

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

Form 10-K

(Mark One)

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

For the fiscal year ended December 31, 2024
or

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

Commission File Number 001-32318



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

Delaware

73-1567067

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer identification No.)

333 West Sheridan Avenue

,

Oklahoma City

,

Oklahoma

73102-5015

(Address of principal executive offices)

(Zip code)

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

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

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

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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, a 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.

☒ Accelerated filer

☐ Non-accelerated filer

☐

Large accelerated filer

Smaller reporting company

Emerging growth company

☐

☐

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting common stock held by non-affiliates of the registrant as of June 30, 2024 was approximately \$

29.5

billion, based upon the closing price of \$47.40 per share as reported by the New York Stock Exchange on such date. On February 5, 2025,

649

million shares of common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Registrant's definitive Proxy Statement relating to Registrant's 2025 annual meeting of stockholders have been incorporated by reference in Part III of this Annual Report on Form 10-K.

Auditor Name:

Auditor Location:

Audit Firm ID:

KPMG LLP

Houston, Texas

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FORM 10-K
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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 Annual Report on Form 10-K:

“2017 Plan” means the Devon Energy Corporation 2017 Long-Term Incentive Plan.

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

“2022 Plan” means the Devon Energy Corporation 2022 Long-Term Incentive Plan.

“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.

“Bcf” means billion cubic feet.

“BLM” means the United States Bureau of Land Management.

“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.

“CAMT” means corporate alternative minimum tax.

“Catalyst” means Catalyst Midstream Partners, LLC.

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

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

“EHS” means environmental, health and safety.

“EPA” means the United States Environmental Protection Agency.

“ESG” means environmental, social and governance.

“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.

“GHG” means greenhouse gas.

“Grayson Mill” means Grayson Mill Intermediate HoldCo II, LLC and Grayson Mill Intermediate HoldCo III, LLC.

“Inside FERC” refers to the publication *Inside F.E.R.C.’s Gas Market Report*.

“IRA” refers to the Inflation Reduction Act of 2022.

“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.

“MMBbls” means million barrels.

"MMBoe" means million Boe.
"MMBtu" means million Btu.
"MMcf" means million cubic feet.
"N/M" means not meaningful.
"NCI" means noncontrolling interests.
"NGL" or "NGLs" means natural gas liquids.
"NYMEX" means New York Mercantile Exchange.
"NYSE" means New York Stock Exchange.
"OPEC" means Organization of the Petroleum Exporting Countries.
"SEC" means United States Securities and Exchange Commission.
"SOFR" means secured overnight financing rate.
"Standardized measure" means the present value of after-tax future net revenues discounted at 10% per annum.
"STEM" means science, technology, engineering and mathematics.
"S&P 500 Index" means Standard and Poor's 500 index.
"Term Loan" means Term Loan Credit Agreement.
"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.
"WPX" means WPX Energy, Inc.
"WTI" means West Texas Intermediate.
"/Bbl" means per barrel.
"/d" means per day.
"/MMBtu" means per MMBtu.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This report includes “forward-looking statements” within the meaning of the federal securities laws. 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 water disposal;
- climate change and risks related to regulatory, social and market efforts to address climate change;
- risks relating to our ESG initiatives;
- claims, audits and other proceedings impacting our business, including with respect to historic and legacy operations;
- governmental interventions in energy markets;
- counterparty credit risks;
- risks relating to our indebtedness;
- cybersecurity risks;
- the extent to which insurance covers any losses we may experience;
- risks related to shareholder 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 or other SEC filings.

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.

PART I

Items 1 and 2. *Business and Properties*

General

Founded in 1971 and publicly held since 1988, Devon (NYSE: DVN) is an independent energy company engaged primarily in the exploration, development and production of oil, natural gas and NGLs. Our operations are concentrated in various onshore areas in the U.S. Our principal and administrative offices are located at 333 West Sheridan, Oklahoma City, OK 73102-5015 (telephone 405-235-3611).

Devon files or furnishes annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, as well as any amendments to these reports, with the SEC. Through our website, www.devonenergy.com, we make available electronic copies of the documents we file or furnish to the SEC, the charters of the committees of our Board of Directors and other documents related to our corporate governance. The corporate governance documents available on our website include our Code of Ethics for Chief Executive Officer, Chief Financial Officer and Principal Accounting Officer, and any amendments to and waivers from any provision of that Code will also be posted on our website. Access to these electronic filings is available free of charge as soon as reasonably practicable after filing or furnishing them to the SEC. Printed copies of our committee charters or other governance documents and filings can be requested by writing to our corporate secretary at the address on the cover of this report. Reports filed with the SEC are also made available on its website at www.sec.gov.

