be administered, interpreted and construed in a manner necessary to comply with Section 409A of the Code and the regulations issued thereunder (or disregarded to the extent such provision cannot be so administered, interpreted, or construed.)

BANK OF AMERICA, N.A. SECTION 11.16Disclaimer,

. Notwithstanding any provision of the Plan to the contrary, (a) none of the Company, the Board or the Committee warrants that any Award under the Plan will qualify for favorable tax treatment under any provision of the federal, state, local or non-United States law; and (b) in no event shall any member of the Committee or the Board, or the Company, its Subsidiaries or its Affiliated Entities (or any of their respective employees, officers, directors or affiliates) have any liability to any Participant (or any other person) due to the failure of the Plan to satisfy the requirements of 409A of the Code or any other applicable law for any tax, interest, or penalties the Participant might owe as **Administrative Agent** a result of the grant, holding, vesting, exercise, or payment of any Award under the Plan.

SECTION 11.17No Trust or Fund Created. Neither the Plan nor an Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other person. To the extent that a Participant acquires the right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any general unsecured creditor of the Company.

SECTION 11.18Clawback. All Awards under the Plan shall be subject to the Company's clawback policy and any applicable clawback or recoupment policy of the Company that is required by applicable law or any applicable securities exchange listing standards and/or that is otherwise adopted from time to time by the Board (or a committee designated by the Board). The Board (or a committee designated by the Board) shall have discretion with respect to any such clawback or recoupment policy to determine whether the Company shall effect any such recovery (i) by seeking repayment from the Participant, (ii) by reducing (subject to applicable law and the terms and conditions of the applicable plan, policy, program or arrangement) the amount that would otherwise be payable to the Participant under any compensatory plan, program or arrangement maintained by the Company, a parent or a subsidiary of the Company, (iii) by withholding payment of future increases in compensation (including the payment of any discretionary bonus amount) or grants of compensatory awards that would otherwise have been made in accordance with the Company's otherwise applicable compensation practices, or (iv) by any combination of the foregoing or otherwise. By accepting Awards under the Plan, Participants agree and acknowledge that they are obligated to cooperate with, and provide any and all assistance necessary to, the Company to recover or recoup any such Award or amounts paid under the Plan subject to clawback pursuant to such law, securities exchange listing standard or Company policy. Such cooperation and assistance shall include, but is not limited to, executing, completing and submitting any documentation necessary to recover or recoup any such award or amounts paid from a Participant's accounts, or pending or future compensation or Awards under the Plan.

By: /s/ Kimberly Miller

Name: Kimberly Miller

Title: Director Exhibit 10.2

Signature Page
to Extension Agreement

BANK OF AMERICA, N.A.,
as a Lender, an L/C Issuer, and the Swing Line Lender

By: /s/ Kimberly Miller

Name: Kimberly Miller

Title: Director

Signature Page
to Extension Agreement

CITIBANK, N.A., as a Lender and an L/C Issuer

By: /s/ Maureen Maroney

Name: Maureen Maroney

Title: Vice President

Signature Page
to Extension Agreement

GOLDMAN SACHS BANK USA, as a Lender and an L/C Issuer

By: /s/ Andrew B. Vernon

Name: Andrew Vernon

Title: Authorized Signatory

Signature Page
to Extension Agreement

to Extension Agreement

JPMORGAN CHASE BANK, N.A.,as a Lender and an L/C Issuer

By: /s/ Justin Carter

Name: Justin Carter

Title: Vice President

**Signature Page
to Extension Agreement**

MORGAN STANLEY BANK, N.A.,as a Lender and an L/C Issuer

By: /s/ Michael King

Name: Michael King

Title: Authorized Signatory

**Signature Page
to Extension Agreement**

ROYAL BANK OF CANADA,as a Lender and an L/C Issuer

By: /s/ Michael Sharp

Name: Michael Sharp

Title: Authorized Signatory

**Signature Page
to Extension Agreement**

THE BANK OF NOVA SCOTIA, HOUSTON BRANCH,as a Lender and an L/C Issuer

By: /s/ Sam Cutler

Name: Sam Cutler

Title: Director

**Signature Page
to Extension Agreement**

TRUIST BANK,as a Lender and an L/C Issuer

By: /s/ Lincoln LaCour

Name: Lincoln LaCour

Title: Director

Signature Page
to Extension Agreement

WELLS FARGO BANK, NATIONAL ASSOCIATION,as a Lender and an L/C Issuer

By: /s/ Erin Grasty

Name: Erin Grasty

Title: Vice President

Signature Page
to Extension Agreement

BANK OF CHINA, NEW YORK BRANCH,as a Lender

By: /s/ Raymond Qiao

Name: Raymond Qiao

Title: Executive Vice President

Signature Page
to Extension Agreement

BARCLAYS BANK PLC,as a Lender

By: /s/ Sydney G. Dennis

Name: Sydney G. Dennis

Title: Director

Signature Page
to Extension Agreement

CANADIAN IMPERIAL BANK OF COMMERCE, NEW YORK BRANCH,as a Lender

By: /s/ Scott W. Danvers

Name: Scott W. Danvers

Title: Authorized Signatory

By: /s/ Donovan C. Broussard

Name: Donovan C. Broussard

Title: Authorized Signatory

Signature Page
to Extension Agreement

PNC BANK, NATIONAL ASSOCIATION,as a Lender

By: /s/ Jessica Molinar

Name: Jessica Molinar

Title: Assistant Vice President

Signature Page
to Extension Agreement

THE TORONTO-DOMINION BANK, NEW YORK BRANCH,as a Lender

By: /s/ Liana Chernysheva

Name: Liana Chernysheva

Title: Authorized Signatory

Signature Page
to Extension Agreement

U.S. BANK NATIONAL ASSOCIATION,as a Lender

By: /s/ Elizabeth Johnson

Name: Elizabeth Johnson

Title: SVP

Signature Page
to Extension Agreement

BOKF, NA DBA BANK OF OKLAHOMA, as a Lender
By: /s/ John Krenger
Name: John Krenger
Title: Senior Vice President

Signature Page
to Extension Agreement

Exhibit 10.2

Devon Energy Corporation
ID:73-1567067
333 West Sheridan Avenue
Oklahoma City, Oklahoma 73102-5015

NOTICE OF GRANT OF RESTRICTED STOCK AWARD AND AWARD AGREEMENT

Participant Name	Grant Date:	Grant Date
	Grant Type:	RSA
	Award No.:	Client Grant ID

Effective Grant Date, you have been granted a Restricted Stock Award of Number of Shares Granted shares of Devon Energy Corporation (the “Company”) Common Stock under the 2022 Devon Energy Corporation Long-Term Incentive Plan. Each share of Restricted Stock will be Plan. These shares are restricted until it vests and will vest over a period of time. 25% of the shares vest on each of the first four anniversary dates of the Grant Date, subject to the terms set forth herein.* The following chart depicts the vesting schedule: date shown below.

Anniversary of Grant Vesting Date	% of Shares to Vest
1st Anniversary Day Immediately Following the Date of Grant*	25%
2nd Anniversary	25%
3rd Anniversary	25%
4th Anniversary	25% 100%

*Vesting Schedule Notwithstanding the foregoing, the vesting of the Award is contingent on your acceptance of the Award by 12:00 PM Oklahoma City, Oklahoma time on the day immediately following the Date of Grant; provided, however, that if you do not affirmatively decline acceptance of the Award by 12:00 PM Oklahoma City, Oklahoma time on the day immediately following the Date of Grant you will be deemed to have affirmatively accepted the Award on the day immediately following the Date of Grant.

By accepting this agreement, **online**, you and the Company agree that this award is granted under and governed by the terms and conditions of the Company's 2022 Long-Term Incentive Plan and the Award Agreement, both of which are attached and made a part of this document.

DEVON ENERGY CORPORATION
2022 LONG-TERM INCENTIVE PLAN
NON-MANAGEMENT DIRECTOR
RESTRICTED STOCK AWARD AGREEMENT

THIS RESTRICTED STOCK AWARD AGREEMENT (this "Award Agreement") is entered into as of **Grant Date** (the "Date of Grant"), by and between Devon Energy Corporation, a Delaware corporation (the "Company"), and **Participant Name** (the "Participant").

WITNESSETH: WITNESSETH:

WHEREAS, the Company has previously adopted the **Devon "Devon" Energy Corporation 2022 Long-Term Incentive Plan Plan** (the "Plan");

WHEREAS, the Participant is a nonemployee director of the Company and it is important to the Company that the Participant be encouraged to remain a director of the Company; and

WHEREAS, in **connection with the Participant's employment with the Company, recognition of such facts**, the Company desires to award to the Participant **Number of Shares Grante Granted d** shares of the Company's Common Stock under the Plan subject to the terms and conditions of this Award **Agreement and the Plan; and Agreement;**

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants herein contained, the Participant and the Company agree as follows:

1.

The Plan. The Plan, a copy of which is attached hereto, is hereby incorporated by reference herein and made a part hereof for all purposes, and when taken with this Award Agreement shall govern the rights of the Participant and the Company with respect to the Award.

2.

Grant of Award. The Company hereby grants to the Participant an award (the "Award") of **Number of Shares Granted** shares of the Company's Common Stock (the "Restricted Stock"), on the terms and conditions set forth herein and in the Plan.

3.

Terms of Award.

(a)

Escrow of Shares. A certificate or book-entry registration representing the Restricted Stock shall be issued in the name of the Participant and shall be escrowed with the Secretary subject to removal of the restrictions placed thereon or forfeiture pursuant to the terms of this Award Agreement.

(b)

Vesting.

(i) 25% 100% of the shares of the Restricted Stock are is scheduled to vest on each of the first four anniversary dates of day immediately following the Date of Grant (each, a (the “Vesting Date”). Except as Notwithstanding the foregoing, the vesting of the Restricted Stock is contingent on the Participant’s acceptance of the Award by 12:00 PM Oklahoma City, Oklahoma time on the day immediately following the Date of Grant; provided, in this Section 3, however, that if the Participant’s Participant does not affirmatively decline acceptance of the Restricted Stock by 12:00 PM Oklahoma City, Oklahoma time on the day immediately following the Date of Termination has not occurred as of a Vesting Date, then Grant the Participant shall be entitled, subject deemed to have affirmatively accepted the applicable provisions Restricted Stock on the day immediately following the Date of the Plan and this Award Agreement having been satisfied, to receive, on or within a reasonable time after the applicable Vesting Date, the shares scheduled to vest as of the applicable Vesting Date. Grant. The portion of the Restricted Stock that has vested pursuant to the terms of this Award Agreement shall be deemed “Vested Stock.”

(ii) The Participant shall forfeit the unvested portion of the Award (including the underlying Restricted Stock and Accrued Dividends) upon the occurrence of the Participant’s Date of Termination unless the Award becomes vested under the circumstances described in paragraphs (iii), (iv), or (v) below.

(iii) If (A) the Participant’s Date of Termination occurs under circumstances in which the Participant is entitled to a severance payment from the Company, a Subsidiary, or an Affiliated Entity under (1) the Participant’s employment agreement or severance agreement with the Company due to a termination of the Participant’s employment by the Company without “cause” or by the Participant for “good reason” in accordance

with the Participant’s employment agreement or severance agreement or (2) the Devon Energy Corporation Severance Plan and (B) the Participant timely signs and returns to the Company a release of claims against the Company in a form prepared by the Company (the “Release”), the Restricted Stock shall become fully vested upon the date the Release becomes effective and the Restricted Stock shall be released within a reasonable time after the applicable Vesting Date. If the Participant fails to timely sign and return the Release to the Company or revokes the Release prior to the date the Release becomes effective, the unvested shares of Restricted Stock (and Accrued Dividends) subject to this Award Agreement shall be forfeited.

(iv) The Restricted Stock shall become fully vested upon the Participant’s Date of Termination if the Participant’s Date of Termination occurs by reason of the Participant’s death. The Committee may in its sole and absolute discretion, elect to vest all or a portion of the unvested Restricted Stock upon the Participant’s Date of Termination if the Participant’s Date of Termination occurs by reason of disability or upon other special circumstances (as determined by the Committee and permitted pursuant to the Plan).

(v) If the Participant is Post-Retirement Vesting Eligible, the Participant shall, subject to the satisfaction of the conditions in Section 15, be eligible to vest in accordance with the Vesting Schedule above in Section 3(b), in the installments of Restricted Stock that remain unvested on the Date of Termination as follows:

Age at Retirement	Percentage of each Unvested Installment of Restricted Stock Eligible to be Earned by the Participant
54 and earlier	0%
55	60%
56	65%
57	70%
58	75%
59	80%

60 and beyond	100%
---------------	------

If (i) the Participant is Post-Retirement Vesting Eligible, (ii) the death of the Participant occurs following the Date of Termination, and (iii) no Non-Compliance Event has occurred prior to the date of the Participant's death, then any installments of Restricted Stock that remain unvested on the date of the Participant's death but in which the Participant was eligible to vest pursuant to this Section 3(b)(v) shall become fully vested upon the Participant's death.

(vi) If (1) the Award is eligible for vesting under the circumstances described in paragraphs (iii) (other than in connection with a Change in Control Event) or (v) above, and (2) the Participant's Date of Termination occurs before the one-year anniversary of the Date of Grant, then, notwithstanding such provisions in paragraphs (iii) and (v) above, the number of shares of Restricted Stock that would have otherwise vested pursuant to such provisions will be pro-rated based on the number of days from the Date of Grant to the Date of Termination out of 365.

(c) Voting Rights and Dividends. The Participant shall have all of the voting rights attributable to the shares of Restricted Stock. Any dividends declared and paid by the Company with respect to shares of Restricted Stock (the "Accrued ("Accrued Dividends") shall not be paid to the Participant until such Restricted Stock becomes Vested Stock. Accrued Dividends shall be held by the Company as a general obligation of the Company and paid to the Participant reasonably promptly following the time the underlying Restricted Stock becomes Vested Stock (but in no event later than March 15 of the calendar year following the year in which such vesting occurs). Accordingly, Accrued Dividends shall be forfeited to the extent that the related Restricted Stock does not vest and is forfeited or cancelled. No interest shall be credited on Accrued Dividends. **Stock.**

(d) Vested Stock - Removal of Restrictions. Upon Restricted Stock becoming Vested Stock, all restrictions shall be removed from the certificates or book-entry registrations and the Participant shall be provided

a confirmation of the release of such Vested Stock, representing such Vested Stock as free and clear of all restrictions, except for any applicable securities laws restrictions. Reasonably promptly thereafter (but in no event later than March 15 of the calendar year following the year in which such vesting occurs), the Participant shall receive a payment in the amount of all Accrued Dividends attributed to such Vested Stock without interest thereon.

4. Legend. The shares of Restricted Stock covered by the Award shall be subject to the restrictions described in the following legend, which shall appear on any individual certificate or book entry registration representing the Award; provided, however, that in the case of book entry registration, a notation or other precautionary device may be used to denote such restrictions:

"THE SHARES OF STOCK EVIDENCED BY THIS CERTIFICATE OR BOOK-ENTRY REGISTRATION ARE SUBJECT TO AND ARE TRANSFERABLE ONLY IN ACCORDANCE WITH THAT CERTAIN AWARD AGREEMENT DATED **Grant Date** UNDER THE DEVON ENERGY CORPORATION 2022 LONG-TERM INCENTIVE PLAN. ANY ATTEMPTED TRANSFER OF THE SHARES OF STOCK EVIDENCED BY THIS CERTIFICATE OR BOOK-ENTRY REGISTRATION IN VIOLATION OF SUCH AWARD AGREEMENT SHALL BE NULL AND VOID AND WITHOUT EFFECT. A COPY OF THE AWARD AGREEMENT MAY BE OBTAINED FROM THE SECRETARY OF DEVON ENERGY CORPORATION."

5. Delivery of Forfeited Shares. The Participant authorizes the Secretary to deliver to the Company any and all shares of Restricted Stock that are forfeited under the provisions of this Award Agreement.

6. Employment. Nothing in the Plan or in this Award Agreement shall confer upon the Participant any right to continue in the employ of the Company or any of its Subsidiaries or Affiliated Entities, or interfere in any way with the right to terminate the Participant's employment at any time.

7. Non-transferability of Award. The Participant shall not have the right to sell, assign, transfer, convey, dispose, pledge, hypothecate, burden, encumber, or charge the Award or any Restricted Stock or any interest therein in any manner whatsoever.

8. 5.

Notices. All notices or other communications relating to the Plan and this Award Agreement as it relates to the Participant shall be in writing and shall be delivered electronically, personally, or mailed (U.S. mail) by the Company to the Participant at the then current address as maintained by the Company or such other address as the Participant may advise the Company in writing.

9. 6.