Our Strategy

Our business strategy is focused on delivering a consistently competitive shareholder return among our peer group. Because the business of exploring for, developing and producing oil and natural gas is capital intensive, delivering sustainable, capital efficient cash flow growth is a key tenet to our success. While our cash flow is highly dependent on volatile and uncertain commodity prices, we pursue our strategy throughout all commodity price cycles with five fundamental principles.

Operating excellence – Operating our business in a safe, reliable and environmentally responsible manner is fundamental to who we are. We embrace innovative thinking and believe technology will be instrumental in the longevity of our industry. With our vision to be a premier independent oil and natural gas exploration and production company, the work our employees do every day contributes to the local, national and global economies. We produce a valuable commodity that is fundamental to society, and we endeavor to do so in a safe, environmentally responsible and ethical way, while striving to deliver strong returns to our shareholders. We have an ongoing commitment to transparency in reporting our ESG performance. We continue to establish new environmental performance targets for our Company and incorporate ESG initiatives into our compensation structure.

Advantaged asset portfolio – We believe U.S. crude oil and natural gas will continue to be advantaged in the global energy markets. As discussed in more detail later in this section, we own a portfolio of assets located in the Delaware Basin, Rockies, Eagle Ford and Anadarko Basin. We strive to own premier assets capable of generating cash flows in excess of our capital and operating requirements, as well as competitive rates of return. We also desire to own a portfolio of assets that can deliver sustainable production extending many years into the future and provide reliable and affordable energy needed to support the world's growing population and energy demands.

Maintaining financial strength and flexibility – Commodity prices are uncertain and volatile, so we strive to maintain a strong balance sheet, as well as adequate liquidity and financial flexibility, in order to operate competitively in all commodity price cycles. Our capital allocation decisions are made with attention to these financial stewardship principles, as well as the priorities of funding our core operations, protecting our investment-grade credit ratings and paying and growing our shareholder dividend. While maintaining financial strength is a top priority, we remain committed to maximizing shareholder value which is evidenced by making opportunistic share repurchases and consistently paying and growing our fixed dividend.

Delivering value to shareholders – We are committed to shareholder returns. We are dedicated to a growing fixed dividend that is sustainable through the commodity price cycles. We adhere to distributing our cash flows in excess of operating and capital needs to shareholders. As we pursue cash flow growth, we continually work to optimize the efficiency of our capital programs and production operations, with an underlying objective of reducing absolute and per unit costs and enhancing our returns.

Cultivating a culture to succeed – We value our people and communities and invest in their success. Our workforce is central to and drives our long-term success. We focus on providing fulfilling careers, meaningful benefits and a sense of inclusion and belonging. We strive to be good stewards in all the communities we operate in, being actively involved and applying our culture of operating excellence.

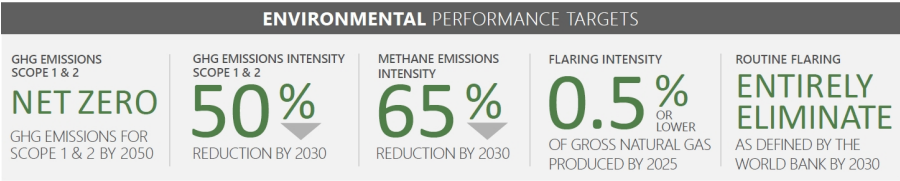
Environmental, Social and Governance

Devon is focused on producing reliable, affordable and accessible energy that the world needs, while continuing to find ways to produce and deliver it more responsibly. We consider the potential impacts of our operations when planning activities and making decisions. We promote a culture of compliance with environmental laws and regulations and encourage performance that often goes above and beyond what is required. In the process, Devon incorporates technology, tools and processes that enable us to minimize or avoid effects on air, water, land and wildlife. We are also evaluating and selectively investing in low-carbon opportunities that are complementary to our core business and commitment to deliver long-term shareholder value.

We have a strong organization in place to manage environmental performance, encompassing our Board of Directors, our EHS and Sustainability leadership teams, and our field-level EHS and operations teams. Our governance philosophy in this space elevates EHS oversight and discussion, including matters related to climate change and energy transition opportunities. Our Board and the Board's Governance, Environmental, and Public Policy Committee frequently review our environmental initiatives and are keenly interested in the operational measures, technological advancements, planning, forecasting and other actions the Company takes in improving our performance in these areas.