Binding Effect; No Third-party Beneficiaries; Governing Law and Venue; Compliance with Law. This Award Agreement shall be (i) binding upon and inure to the benefit of the parties hereto and their respective heirs, successors, and permitted assigns except as may be limited by the Plan, and (ii) governed by and construed under the laws of the State of Delaware. This Award Agreement shall not confer any rights or remedies upon any person other than the Company and the Participant and each of their respective heirs, representatives, successors and permitted assigns. The issuance of shares of Common Stock, if any, to the Participant pursuant to this Award

Agreement is subject to any applicable taxes and other laws or regulations of the United States or of any state, municipality or other country having jurisdiction thereof. Any action arising out of, or relating to, any of the provisions of this Award Agreement shall be brought only in the United States District Court for the Southern District of Delaware, or if such court does not have jurisdiction or will not accept jurisdiction, in any court of general jurisdiction in Delaware, and the jurisdiction of such court in any such proceeding shall be exclusive.

10. 7.

Award Subject to Claims of Creditors. The Participant shall not have any interest in any particular assets of the Company, its parent, if applicable, or any Subsidiary or Affiliated Entity by reason of the right to earn an Award (including Accrued Dividends) under the Plan and this Award Agreement, and the Participant or any other person shall have only the rights of a general unsecured creditor of the Company, its parent, if applicable, or a Subsidiary or Affiliated Entity with respect to any rights under the Plan or this Award Agreement.

8. **Company Policies.** The Participant agrees that the Award, and the right to receive and/or retain any Vested Stock or cash payments covered by this Award, will be subject to any applicable clawback or recoupment policies, share trading policies and other policies that may be implemented from time to time by the Company's Board of Directors, a duly authorized committee thereof or the Company, or as required by applicable law or any applicable securities exchange listings standards. By accepting this Award under the Plan, the Participant agrees and acknowledges that the Participant is obligated to cooperate with, and provide any and all assistance necessary to, the Company to recover or recoup any Award or amounts paid under the Plan subject to clawback pursuant to such

policy, law or standard. Such cooperation and assistance shall include, but is not limited to, executing, completing and submitting any documentation necessary to recover or recoup any Award or amounts paid pursuant to this Award.

11. 9.

Withholding. The Company and the Participant shall comply with all federal and state laws and regulations respecting the required withholding, deposit and payment of any income, employment or other taxes relating to the Award (including Accrued Dividends). The Company shall withhold the employer's minimum statutory withholding based upon minimum statutory withholding rates for federal and state purposes, or as otherwise approved by the Committee, including payroll taxes that are applicable to such supplemental taxable income. Any payment of required withholding taxes by the Participant in the form of Common Stock shall not be permitted if it would result in an accounting charge to the Company with respect to such shares used to pay such taxes unless otherwise approved by the Committee.

12. **Award Subject to Claims of Creditors.** The Participant shall not have any interest in any particular assets of the Company, its parent, if applicable, or any Subsidiary or Affiliated Entity by reason of the right to earn an Award (including Accrued Dividends) under the Plan and this Award Agreement, and the Participant or any other person shall have only the rights of a general unsecured creditor of the Company, its parent, if applicable, or a Subsidiary or Affiliated Entity with respect to any rights under the Plan or this Award Agreement.

13. **Captions.** The captions of specific provisions of this Award Agreement are for convenience and reference only, and in no way define, describe, extend or limit the scope of this Award Agreement or the intent of any provision hereof.

14. 10.

Counterparts. This Award Agreement may be executed in any number of identical counterparts, each of which shall be deemed an original for all purposes, but all of which taken together shall form one agreement.

15. **Conditions to Post-Retirement Vesting.**

(a) **Notice of and Conditions to Post-Retirement Vesting.** If the Participant is Post-Retirement Vesting Eligible, the Company shall, within a reasonable period of time prior to the Participant's Date of Termination, notify the Participant that the Participant has the right, pursuant to this Section 15(a), to continue to vest following the Date of Termination in any unvested installments of Restricted Stock (each such unvested installment, an "Installment"). The Participant shall have the right to vest in such Installments of Restricted Stock, provided that the Participant executes and delivers to the Company, with respect to each such Installment, the following documentation: (i) a non-disclosure letter agreement, in the form attached as Exhibit A (a "Non-Disclosure Agreement") and (ii) a compliance certificate, in the form attached as Exhibit B (a "Compliance Certificate") indicating the Participant's full compliance with the Non-Disclosure Agreement. For each such Installment, (x) a Non-Disclosure Agreement shall be provided to the Company no later than March 31 of the year that immediately precedes the scheduled Vesting Date of such Installment or, with respect to the first Installment that is scheduled to occur following the Date of Termination, on or before the Date of Termination, and (y) a Compliance Certificate shall be provided to the Company no later than January 1 of the year in which the Vesting Date of such Installment is scheduled to occur. By way of illustration, if the Vesting Date of an Installment is scheduled to occur on February 1, a Non-Disclosure Agreement for such Installment would need to be provided to the Company by no later than March 31 of the preceding year; *provided, however*, that if such Installment is the first Installment scheduled to occur following the Date of Termination, a Non-Disclosure Agreement for such Installment would need to be provided on or before the Date of Termination. Further, under the foregoing illustration, a Compliance Certificate would be delivered by no later than January 1 of the year in which the Vesting Date of such Installment is scheduled to occur. Notwithstanding the foregoing and for the avoidance of doubt, at the Company's election, the Participant may deliver a single Non-Disclosure Agreement and Compliance

Certificate, as applicable, for each year to satisfy the Participant's obligations under this Section and similar provisions in the Participant's other equity award agreements with the Company.

(b) 11.

Consequences of Failure to Satisfy Vesting Conditions. In the event that, with respect to any given Installment, the Participant fails to deliver either the respective Non-Disclosure Agreement or Compliance Certificate for such Installment on or before the date required for the delivery of such document (such failure, a "Non-Compliance Event"), the Participant shall not be entitled to vest in any unvested Installments that would vest from and after the date of the Non-Compliance Event and the Company shall be authorized to take any and all such actions as are necessary to cause such unvested Restricted Stock to not vest and to terminate. The only remedy of the Company for failure to deliver a Non-Disclosure Agreement or a Compliance Certificate shall be the failure to vest in, and cancellation of, any unvested Installments then held by the Participant.

16. Amendment. Except as permitted by the Plan, this Award Agreement may not be amended, modified, terminated or otherwise altered except by the written consent of the Company and the Participant.

17. 12.

Entire Agreement. Except as otherwise provided herein, the Plan and this Award Agreement constitute the entire agreement between the Participant and the Company and supersede any prior understandings, agreements, or representations by or between the parties, written or oral, to the extent they relate in any way to the subject matter of this Award Agreement.

18. 13.

Section 83(b) Election. The Participant hereby acknowledges that the Participant has been informed that, with respect to the shares of Restricted Stock, the Participant may file an election with the Internal Revenue Service, within 30 days following the Date of Grant, electing pursuant to Section 83(b) of the Code ("Section 83(b)") to be taxed currently on Fair Market Value (as defined in the Plan) of the shares of Restricted Stock on the Date of Grant, in which case any future appreciation in the shares of Common Stock covered by the Award will be taxed as capital gains. Absent such an election, ordinary income will be measured and recognized by the Participant at the time or times which the Restricted Stock vests. The Participant is strongly encouraged to seek the advice of the Participant's tax consultants in connection with the advisability of the filing of the election under Section 83(b). A form of election under Section 83(b) may be obtained from the administrator of the Plan. The Participant acknowledges that it is not the Company's, but rather the Participant's sole responsibility to file the election under Section 83(b).

19. Application of Section 409A of the Code. The Award covered by this Award Agreement is intended to be exempt from, or otherwise comply with the provisions of, Section 409A of the Code, and the regulations and other guidance promulgated thereunder ("409A"). Notwithstanding the foregoing or any other provision of this Award Agreement or the Plan to the contrary, if the Award is subject to the provisions of 409A (and not exempt therefrom), the provisions of this Award Agreement and the Plan shall be administered, interpreted and construed in a manner necessary to comply with 409A (or disregarded to the extent such provision cannot be so administered, interpreted or construed). If any payments or benefits hereunder constitute non-conforming "deferred compensation" subject to taxation under 409A, the Participant agrees that the Company may, without the Participant's consent, modify the Award Agreement to the extent and in the manner the Company deems necessary or advisable or take such other action or actions, including an amendment or action with retroactive effect, that the Company deems appropriate in order either to preclude any such payment or benefit from being deemed "deferred compensation" without the meaning of 409A or to provide such payment or benefits in a manner that complies with the provisions of 409A such that they will not be subject to the imposition of taxes and/or interest thereunder. If, at the time of the Participant's separation from service (within the meaning of 409A), (A) the Participant is a specified employee (within the meaning of 409A and using the identification methodology selected by the Company from time to time) and (B) the Company makes a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of 409A) the settlement of which is required to be delayed pursuant to the six-month delay rule set forth in 409A in order to avoid taxes or penalties under 409A, then the Company shall not settle such amount on the otherwise scheduled settlement date, but shall instead settle it, without interest, within 30 days after such six-month period. Each payment under the Award shall be treated as a right to a separate payment. In no event shall the Participant, directly or indirectly, designate the calendar year of payment. Notwithstanding the foregoing, the Company makes no representations and/or warranties with respect to compliance with 409A, and the Participant recognizes and acknowledges that 409A could potentially impose upon the Participant certain taxes and/or interest charges for which the Participant is and shall remain solely **responsible, responsible,**

20.14. Definitions. Words, terms, or phrases used in this Award Agreement shall have the meaning set forth in this Section 20.14. Capitalized terms used in this Award Agreement but not defined herein shall have the meaning designated in the Plan.

(a)

"Accrued" "Accrued Dividends" has the meaning set forth in Section 3(c).

(b)

"Award" "Award" has the meaning set forth in Section 2.

(c)

"Award" "Award Agreement" has the meaning set forth in the preamble.

(d)

"Company" "Company" has the meaning set forth in the preamble.

(e)

"Compliance Certificate" has the meaning set forth in Section 15(a).

(f) "Date" "Date of Grant" has the meaning set forth in the preamble.

(g) "Date

(f) "Date of Termination" means the first day occurring on or after the Date of Grant on which the Participant is not employed by the Company, a Subsidiary, or an Affiliated Entity, regardless member of the reason for the termination of employment; provided, however, that a termination of employment shall not be deemed to occur by reason of a transfer of the Participant between the Company, a Subsidiary, and an Affiliated Entity or between two Subsidiaries or two Affiliated Entities. The Participant's employment shall not be considered terminated while the Participant is on a leave of absence from the Company, a Subsidiary, or an Affiliated Entity approved by the Participant's employer pursuant to Company policies. If, as a result of a sale or other transaction, the Participant's employer ceases to be either a Subsidiary or an Affiliated Entity, and the Participant is not, at the end of the 30-day period following the transaction, employed by the Company or an entity that is then a Subsidiary or Affiliated Entity, then the date of occurrence of such transaction shall be treated as the Participant's Date of Termination.

(h) "Early Retirement Date" means, with respect to the Participant, the first day of a month that occurs on or after the date the Participant (i) attains age 55 and (ii) earns at least 10 Years of Service.

(i) "Installment" has the meaning set forth in Section 15(a).

(j) "Non-Compliance Event" has the meaning set forth in Section 15(b).

(k) "Non-Disclosure Agreement" has the meaning set forth in Section 15(a).

(l) "Normal Retirement Date" means, with respect to the Participant, the first day of a month that occurs on or after the date the Participant attains age 65.

(m) "Participant" Board.

(g) "Participant" has the meaning set forth in the preamble.

(n) "Plan"

(h) "Plan" has the meaning set forth in the recitals.

(o) "Post-Retirement Vesting Eligible" means the Participant's Date of Termination occurs

(i) by reason of the Participant's retirement and (ii) on or after the earlier of the Participant's Early Retirement Date or the Participant's Normal Retirement Date, provided that, in connection with the Participant's termination of employment, the Committee has not otherwise affirmatively determined that the Participant shall not be Post-Retirement Vesting Eligible.

(p) "Restricted "Restricted Stock" has the meaning set forth in Section 2.

(q) "Vested

(j) "Vested Stock" has the meaning set forth in Section 3(b).

(r) "Vesting (k) "Vesting Date" has the meaning set forth in Section 3(b).

(s) "Year of Service" means a calendar
IN WITNESS WHEREOF, the parties hereto have executed this Award Agreement on the day and year in which the Participant is employed with the Company, a
Subsidiary or Affiliated Entity for at least nine months during such calendar year.

"COMPANY" DEVON ENERGY CORPORATION,
a Delaware corporation
"PARTICIPANT" Participant Name

Exhibit 10.2

EXHIBIT A

Form of Non-Disclosure Agreement

[Insert Date]

Devon Energy Corporation
333 West Sheridan Avenue
Oklahoma City, OK 73102-5015

Re: Non-Disclosure Agreement

Ladies and Gentlemen:

This letter agreement is entered between Devon Energy Corporation (together with its subsidiaries and affiliates, the "Company") and the undersigned (the "Participant") in connection with that certain Restricted Stock Award Agreement (the "Agreement") dated _____, 20____ between the Company and the Participant. All capitalized terms used in this letter agreement shall have the same meaning ascribed to them in the Agreement unless specifically denoted otherwise.

The Participant acknowledges that, during the course of and in connection with the employment relationship between the Participant and the Company, the Company provided and the Participant accepted access to the Company's trade secrets and confidential and proprietary information, which included, without limitation, information pertaining to the Company's finances, oil and gas properties and prospects, compensation structures, business and litigation strategies and future business plans and other information or material that is of special and unique value to the Company and that the Company maintains as confidential and does not disclose to the general public, whether through its annual report and/or filings with the Securities and Exchange Commission or otherwise (the "Confidential Information").

The Participant acknowledges that his position with the Company was one of trust and confidence because of the access to the Confidential Information, requiring the Participant's best efforts and utmost diligence to protect and maintain the confidentiality of the Confidential Information. Unless required by the Company or with the Company's express written consent, the Participant will not, during the term of this letter agreement, directly or indirectly, disclose to others or use for his own benefit or the benefit of another any of the Confidential Information, whether or not the Confidential Information is acquired, learned, attained or developed by the Participant alone or in conjunction with others.

The Participant agrees that, due to his access to the Confidential Information, the Participant would inevitably use and/or disclose that Confidential Information in breach of his confidentiality and non-disclosure obligations if the Participant worked in certain capacities or engaged in certain activities for a period of time following his employment with the Company, specifically in a position that involves (i) responsibility and decision-making authority or input at the executive level regarding any subject or responsibility, (ii) decision-making responsibility or input at any management level in the Participant's individual area of assignment with the Company, or (iii) responsibility and decision-making authority or input that otherwise allows the use of the Confidential Information (collectively referred to as the "Restricted Occupation"). Therefore, except with the prior written consent of the Company, during the term of this letter agreement, the Participant agrees not to be employed by, consult for or otherwise act on behalf of any person or entity in any capacity in which he would be involved, directly or indirectly, in a Restricted Occupation. The Participant acknowledges that this commitment is intended to protect the

Confidential Information and is not intended to be applied or interpreted as a covenant against competition.

The Participant further agrees that during the term of this letter agreement, the Participant will not, directly or indirectly on behalf of a person or entity or otherwise, (i) solicit any of the established customers of the Company or attempt to induce any of the established customers of the Company to cease doing business with the Company, or (ii) solicit any of the employees of the Company to cease employment with the Company.

Notwithstanding the foregoing, nothing in this letter agreement is intended to conflict with the Defend Trade Secrets Act or create liability for disclosures of trade secrets that are expressly allowed by that statute. In particular, under the Defend Trade Secrets Act, the Participant will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret of the Company that is made (i) in confidence to a government official or to the Participant's attorney solely for the purpose of reporting or investigating a suspected violation of law or (ii) in a complaint or other document that is filed under seal in a proceeding. In addition, if the Participant files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Participant may disclose the trade secret to the Participant's attorney and use the trade secret information in the court proceeding if the Participant files any document containing the trade secret under seal and does not otherwise disclose the trade secret, except pursuant to court order. Further, nothing in this letter agreement or any other agreement or arrangement with the Company shall prohibit or restrict the Participant from making any voluntary disclosure of information or documents pertaining to violations of law to any governmental agency or legislative body, any self-regulatory organization, or the Legal Department of the Company without prior notice to the Company.

This letter agreement shall become effective upon execution by the Participant and the Company and shall terminate on March 31, 20____. [Note: Insert the year of the next scheduled Vesting Date of an Installment. For example, if the letter agreement is executed on March 31, 2018, the termination date inserted in the preceding sentence would be March 31, 2019.]

If you agree to the above terms and conditions, please execute a copy of this letter agreement below and return a copy to me.

"PARTICIPANT"

Participant

THE UNDERSIGNED HEREBY ACCEPTS AND AGREES TO THE TERMS SET FORTH ABOVE AS OF THIS ____ DAY OF _____, ____.