Our organizational efforts assure that our environmental objectives and targets are considered in capital allocation decisions, corporate and business unit planning and team strategies to integrate sustainability into our business activities. To support our commitment to improve our environmental footprint, we spent approximately \$100 million in 2024 on capital projects that will directly or indirectly result in emissions reduction, and we anticipate spending approximately \$100 million in 2025.

Devon has established environmental performance targets that reflect our dedication and commitment to providing affordable energy while achieving meaningful emissions reductions and pursuing our goal of net zero GHG emissions for Scopes 1 and 2. Our GHG and methane targets shown below are calculated from a 2019 baseline. Devon's emission reduction strategy involves a range of potential actions, including expanding our leak detection and repair program; deploying advanced leak detection technologies; reducing the volume of natural gas that is flared; electrifying facilities to reduce the use of natural gas and diesel consumed onsite; and optimizing facility design to minimize leaks and eliminate common equipment failures.



Devon is also focused on conserving and reusing water and interacting with our value chain on our overall environmental goals. We have set a target to advance our recycled water rate by using 90% or more non-freshwater for completions activities in our most active operating areas within the Delaware Basin. We are confident we can deliver strong operational and financial results and reduce our environmental impact while safeguarding our workforce and the communities in which we operate.

Human Capital

Delivering strong operational and financial results in a safe, environmentally and socially responsible way requires the expertise and positive contributions of every Devon employee. Our people are the Company's most important resource and we seek to hire people who share and demonstrate our core values of integrity, relationships, courage and results. We value our people and invest in their success. Devon focuses on providing personally and professionally fulfilling careers, meaningful benefits and compensation, and a sense of belonging and inclusion. Our workforce is central to and drives our long-term success. Devon's Executive Committee and Compensation Committee of the Board routinely engage in discussions regarding a wide range of human capital strategies, outcomes and activities. As of December 31, 2024, Devon and its consolidated subsidiaries had approximately 2,300 employees, all located in the U.S.

Employee Safety and Wellness

We prepare our workforce to work safely with comprehensive training and orientation, on-the-job guidance and tools, safety engagements, recognition and other resources. Employees and contractors are expected to comply with safety rules and regulations and are accountable for stopping at-risk work, immediately reporting incidents and near-miss events and informing visitors of emergency alarms and evacuation plans. To safeguard workers on our well sites and neighbors nearby, we plan, design, drill, complete and produce wells using proven best practices, technologies, tools and materials. We work continuously to prevent disruptions and provide training and drills so our employees are prepared and ready to respond to a wide variety of issues.

Devon also prioritizes the physical, mental and financial wellness of our employees. We offer competitive health and financial benefits with incentives designed to promote well-being, including an Employee Assistance Program ("EAP") that provides counseling services for employees and their family members free of charge. Access to experienced counselors, financial experts, staff attorneys, elder-care consultants and other services are included in EAP services available 365 days a year, 24 hours a day. Devon also provides virtual mental health counseling resources available through talk and text, as well as a digital mental health platform providing mental health assessment and education. Devon encourages employees to take advantage of our wellness programs and activities by getting an annual physical exam, attending preventive health screenings and completing a financial wellness series, all at no cost to our workforce.

Employee Compensation, Benefits, Development and Retention

We strive to attract and retain high-performing individuals across our workforce. One way we do this is by providing competitive compensation and benefits, including annual bonuses; a 401(k) savings plan with a Devon contribution up to 14% of the employee's earnings; stock awards for all employees; medical, dental and vision health care coverage; health savings and dependent-care flexible spending accounts; maternity and parental leave for the birth or adoption of a child; an adoption assistance program; alternate work schedules; flexible work hours; part-time work options; and telecommuting support; among other benefits. Devon also provides a four-week Paid Family and Medical Leave Policy for all employees to take care of themselves and their families. Devon continues to suspend collection of all employee health care premiums. We believe these benefits help contribute to strong productivity, low absenteeism and high retention rates.

Devon also looks to our core values to build the workforce we need. We develop our employees' knowledge and creativity and advance continual learning and career development through ongoing performance, training and development conversations.

Employee Culture and Community

Devon's success depends on employees who demonstrate integrity, accountability, perseverance and a passion for building our business and delivering results. Our efforts to create a workforce with these qualities start with offering equal opportunity in all aspects of employment. We do this with company policies and leadership commitment, and by providing employees opportunities to help shape Devon's culture.

We strive to bring a range of thoughts, experiences and points of view to our problem-solving and decision making throughout Devon. Along with our workforce efforts, we invest in community partnerships focusing on social services, environment and conservation, emergency response and preparedness, arts and culture and STEM education. Since 2019, Devon has created STEM centers throughout elementary and middle schools in the areas in which we operate. Devon has helped open 188 STEM centers that orient children of all backgrounds to skills that will be essential for the future workforce. Devon works with school districts to ensure that all students have access to the same state-of-the-art STEM tools and resources in each STEM Center.

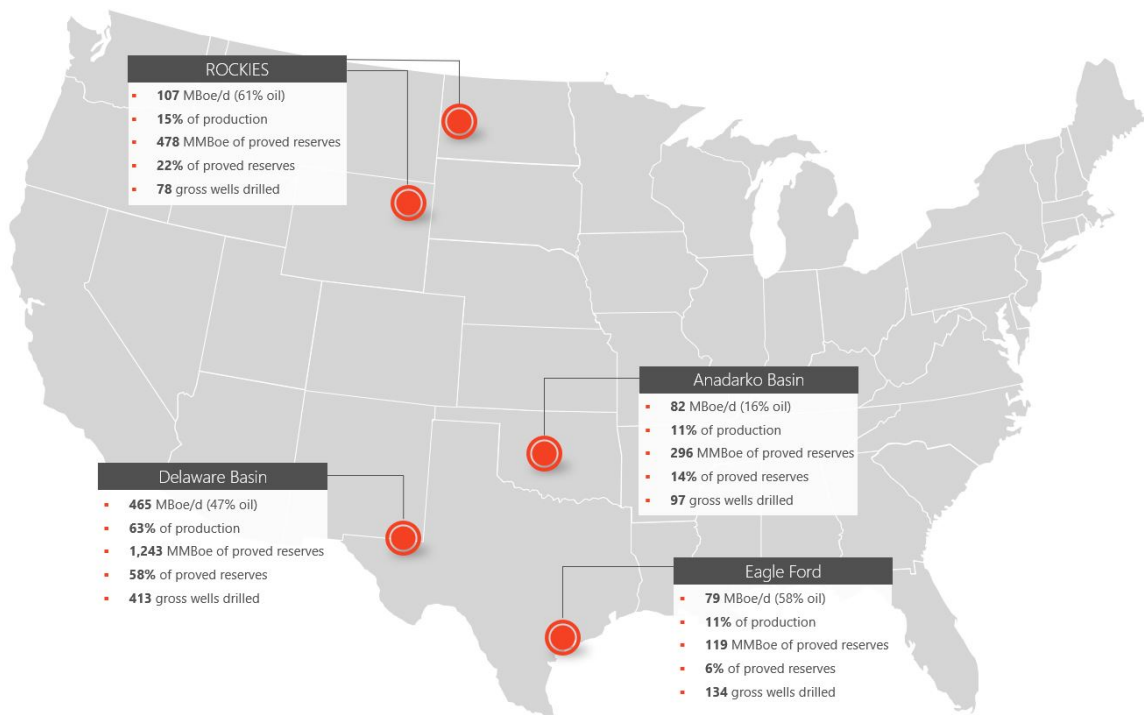
Compliance Culture

Devon reinforces the high expectations we have for ethical conduct by our employees through our Code of Business Conduct and Ethics ("Code"). The Code sets out basic principles for all employees to follow and incorporates specific guidance on critical areas such as our prohibition of harassment and discrimination, our protocols for avoiding conflicts of interest and our policies related to anti-corruption laws, privacy, cybersecurity and confidential information. On an annual basis, Devon employees, as well as our directors and officers, are required to acknowledge and agree to abide by our Code and complete a training course on the Code and its related policies. We encourage our employees to help enforce the Code, and we maintain reporting systems that are designed to minimize concerns that reports will result in retaliation.

Oil and Gas Properties

Property Profiles

Key summary data from each of our areas of operation as of and for the year ended December 31, 2024 are detailed in the map below.



Delaware Basin – The Delaware Basin is our largest and most active program in the portfolio with operations in southeast New Mexico and across the state line into west Texas. Over the past several years, we have built an industry-leading position in this basin. Through a capital efficient drilling program, it offers exploration and low-risk development opportunities from many geologic reservoirs and play types, including the oil-rich Wolfcamp, Bone Spring, Avalon and Delaware formations. With a significant inventory of oil and liquids-rich drilling opportunities that have multi-zone development potential, Devon has a robust platform to deliver high-margin drilling programs for many years to come. At December 31, 2024, we had 15 operated rigs developing this asset in the Wolfcamp and Bone Spring formations. The Delaware Basin is our top funded asset and is expected to receive approximately 55% of our capital allocation in 2025.