"COMPANY"

DEVON ENERGY CORPORATION

By:

Name:

Title:

Exhibit 10.2

EXHIBIT B

Form of Compliance Certificate

I hereby certify that I am in full compliance with the covenants contained in that certain letter agreement (the "Agreement") dated as of _____, ____ between Devon Energy Corporation and me and have been in full compliance with such covenants at all times during the period ending January 1, 20____.

Participant Name

Dated:

Exhibit 10.3

NOTICE OF GRANT OF PERFORMANCE SHARE RESTRICTED STOCK UNIT
AWARD
AND AWARD AGREEMENT

#ParticipantName#

Grant Date: #GrantDate#

Grant Type: PSU RSU

Award No.: #ClientGrantI

D#

Effective #GrantDate#, you have been granted a target an award of #QuantityGranted#

Performance Share Restricted Stock Units ("Award") under the Devon Energy Corporation 2022 Long-Term Incentive Plan. Each Performance Share Restricted Stock Unit that vests entitles you to one share of Devon Energy Corporation (the "Company") Common Stock. ~~The~~ This Award is restricted until the vesting date shown below.
Vesting Date % of these Performance Share Units is calculated based upon Shares to Vest

Day Immediately Following the Company's TSR (as defined in Schedule A Date of Grant* 100%

*Notwithstanding the foregoing, the vesting of the Award Agreement) over the Performance Period (as defined in is contingent on your acceptance of the Award Agreement). The maximum number by 12:00 PM Oklahoma City, Oklahoma time on the day immediately following the Date of Performance Share Units Grant; provided, however, that if you can earn do not affirmatively decline acceptance of the Award by 12:00 PM Oklahoma City, Oklahoma time on the day immediately following the Date of Grant you will be calculated as follows: $\#QuantityGranted\# \times 200\%$, with actual payout based deemed to have affirmatively accepted the Award on the performance level achieved by day immediately following the Company with respect to the Performance Goal set forth on Schedule A. Date of Grant.

This Award also entitles you to be paid Dividend Equivalents as set forth in the Award Agreement.

*Vesting Schedule

By accepting this agreement, online, you and the Company agree that this award is granted under and governed by the terms and conditions of the Company's 2022 Long-Term Incentive Plan and the Award Agreement, both of which are attached and made a part of this document.

DEVON ENERGY CORPORATION
2022 LONG-TERM INCENTIVE PLAN
PERFORMANCE SHARE RESTRICTED STOCK UNIT AGREEMENT

THIS PERFORMANCE SHARE RESTRICTED STOCK UNIT AWARD AGREEMENT (this "Award Agreement") is entered into as of $\#GrantDate\#$ (the (the "Date of Grant"), by and between Devon Energy Corporation, a Delaware corporation (the "Company"), and $\#ParticipantName\#$ (the (the "Participant").

W I T N E S S E T H:

WHEREAS, the Company has previously adopted the Devon Energy Corporation 2022 Long-Term Incentive Plan (the "Plan");

WHEREAS, the Participant is a nonemployee director of the Company and it is important to the Company that the Participant be encouraged to remain a director of the Company; and

WHEREAS, in connection with the Participant's employment with the Company, recognition of such facts, the Company desires to award to the Participant $\#QuantityGranted\#$ Performance Share Restricted Stock Units subject to the terms and conditions of this Award Agreement and the Plan; and Plan.

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants herein contained, the Participant and the Company agree as follows:

1. The Plan. The Plan, a copy of which is attached hereto, is hereby incorporated by reference herein and made a part hereof for all purposes, and when taken with this Award Agreement shall govern the rights of the Participant and the Company with respect to the Award.

2. Grant of Award. The Company hereby grants to the Participant an award (the "Award") of **#QuantityGranted# Performance Share Restricted Stock** Units, on the terms and conditions set forth herein and in the Plan. Each **Performance Share Restricted Stock** Unit that vests entitles the Participant to one share of Common Stock.

3. Terms of Award.

(a) Performance Share Restricted Stock Unit Account. The Company shall establish a bookkeeping account on its records for the Participant and shall credit the Participant's **Performance Share Restricted Stock** Units to the bookkeeping account.

(b) General Vesting Terms. Except as provided in this Section 3, 100% of the number of **Performance Share Restricted Stock** Units which actually are scheduled to vest under this Award Agreement shall be calculated based on the attainment and certification day immediately following the Date of Grant. Notwithstanding the foregoing, the vesting of the Performance Goal described **Restricted Stock** Units is contingent on Schedule A as the Participant's acceptance of the end of Award by 12:00 PM Oklahoma City, Oklahoma time on the Performance Period. Any **Performance Share** Units that do not vest as of day immediately following the end of the Performance Period shall be forfeited as of the end of the Performance Period. Except as specifically provided below in this Section 3, in the event of a termination of the Participant's employment prior to the end of the Performance Period, all unvested **Performance Share** Units will be immediately forfeited.

(c) Vesting After Date of Termination. If a Participant's Date of Termination occurs by reason of disability or other special circumstances (as determined by the Committee), and the Committee determines, in its sole and absolute discretion, Grant; provided, however, that the **Performance Share** Units shall continue to vest following the Participant's Date of Termination, the Participant shall vest in the maximum number of **Performance Share** Units in which the Participant could vest, based on the process described in Section

3(b), as if the Participant remained in the employ does not affirmatively decline acceptance of the Company through the end of the Performance Period.

(d) Post-Retirement Vesting. If the Participant is Post-Retirement Vesting Eligible, the Participant shall vest in the maximum number of **Performance Share Restricted Stock** Units in which the Participant could vest, based by 12:00 PM Oklahoma City, Oklahoma time on the process described in Section 3(b), as if the Participant remained in the employ of the Company through the end of the Performance Period, provided that, such continued vesting shall be subject to the satisfaction of the conditions in Section 13, and the Participant shall only be eligible to vest in accordance with the process described in Section 3(b) with respect to the percentage of unvested **Performance Share** Units set forth in the table below.

Age at Retirement	Percentage of the Unvested Performance Share Unit Award Eligible to be Earned by the Participant
-------------------	--

54 and earlier	0%
55	60%
56	65%
57	70%
58	75%
59	80%
60 and beyond	100%

(e) Entitlement to Severance Under Other Company Arrangements. Performance Share Units shall continue to vest and the Participant shall vest in the maximum number of Performance Share Units in which the Participant could vest, based on the process described in Section 3(b), as if the Participant remained in the employ of the Company through the end of the Performance Period day immediately following the Participant's Date of Termination that occurs under circumstances in which the Participant is entitled to a severance payment from the Company, a Subsidiary, or an Affiliated Entity under (A) the Participant's employment agreement or severance agreement with the Company due to a termination of the Participant's employment by the Company without "cause" or by the Participant for "good reason" in accordance with the Participant's employment agreement or severance agreement or (B) the Devon Energy Corporation Severance Plan, provided that for a severance related termination, the Participant timely signs and returns to the Company a release of claims against the Company in a form prepared by the Company (the "Release") and such Release becomes effective. If the Participant fails to timely sign and return the Release to the Company or revokes the Release prior to the date the Release becomes effective, the Performance Share Units (and Dividend Equivalents) subject to this Award Agreement shall be forfeited.

If (1) the Award is eligible for vesting under the circumstances described in sub-sections (d) or (e) (other than in connection with a Change in Control Event) above, and (2) the Participant's Date of Termination occurs before the one-year anniversary of the Date of Grant then, notwithstanding such provisions in sub-sections (d) and (e) above, the number of Performance Share Participant shall be deemed to have affirmatively accepted the Restricted Stock Units that would have otherwise vested pursuant to such provisions will be pro-rated based on the number of days from day immediately following the Date of Grant to the Date of Termination out of 365.

(f) Death. A Participant shall become fully and immediately vested in the Award at the target level of performance for the Performance Period in the event of the Participant's death. Grant.