Rockies – Our Rockies development consists of our Williston Basin and Powder River Basin assets. Our position within these oil-weighted basins provides us with a deep inventory of high-margin opportunities.

On September 27, 2024, we completed our acquisition of the Williston Basin business of Grayson Mill, which significantly expanded our operating position within the basin. Our position in the Williston is focused on the oil-prone Bakken and Three Forks formations located across eastern Montana and western North Dakota. Our Williston Basin asset is a high-margin oil resource located in the core of the play and generates substantial cash flow. At December 31, 2024, we had three operated rigs developing the Williston Basin.

Our Powder River asset is focused on emerging oil opportunities in Wyoming's Powder River Basin. We are currently targeting several Cretaceous oil objectives, including the Turner, Parkman, Teapot and Niobrara formations. Recent drilling success in this basin has expanded our drilling inventory, and we expect further growth as we continue to de-risk this emerging light-oil opportunity. At December 31, 2024, we had one operated rig developing the Powder River Basin asset.

Eagle Ford – Our Eagle Ford operations are located in Texas' DeWitt and Karnes counties, situated in the economic core of this south Texas play. Its production is leveraged to oil and has low-cost access to premium Gulf Coast pricing, providing for strong operating margins. At December 31, 2024, we had one operated and one non-operated rig developing this asset.

Anadarko Basin – Our Anadarko Basin development, located in western Oklahoma, is one of the largest in the industry, providing substantial long-term inventory optionality. We have an agreement with Dow to jointly develop a portion of our Anadarko Basin acreage and, as of December 31, 2024, we had a two rig program associated with this joint venture.

Proved Reserves

Proved oil and gas reserves are those quantities of oil, gas and NGLs which can be estimated with reasonable certainty to be economically producible from known reservoirs under existing economic conditions, operating methods and government regulations. To be considered proved, oil and gas reserves must be economically producible before contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain. Also, the project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence within a reasonable time. We establish our proved reserves estimates using standard geological and engineering technologies and computational methods, which are generally accepted by the petroleum industry. We primarily prepare our proved reserves additions by analogy using type curves that are based on decline curve analysis of wells in analogous reservoirs. We further establish reasonable certainty of our proved reserves estimates by using one or more of the following methods: geological and geophysical information to establish reservoir continuity between penetrations, rate-transient analysis, analytical and numerical simulations, or other proprietary technical and statistical methods. For estimates of our proved developed and proved undeveloped reserves and the discussion of the contribution by each property, see [Note 21](#) in "Item 8. Financial Statements and Supplementary Data" of this report.

The process of estimating oil, gas and NGL reserves is complex and requires significant judgment, as discussed in "Item 1A. Risk Factors" of this report. As a result, we have developed internal policies for estimating and recording reserves in compliance with applicable SEC definitions and guidance. Our policies assign responsibilities for compliance in reserves bookings to our Reserve Evaluation Group (the "Group"). The Group, which is led by Devon's Manager of Reserves and Economics, is responsible for the internal review and certification of reserves estimates. We ensure the Manager and key members of the Group have appropriate technical qualifications to oversee the preparation of reserves estimates and are independent of the operating groups. The Manager of the Group has over 15 years of industry experience, a degree in engineering and is a licensed professional engineer. The Group also oversees audits and reserves estimates performed by a qualified third-party petroleum consulting firm. During 2024, we engaged DeGolyer and MacNaughton to audit 89% of our proved reserves. Additionally, our Board of Directors has a Reserves Committee that provides additional oversight of our reserves process. The committee consists of four independent members of our Board of Directors who collectively have skills and backgrounds that are relevant to the reserves estimation processes, reporting systems and disclosure requirements.

The following tables present production, price and cost information for each significant field in our asset portfolio and the total company. Beginning in 2024, the Williston Basin has been added as a significant field while the Anadarko Basin has been removed due to the acquisition of the Williston Basin business of Grayson Mill in the third quarter of 2024.

Year Ended December 31,	Production			
	Oil (MMBbls)	Gas (Bcf)	NGLs (MMBbls)	Total (MMBoe)
2024				
Delaware Basin	80	268	45	170
Williston Basin	19	39	7	32
Total	127	438	70	270
2023				
Delaware Basin	77	240	39	156
Anadarko Basin	5	87	10	30
Total	117	385	59	240
2022				
Delaware Basin	77	222	38	151
Anadarko Basin	5	81	9	28
Total	109	356	54	223