(g). (c) Voting Rights and Dividend Equivalents. The Participant shall not have any voting rights with respect to the Performance Share Restricted Stock Units. The Participant shall be credited with dividend equivalents ("Dividend Equivalents") with respect to each outstanding Performance Share Restricted Stock Unit to the extent that any dividends or other distributions (in cash or other property) are declared and/or paid with respect to the

shares of Common Stock after the commencement of the **Performance Period** **Date of Grant** (other than distributions pursuant to a share split, for which an adjustment shall be made as described in Section 10.1 of the Plan). Dividend Equivalents shall be credited to the bookkeeping account established on the records of the Company for the Participant and will vest subject to the same conditions as are applicable to the underlying **Performance Share Restricted Stock** Units, and Dividend Equivalents will be **[alt 1: paid in cash to the Participant reasonably promptly following such vesting or, with respect to dividends declared and/or paid thereafter, by December 31st of the calendar year in which the record date for such dividend occurs, unless payment as of such date is not practicable (but in no event later than March 15 of the calendar year following the year in which such vesting occurs) or record date occurs, as applicable)] / [alt 2: notionally invested in Company stock and paid in shares of Company stock at the same time as the payment of the Restricted Stock Units to which they relate]**. Accordingly, Dividend Equivalents shall be forfeited to the extent that the **Performance Share Restricted Stock** Units **do not vest and** are forfeited or cancelled. No interest shall be credited on Dividend Equivalents.

(h) (d) Conversion of Performance Share Restricted Stock Units; Delivery of Performance Share Restricted Stock Units.

(i) **Except** Payment in respect of vested Restricted Stock Units shall be made promptly following **[alt 1: the Participant's Termination Date] / [alt 2: [INSERT PAYMENT DATE ELECTED]] / [alt 3: the first to occur of the Participant's Termination Date or [INSERT PAYMENT DATE ELECTED]]**; provided, however, that in the event of the Participant's death or the occurrence of certain Change in Control Events as described under the Plan, the Committee shall, within a reasonably practicable time following the last day of the Performance Period, certify the extent, if any, prior to which the Performance Goal has been achieved with respect to the Performance Period and the number of Performance Share Units, if any, earned upon attainment of the Performance Goal. Such certification shall be final, conclusive and binding on the Participant, and on all other persons, to the maximum extent permitted by law. Payment **such payment date, payment** in respect of vested Performance Share Units shall be made promptly following the Committee's certification of the attainment of the Performance Goal and the determination of the number of vested Performance Share Units, but in any event, no later than March 15 of the year following the year in which the Performance Period ends.

(ii) In the event of the Participant's death, payment in respect of earned and vested Performance Share Restricted Stock Units shall be made as soon as reasonably practicable thereafter.

(iii) Notwithstanding any provision of this Award Agreement to the contrary, thereafter (but in no event shall the timing of later than 90 days following the Participant's execution of the Compliance Certificate, directly or indirectly, result in the Participant designating the calendar year of payment, and if a payment that is subject to execution of the Compliance Certificate could be made in more than one taxable year, payment shall be made in the later taxable year: death)].

(iv) (ii) All payments in respect of earned and vested Performance Share Restricted Stock Units shall be made in freely transferable shares of Common Stock. No fractional shares of Common Stock shall be issued pursuant to this Award, and any fractional share resulting from any calculation made in accordance with the terms of this Award Agreement shall be rounded down to the next whole share.

4. Employment. Nothing in the Plan or in this Award Agreement shall confer upon the Participant any right to continue in the employ of the Company or any of its Subsidiaries or

Affiliated Entities, or interfere in any way with the right to terminate the Participant's employment at any time.

5. Non-transferability of Award. The Participant shall not have the right to sell, assign, transfer, convey, dispose, pledge, hypothecate, burden, encumber or charge any Performance Share Restricted Stock Unit or any interest therein in any manner whatsoever.

6.5. Notices. All notices or other communications relating to the Plan and this Award

Agreement as it relates to the Participant shall be in writing and shall be delivered electronically, personally or mailed (U.S. mail) by the Company to the Participant at the then current address as maintained by the Company or such other address as the Participant may advise the Company in writing.

7.6. Binding Effect; No-Third-party Beneficiaries; Governing Law and Venue; Compliance

with Law. This Award Agreement shall be (i) binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns except as may be limited by the Plan, and (ii) governed by and construed under the laws of the State of Delaware. This Award Agreement shall not confer any rights or remedies upon any person other than the Company and the Participant and each of their respective heirs, representatives, successors and permitted assigns. The issuance of shares of Common Stock, if any, to the Participant pursuant to this Award Agreement is subject to any applicable taxes and other laws or regulations of the United States or of any state, municipality or other country having jurisdiction thereof. Any action arising out of, or relating to, any of the provisions of this Award Agreement shall be brought only in the United States District Court for the Southern District of Delaware, or if such court does not have jurisdiction or will not accept jurisdiction, in any court of general jurisdiction in Delaware, and the jurisdiction of such court in any such proceeding shall be exclusive.

8.7. Company Policies. The Participant agrees that the Award, and the right to receive and/or retain any vested **Performance Share Restricted Stock** Units or payments covered by this Award, will be subject to any applicable clawback or recoupment policies, share trading policies and other policies that may be implemented from time to time by the Company's Board of Directors, a duly authorized committee thereof or the Company, or as required by applicable law or any applicable securities exchange listings standards. By accepting this Award under the Plan, the Participant agrees and acknowledges that the Participant is obligated to cooperate with, and provide any and all assistance necessary to, the Company to recover or recoup any Award or amounts paid under the Plan subject to clawback pursuant to such policy, law or standard. Such cooperation and assistance shall include, but is not limited to, executing, completing and submitting any documentation necessary to recover or recoup any Award or amounts paid pursuant to this Award.

9. Withholding. The Company and the Participant shall comply with all federal and state laws and regulations respecting the required withholding, deposit and payment of any income, employment or other taxes relating to the Award (including Dividend Equivalents). The Company shall withhold the employer's minimum statutory withholding based upon minimum statutory withholding rates for federal and state purposes, or as otherwise approved by the Committee, including payroll taxes that are applicable to such supplemental taxable income. Any payment of required withholding taxes by the Participant in the form of Common Stock shall

not be permitted if it would result in an accounting charge to the Company with respect to such shares used to pay such taxes unless otherwise approved by the Committee.

10.8. Award Subject to Claims of Creditors. The Participant shall not have any interest in any particular assets of the Company, its parent, if applicable, or any Subsidiary or Affiliated Entity by reason of the right to earn an Award (including Dividend Equivalents) under the Plan and this Award Agreement, and the Participant or any other person shall have only the rights of a general unsecured creditor of the Company, its parent, if applicable, or a Subsidiary or Affiliated Entity with respect to any rights under the Plan or this Award Agreement.

11.9. Captions. The captions of specific provisions of this Award Agreement are for convenience and reference only, and in no way define, describe, extend or limit the scope of this Award Agreement or the intent of any provision hereof.

12.10. Counterparts. This Award Agreement may be executed in any number of identical counterparts, each of which shall be deemed an original for all purposes, but all of which taken together shall form one agreement.

13. Conditions to Post-Retirement Vesting.

(a) Notice of and Conditions to Post-Retirement Vesting. If the Participant is Post-Retirement Vesting Eligible, the Company shall, within a reasonable period of time prior to the Participant's Date of Termination, notify the Participant that the Participant has the right, pursuant to this Section 13(a), to continue to vest following the Date of Termination in any unvested Performance Share Units provided that the Participant executes and delivers to the Company the following documentation: (i) a non-disclosure letter agreement, in the form attached as Exhibit A (a "Non-Disclosure Agreement"), and (ii) a compliance certificate, in the form attached as Exhibit B (a "Compliance Certificate"), indicating the Participant's full compliance with the Non-Disclosure Agreement, in each case, no later than the time(s) specified in similar provisions of the Participant's other equity award agreements with the Company or as may otherwise be required by the Committee. Notwithstanding the foregoing and for the avoidance of doubt, at the Company's election, the Participant may deliver a single Non-Disclosure Agreement and Compliance Certificate, as applicable, for each year to satisfy the Participant's obligations under this Section and similar provisions in the Participant's other equity award agreements with the Company.

(b) Consequences of Failure to Satisfy Vesting Conditions. In the event that, the Participant fails to deliver either the respective Non-Disclosure Agreement or Compliance Certificate on or before the date required for the delivery of such document, the Participant shall not be entitled to vest in any unvested Performance Share Units and the unvested Performance Share Units subject to this Award Agreement shall be forfeited. The only remedy of the Company for failure to deliver a Non-Disclosure Agreement or a Compliance Certificate shall be the Participant's failure to vest in, and forfeiture of, any unvested Performance Share Units.

14.11. Amendment. Except as permitted by the Plan, this Award Agreement may not be amended, modified, terminated or otherwise altered except by the written consent of the Company and the Participant.

15.12. Entire Agreement. Except as otherwise provided herein, the Plan and this Award Agreement constitute the entire agreement between the Participant and the Company and supersede any prior understandings, agreements, or representations by or between the parties,

written or oral, to the extent they relate in any way to the subject matter of this Award Agreement.

16.13. Application of Section 409A of the Code. The Award covered by this Award Agreement is intended to be exempt from, or otherwise comply with the provisions of, Section 409A of the Code, and the regulations and other guidance promulgated thereunder ("409A"). Notwithstanding the foregoing or any other provision of this Award Agreement or the Plan to the contrary, if the Award is subject to the provisions of 409A (and not exempt therefrom), the provisions of this Award Agreement and the Plan shall be administered, interpreted and construed in a manner necessary to comply with 409A (or disregarded to the extent such provision cannot be so administered, interpreted or construed). If any payments or benefits hereunder constitute non-conforming "deferred compensation" subject to taxation under 409A,

the Participant agrees that the Company may, without the Participant's consent, modify the Award Agreement to the extent and in the manner the Company deems necessary or advisable or take such other action or actions, including an amendment or action with retroactive effect, that the Company deems appropriate in order either to preclude any such payment or benefit from being deemed "deferred compensation" ~~without~~ within the meaning of 409A or to provide such payment or benefits in a manner that complies with the provisions of 409A such that they will not be subject to the imposition of taxes and/or

interest thereunder. If, at the time of the Participant's separation from service (within the meaning of 409A), (A) the Participant is a specified employee (within the meaning of 409A and using the identification methodology selected by the Company from time to time) and (B) the Company makes a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of 409A) the settlement of which is required to be delayed pursuant to the six-month delay rule set forth in 409A in order to avoid taxes or penalties under 409A, then the Company shall not settle such amount on the otherwise scheduled settlement date, but shall instead settle it, without interest, within 30 days after such six-month period. Each payment under the Award shall be treated as a right to a separate payment. In no event shall the Participant, directly or indirectly, designate the calendar year of payment. Notwithstanding the foregoing, the Company makes no representations and/or warranties with respect to compliance with 409A, and the Participant recognizes and acknowledges that 409A could potentially impose upon the Participant certain taxes and/or interest charges for which the Participant is and shall remain solely responsible.

17.14. Definitions. Words, terms or phrases used in this Award Agreement shall have the meaning set forth in this Section **17.14**. Capitalized terms used in this Award Agreement but not defined herein shall have the meaning designated in the Plan.

(a) "Award" has the meaning set forth in Section 2.

(b) "Award Agreement" has the meaning set forth in the preamble.

(c) "Company," has the meaning set forth in the preamble.

(d) "Compliance Certificate" has the meaning set forth in Section 13(a).

(e) "Date of Grant" has the meaning set forth in the preamble.

(f) (e) "Date of Termination" means the first day occurring on or after the Date of Grant on which the Participant is not employed by the Company, a Subsidiary, or an Affiliated Entity, regardless member of the reason for the termination of employment; provided, however, that a termination of employment shall not be deemed to occur by reason of a transfer of the Participant between the Company, a Subsidiary, and an Affiliated Entity or between two Subsidiaries or two Affiliated Entities. The Participant's employment shall not be considered terminated while the Participant is on a leave of absence from the Company, a Subsidiary, or an Affiliated Entity approved by the Participant's employer pursuant to Company policies. If, as a result of a sale or other transaction, the Participant's employer ceases to be either a Subsidiary or an Affiliated Entity, and the Participant is not, at the end of the 30-day period following the transaction, employed by the Company or an entity that is then a Subsidiary or Affiliated Entity, then the date of occurrence of such transaction shall be treated as the Participant's Date of Termination. Board.

(g) (f) "Dividend Equivalent" has the meaning set forth in Section 3(g).

(h) "Early Retirement Date" means, with respect to the Participant, the first day of a month that occurs on or after the date the Participant (i) attains age 55 and (ii) earns at least 10 Years of Service.

(i) "Non-Disclosure Agreement" has the meaning set forth in Section 13(a) 3(c).

(j) "Normal Retirement Date" means, with respect to the Participant, the first day of a month that occurs on or after the date the Participant attains age 65.

(k) (g) "Participant" has the meaning set forth in the preamble.

(l) "Performance Goal" shall mean the performance goal specified on Schedule A which must be attained and certified in order to determine the number of Performance Share Units, if any, that vest pursuant to this Award.

(m) "Performance Period" has the meaning set forth on Schedule A over which the attainment of the Performance Goal is to be measured.

(n) "Performance Share Unit" means a performance-based, restricted stock unit granted under the Plan.

(o) (h) "Plan" has the meaning set forth in the recitals.

(p) (i) "Post-Retirement Vesting Eligible" means the Participant's Date of Termination occurs (i) by reason of the Participant's retirement and (ii) on or after the earlier of the Participant's Early Retirement Date or the Participant's Normal Retirement Date, provided that, in connection with the Participant's termination of employment, the Committee has not otherwise affirmatively determined that the Participant shall not be Post-Retirement Vesting Eligible.

(q) "Year of Service Restricted Stock Unit" means a calendar year in which restricted stock unit granted under the Participant is employed with the Company, a Subsidiary or Affiliated Entity for at least nine months during such calendar year. Plan.

"COMPANY" DEVON ENERGY CORPORATION,
a Delaware corporation

"PARTICIPANT" #ParticipantName#

Exhibit 10.3

SCHEDULE A

PERFORMANCE GOAL, PERFORMANCE PERIOD

1. **Performance Period.** The maximum number of Performance Share Units in which Participant can vest pursuant to the Award shall be calculated based on the Performance Goal over a three-year Performance Period that begins January 1, #YearofGrantDate# and ends December 31, #3YearsfromGrantDate# (the "Performance Period").

2. **Performance Goal.** The Performance Goal is based on total shareholder return ("TSR"). TSR shall mean the rate of return stockholders receive through stock price changes and the assumed reinvestment of dividends over the Performance Period. Vesting will be based on the Company's TSR ranking relative to the TSR ranking of the Peer Companies (identified in Section 3(d) below). At the end of the Performance Period, the TSR for the Company, and for each Peer Company, shall be determined pursuant to the following formula:

$$\text{TSR} = \frac{(\text{Closing Average Share Value} - \text{Opening Average Share Value}) + \text{Reinvested Dividends}}{\text{Opening Average Share Value}}$$

The result shall be rounded to the nearest hundredth of one percent (.01%).

(a) The term "Closing Average Share Value" means the average value of the common stock for the 30 trading days ending on the last day of the Performance Period, which shall be calculated as follows: (i) determine the closing price of the common stock on each trading date during 30-day period and (ii) average the amounts so determined for the 30-day period.

(b) The term "Opening Average Share Value" means the average value of the common stock for the 30 trading days preceding the start of the Performance Period, which shall be calculated as follows: (i) determine the closing price of the common stock on each trading date during the 30-day period and (ii) average the amounts so determined for the 30-day period.

(c) "Reinvested Dividends" shall be calculated by multiplying (i) the aggregate number of shares (including fractional shares) that could have been purchased during the Performance Period had each cash dividend paid on a single share during that period been immediately reinvested in additional shares (or fractional shares) at the closing selling price per share on the applicable ex-dividend date by (ii) the Closing Average Share Value.

(d) Each of the foregoing amounts shall be equitably adjusted for stock splits, stock dividends, recapitalizations and other similar events affecting the shares in question without the issuer's receipt of consideration.

3. **Vesting Schedule.** The Performance Share Units will vest pursuant to the Award based on the Company's relative TSR ranking in respect of the Performance Period as

compared to the TSR ranking of the Peer Companies, in accordance with the following schedule:

Devon Energy Corporation Relative TSR Ranking	Vesting (Percentage of Target Award) in the event of Positive TSR	Vesting (Percentage of Target Award) in the event of Negative TSR
1-2	200%	100%
3	175%	100%
4	150%	100%
5	125%	100%
6	100%	100%
7	88%	88%
8	75%	75%
9	63%	63%
10	50%	50%
11-12	0%	0%

(a) In the event TSR is positive for the Performance Period, the maximum number of Performance Share Units that can vest for the Performance Period may range from 0% to 200% of the target Award, with the actual percentage to be determined on the basis of the percentile level at which the Committee certifies that the Performance Goal has been attained in relation to the corresponding Performance Goal for Peer Companies for the Performance Period; provided however, that the maximum number of Performance Share Units that may become earned and vested during such Performance Period will be calculated as follows: $\frac{\text{\#QuantityGranted}}{200\%}$ x 200%. The Committee retains sole discretion to reduce the vesting percentage (and thus the maximum number of Performance Share Units that may vest), including reduction to zero, without regard to the performance of the Company's TSR relative to the TSR of the Peer Companies.