Year Ended December 31,	Average Sales Price				Production Cost (Per Boe) ⁽¹⁾
	Oil (Per Bbl)	Gas (Per Mcf)	NGLs (Per Bbl)		
2024					
Delaware Basin	\$ 74.75	\$ 0.59	\$ 20.27	\$	7.95
Williston Basin	\$ 69.15	\$ (0.34)	\$ 8.76	\$	11.61
Total	\$ 73.78	\$ 0.91	\$ 20.20	\$	8.76
2023					
Delaware Basin	\$ 76.24	\$ 1.70	\$ 20.54	\$	7.67
Anadarko Basin	\$ 75.48	\$ 2.34	\$ 22.82	\$	9.30
Total	\$ 75.98	\$ 1.83	\$ 20.48	\$	8.87
2022					
Delaware Basin	\$ 94.87	\$ 5.44	\$ 34.33	\$	6.58
Anadarko Basin	\$ 93.41	\$ 6.36	\$ 36.40	\$	10.10
Total	\$ 94.11	\$ 5.47	\$ 34.18	\$	7.92

(1) Represents production expense per Boe excluding production and property taxes.

Drilling Statistics

The following table summarizes our development and exploratory drilling results.

Year Ended December 31,	Development Wells ⁽¹⁾		Exploratory Wells ⁽¹⁾		Total Wells ⁽¹⁾		
	Productive	Dry	Productive	Dry	Productive	Dry	Total
2024⁽²⁾	290.8	—	47.2	—	338.0	—	338.0
2023	293.0	0.7	42.2	—	335.2	0.7	335.9
2022	263.8	—	47.3	—	311.1	—	311.1

(1) Well counts represent net wells completed during each year. Gross wells are the sum of all wells in which we own a working interest. Net wells are gross wells multiplied by our fractional working interests in each well.

(2) As of December 31, 2024, there were 402 gross and 194 net wells that have been spud and are in the process of drilling, completing or waiting on completion.

Productive Wells

The following table sets forth our producing wells as of December 31, 2024.

	Oil Wells		Natural Gas Wells		Total Wells	
	Gross ⁽¹⁾⁽³⁾	Net ⁽²⁾	Gross ⁽¹⁾⁽³⁾	Net ⁽²⁾	Gross ⁽¹⁾⁽³⁾	Net ⁽²⁾
Total	15,062	5,479	3,840	1,679	18,902	7,158

(1) Gross wells are the sum of all wells in which we own a working interest.

(2) Net wells are gross wells multiplied by our fractional working interests in each well.

(3) Includes 16 and 34 gross oil and gas wells, respectively, which had multiple completions.

The day-to-day operations of oil and gas properties are the responsibility of an operator designated under pooling or operating agreements. The operator supervises production, maintains production records, employs field personnel and performs other functions. We are the operator of approximately 8,132 gross wells. As operator, we receive reimbursement for direct expenses incurred to perform our duties, as well as monthly per-well producing, drilling and construction overhead reimbursement at rates customarily charged in the respective areas. In presenting our financial data, we record the monthly overhead reimbursements as a reduction of G&A, which is a common industry practice.

Acreage Statistics

The following table sets forth our developed and undeveloped lease and mineral acreage as of December 31, 2024. Of our 2.4 million net acres, approximately 1.6 million acres are held by production. The acreage in the table below does not include any material net acres subject to leases that are scheduled to expire during 2025, 2026 and 2027. For the net acres that are set to expire by December 31, 2027, we anticipate performing operational and administrative actions to continue the lease terms for portions of the acreage that we intend to further assess. However, we do expect to allow a portion of the acreage to expire in the normal course of business. Approximately 15% of our total net acres are located on federal lands.

	Developed		Undeveloped		Total	
	Gross ⁽¹⁾	Net ⁽²⁾	Gross ⁽¹⁾	Net ⁽²⁾	Gross ⁽¹⁾	Net ⁽²⁾
			(Thousands)			
Total	1,834	1,054	3,196	1,316	5,030	2,370

(1) Gross acres are the sum of all acres in which we own a working interest.

(2) Net acres are gross acres multiplied by our fractional working interests in the acreage.

Title to Properties

Title to properties is subject to contractual arrangements customary in the oil and gas industry, liens for taxes not yet due and, in some instances, other encumbrances. We believe that such burdens do not materially detract from the value of properties or from the respective interests therein or materially interfere with their use in the operation of the business.

As is customary in the industry, a preliminary title investigation, typically consisting of a review of local title records, is made at the time of acquisitions of undeveloped properties. More thorough title investigations, which generally include a review of title records and the preparation of title opinions by outside legal counsel, are made prior to the consummation of an acquisition of producing properties and before commencement of drilling operations on undeveloped properties.

Marketing Activities

Oil, Gas and NGL Marketing

The spot markets for oil, gas and NGLs are subject to volatility as supply and demand factors fluctuate. As detailed below, we sell our production under both long-term (one year or more) and short-term (less than one year) agreements at prices negotiated with third parties. Regardless of the term of the contract, the vast majority of our production is sold at variable, or market-sensitive, prices.

Additionally, we may enter into financial hedging arrangements or fixed-price contracts associated with a portion of our oil, gas and NGL production. These activities are intended to support targeted price levels and to manage our exposure to price fluctuations. See [Note 3](#) in “Item 8. Financial Statements and Supplementary Data” of this report for further information.

As of January 2025, our production was sold under the following contract terms.

	Variable	Short-Term Fixed	Variable	Long-Term Fixed
Oil	57 %	—	43 %	—
Natural gas	61 %	3 %	36 %	—
NGLs	68 %	17 %	15 %	—

Delivery Commitments

A portion of our production is sold under certain contractual arrangements that specify the delivery of a fixed and determinable quantity. As of December 31, 2024, we were committed to deliver the following fixed quantities of production.

	Total	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
Oil (MMBbls)	21	16	5	—	—
Natural gas (Bcf)	438	186	122	75	55
NGLs (MMBbls)	9	9	—	—	—
Total (MMBoe)	<u>102</u>	<u>56</u>	<u>25</u>	<u>12</u>	<u>9</u>

We expect to fulfill our delivery commitments primarily with production from our proved developed reserves. Moreover, our proved reserves have generally been sufficient to satisfy our delivery commitments during the three most recent years, and we expect such reserves will continue to be the primary means of fulfilling our future commitments. However, where our proved reserves are not sufficient to satisfy our delivery commitments, we can and may use spot market purchases to satisfy the commitments.

Competition

See “Item 1A. Risk Factors.”

Public Policy and Government Regulation

Our industry is subject to a wide range of governmental regulation and oversight. Laws, regulations, taxes, fees and other policy implementation actions affecting our industry have been pervasive and are under constant review for amendment or expansion. Numerous government agencies have issued extensive regulations which are binding on our industry and its individual members, some of which carry substantial penalties for failure to comply. These laws and regulations increase the cost of doing business and consequently affect profitability. Public policy changes are commonplace, and changes to existing laws and regulations are frequently proposed or implemented. Moreover, it is often difficult to quantify all associated compliance costs as such amounts may be indistinguishable components of our general capital expenditures and operating expenses. Accordingly, we are unable to predict the future cost or impact of regulatory compliance, though we do not expect such compliance costs or impacts to affect our operations materially differently than other similarly situated companies. However, based on regulatory trends and increasingly stringent laws and permitting requirements, our capital expenditures and operating expenses related to environmental and other regulations have

increased over the years and will likely continue to increase. For more information on our environmental capital expenditures specifically, see the environmental, social and governance discussion earlier in this report.

The following are significant areas of government control and regulation affecting our operations. For additional information on the Company's regulatory risks, see "Item 1A. Risk Factors—Legal, Regulatory and Environmental Risks" of this report.

Exploration and Production Regulation

Our operations are subject to various federal, state, tribal and local laws and regulations relating to exploration and production activities, including with respect to:

- acquisition of seismic data;
- design, location, drilling and casing of wells;
- hydraulic fracturing;
- well production, and the gathering and transportation of such production;
- spill prevention plans;
- emissions and discharge permitting;
- use, transportation, storage and disposal of fluids and materials incidental to oil and gas operations;
- surface usage and the restoration of properties upon which wells have been drilled;
- calculation and disbursement of royalty payments and production taxes;
- plugging and abandoning of wells; and
- endangered species and habitat.

Our operations are also subject to conservation regulations, including the regulation of the size of drilling and spacing units or proration units; the number of wells that may be drilled in a unit; the rate of production allowable from oil and gas wells; and the unitization or pooling of oil and gas properties. Some states allow the forced pooling or unitization of tracts to facilitate exploration and development, while other states rely on voluntary pooling of lands and leases. Such rules often impact the ultimate timing of our exploration and development plans. In addition, federal and state conservation laws generally limit the venting or flaring of natural gas, and state conservation laws impose certain requirements regarding the ratable purchase of production. These regulations limit the amounts of oil and gas we can produce from our wells and the number of wells or the locations at which we can drill.