(b) In the event the Company's TSR is negative for the Performance Period, the maximum number of Performance Share Units that can vest for the Performance Period may range from 0% to 100% of the target Award, with the actual percentage to be determined on the basis of the percentile level at which the Committee certifies that the Performance Goal has been attained in relation to the corresponding Performance Goal for Peer Companies for the Performance Period; provided however, that the maximum number of Performance Share Units that may become earned and vested during such Performance Period will be calculated as follows: $\frac{\text{\#QuantityGranted}}{100\%}$ x 100%. The Committee retains sole discretion to reduce the vesting percentage (and thus the maximum number of Performance Share Units that may vest), including reduction to zero, without regard to the performance of the Company's TSR relative to the TSR of the Peer Companies.

(c) If the Company's final TSR value is equal to the TSR value of a Peer Company, the Committee shall assign the Company the higher ranking.

(d) In addition to the Company, the Peer Companies are APA Corporation, Chesapeake Energy Corporation, ConocoPhillips, Coterra Energy Inc., Diamondback Energy, Inc., EOG Resources, Inc., Marathon Oil Corporation, Occidental Petroleum Corporation, Ovintiv Inc., the S&P 500 Index, and the SPDR® S&P® Oil & Gas Exploration & Production ETF.

(e) The Peer Companies will be subject to change as follows:

(i) In the event of a merger, acquisition or business combination transaction of a Peer Company, in which the Peer Company is the surviving entity and remains publicly traded, the surviving entity shall remain a Peer Company. Any entity involved in the transaction that is not the surviving company shall no longer be a Peer Company.

(ii) If a Peer Company ceases to be a publicly traded company at any time during the Performance Period, for any reason, such company shall remain a Peer Company but shall be deemed to have a TSR of negative 100% (-100%).

4. Pro-rata vesting. In the event the pro-ration terms of Section 3(e) of the Award Agreement apply, then the number of Performance Share Units that vest pursuant to the Award based on Sections 1-3 of this Schedule A will be pro-rated based on the number of days from the Date of Grant to the Date of Termination out of 365.

5. General Vesting Terms. Any fractional Performance Share Unit resulting from the vesting of the Performance Share Units in accordance with the Award Agreement shall be rounded down to the nearest whole number. Any portion of the Performance Share Units that does not vest as of the end of the Performance Period shall be forfeited as of the end of the Performance Period.

6. 2023 Award Agreement. For the avoidance of doubt and if applicable, you hereby acknowledge and agree that the "Performance Period" set forth in Schedule A of your award agreement for Performance Share Units awarded in 2023 begins January 1, 2023 and ends December 31, 2025.

Exhibit 10.3

EXHIBIT A

Form of Non-Disclosure Agreement

[Insert Date]

Devon Energy Corporation
333 West Sheridan Avenue
Oklahoma City, OK 73102-5015

Re: Non-Disclosure Agreement

Ladies and Gentlemen:

This letter agreement is entered between Devon Energy Corporation (together with its subsidiaries and affiliates, the "Company") and the undersigned (the "Participant") in connection with that certain Performance Share Unit Award Agreement (the "Agreement") dated _____, between the Company and the Participant. All capitalized terms used in this letter agreement shall have the same meaning ascribed to them in the Agreement unless specifically denoted otherwise.

The Participant acknowledges that, during the course of and in connection with the employment relationship between the Participant and the Company, the Company provided and the Participant accepted access to the Company's trade secrets and confidential and proprietary information, which included, without limitation, information pertaining to the Company's finances, oil and gas properties and prospects, compensation structures, business and litigation strategies and future business plans and other information or material that is of special and unique value to the Company and that the Company maintains as confidential and does not disclose to the general public, whether through its annual report and/or filings with the Securities and Exchange Commission or otherwise (the "Confidential Information").

The Participant acknowledges that his position with the Company was one of trust and confidence because of the access to the Confidential Information, requiring the Participant's best efforts and utmost diligence to protect and maintain the confidentiality of the Confidential Information. Unless required by the Company or with the Company's express written consent, the Participant will not, during the term of this letter agreement, directly or indirectly, disclose to others or use for his own benefit or the benefit of another any of the Confidential Information, whether or not the Confidential Information is acquired, learned, attained or developed by the Participant alone or in conjunction with others.

The Participant agrees that, due to his access to the Confidential Information, the Participant would inevitably use and/or disclose that Confidential Information in breach of his confidentiality and non-disclosure obligations if the Participant worked in certain capacities or engaged in certain activities for a period of time following his employment with the Company, specifically in a position that involves (i) responsibility and decision-making authority or input at the executive level regarding any subject or responsibility, (ii) decision-making responsibility or input at any management level in the Participant's individual area of assignment with the Company, or (iii) responsibility and decision-making authority or input that otherwise allows the use of the Confidential Information (collectively referred to as the "Restricted Occupation"). Therefore, except with the prior written consent of the Company, during the term of this letter agreement, the Participant agrees not to be employed by, consult for or otherwise act on behalf of any person or entity in any capacity in which he would be involved, directly or indirectly, in a Restricted Occupation. The Participant acknowledges that this commitment is intended to protect the Confidential Information and is not intended to be applied or interpreted as a covenant against competition.

The Participant further agrees that during the term of this letter agreement, the Participant will not, directly or indirectly on behalf of a person or entity or otherwise, (i) solicit any of the established customers of the Company or attempt to induce any of the established customers of the Company to cease doing business with the Company, or (ii) solicit any of the employees of the Company to cease employment with the Company.

Notwithstanding the foregoing, nothing in this letter agreement is intended to conflict with the Defend Trade Secrets Act or create liability for disclosures of trade secrets that are expressly allowed by that statute. In particular, under the Defend Trade Secrets Act, the Participant will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret of the Company that is made (i) in confidence to a government official or to the Participant's attorney solely for the purpose of reporting or investigating a suspected violation of law or (ii) in a complaint or other document that is filed under seal in a proceeding. In addition, if the Participant files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Participant may disclose the trade secret to the Participant's attorney and use the trade secret information in the court proceeding if the Participant files any document containing the trade secret under seal and does not otherwise disclose the trade secret, except pursuant to court order. Further, nothing in this letter agreement or any other agreement or arrangement with the Company shall prohibit or restrict the Participant from making any voluntary disclosure of information or documents pertaining to violations of law to any governmental agency or legislative body, any self-regulatory organization, or the Legal Department of the Company without prior notice to the Company.

This letter agreement shall become effective upon execution by the Participant and the Company and shall terminate on December 31, 20___. **[Note: Insert date that is the end of the 2023-2025 Performance Period.]**

If you agree to the above terms and conditions, please execute a copy of this letter agreement below and return a copy to me.

"PARTICIPANT"

#ParticipantName#

THE UNDERSIGNED HEREBY ACCEPTS AND AGREES TO THE TERMS SET FORTH ABOVE AS OF THIS ____ DAY OF _____, ____.

"COMPANY"

DEVON ENERGY CORPORATION

By:

Name:

Title:

EXHIBIT B

Form of Compliance Certificate

I hereby certify that I am in full compliance with the covenants contained in that certain letter agreement (the "Agreement") dated as of _____, _____ between Devon Energy Corporation and me and have been in full compliance with such covenants at all times during the period ending _____, _____.

#ParticipantName#

Dated:

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULE 13a-14(a)/15d-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Richard E. Muncrief, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Devon Energy Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2024 August 7, 2024

/s/ Richard E. Muncrief

Richard E. Muncrief

President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULE 13a-14(a)/15d-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jeffrey L. Ritenour, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Devon Energy Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2024 August 7, 2024

/s/ Jeffrey L. Ritenour

Jeffrey L. Ritenour

Executive Vice President and Chief Financial Officer

32

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Report of Devon Energy Corporation ("Devon") on Form 10-Q for the period ended March 31, 2024 June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard E. Muncrief, President and Chief Executive Officer of Devon, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Devon.

/s/ Richard E. Muncrief

Richard E. Muncrief
President and Chief Executive Officer
May 2, August 7, 2024

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Report of Devon Energy Corporation ("Devon") on Form 10-Q for the period ended March 31, 2024 June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jeffrey L. Ritenour, Executive Vice President and Chief Financial Officer of Devon, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Devon.

/s/ Jeffrey L. Ritenour

Jeffrey L. Ritenour

Executive Vice President and Chief Financial Officer

May 2, August 7, 2024