Certain of our leases are granted or approved by the federal government and administered by the BLM or Bureau of Indian Affairs of the Department of the Interior. Such leases require compliance with detailed federal regulations and orders that regulate, among other matters, drilling and operations on lands covered by these leases and calculation and disbursement of royalty payments to the federal government, tribes or tribal members. Moreover, the permitting process for oil and gas activities on federal and Indian lands can sometimes be subject to delay, including as a result of challenges to permits or other regulatory decisions brought by non-governmental organizations or other parties, which can hinder development activities or otherwise adversely impact operations. The federal government has, from time to time, evaluated and, in some cases, promulgated new rules and regulations regarding competitive lease bidding, venting and flaring, oil and gas measurement and royalty payment obligations for production from federal lands.

EHS Regulations

We strive to conduct our operations in a socially and environmentally responsible manner, which includes compliance with applicable law. We are subject to many federal, state, tribal and local laws and regulations concerning occupational safety and health as well as the discharge of materials into, and the protection of, the environment and natural resources. EHS laws and regulations relate to, among other things:

- the discharge of pollutants into federal and state waters;
- assessing the environmental impact of seismic acquisition, drilling or construction activities;

- the generation, storage, transportation and disposal of waste materials, including hazardous substances and wastes;
- the emission of methane and certain other gases into the atmosphere;
- the monitoring, abandonment, reclamation and remediation of well and other sites, including sites of former operations;
- the development of emergency response and spill contingency plans;
- the monitoring, repair and design of pipelines used for the transportation of oil and natural gas;
- the protection of threatened and endangered species; and
- worker protection.

Failure to comply with these laws and regulations can lead to the imposition of remedial liabilities, administrative, civil or criminal fines or penalties or injunctions limiting our operations in affected areas. Moreover, multiple environmental laws provide for citizen suits, which can allow environmental organizations to sue operators for alleged violations of environmental law. Environmental organizations also can assert legal and administrative challenges to certain actions of oil and gas regulators, such as the BLM, for allegedly failing to comply with environmental laws, which can result in delays in obtaining permits or other necessary authorizations. In recent years, federal and state policy makers and regulators have increasingly implemented or proposed new laws and regulations designed to reduce methane emissions and other GHG, which have included mandates for new leak detection and retrofitting requirements, stricter emission standards and a fee on methane emissions. For example, in March 2024, the BLM adopted a rule that limits flaring and allows the delay or denial of permits upon a finding that an operator's methane waste minimization plan is insufficient, although this rule is currently subject to litigation and halted in certain states. In addition, in December 2023, the EPA finalized more stringent methane rules for new, modified and reconstructed facilities and, for the first time ever, established standards for existing sources. Fines and penalties for violations of these EPA rules can be substantial. The rules have been subject to legal challenge, and may also be repealed or modified by the Trump Administration, though we cannot predict the substance or timing of such changes, if any.

Item 1A. Risk Factors

Our business and operations, and our industry in general, are subject to a variety of risks. The risks described below may not be the only risks we face, as our business and operations may also be subject to risks that we do not yet know of, or that we currently believe are immaterial. If any of the following risks should occur, our business, financial condition, results of operations and liquidity could be materially and adversely impacted. As a result, holders of our securities could lose part or all of their investment in Devon.

Risks Related to Our Industry

Volatile Oil, Gas and NGL Prices Significantly Impact Our Business

Our financial condition, results of operations and the value of our properties are highly dependent on the general supply and demand for oil, gas and NGLs, which impact the prices we ultimately realize on our sales of these commodities. Historically, market prices and our realized prices have been volatile. For example, over the last five years, monthly NYMEX WTI oil and NYMEX Henry Hub gas prices ranged from highs of over \$120 per Bbl and \$9.50 per MMBtu, respectively, to lows of under \$30 per Bbl and \$1.50 per MMBtu, respectively. Such volatility is likely to continue in the future due to numerous factors beyond our control, including, but not limited to:

- the domestic and worldwide supply of and demand for oil, gas and NGLs;
- volatility and trading patterns in the commodity-futures markets;
- climate change incentives and conservation and environmental protection efforts;
- production levels of members of OPEC, Russia, the U.S. or other producing countries;
- geopolitical risks, including the conflict between Russia and Ukraine, the Israel-Gaza and Hezbollah conflicts and hostilities in Yemen and the Red Sea, as well as other hostilities or political and civil unrest in the Middle East, Africa, Europe and South America;
- adverse weather conditions, natural disasters and other catastrophic events, such as tornadoes, earthquakes, hurricanes and acts of terrorism;

- pandemics (such as COVID-19) and epidemics of infectious diseases and other public health events, as well as any related governmental actions;
- regional pricing differentials, including in the Delaware Basin and other areas of our operations;
- differing quality of production, including NGL content of gas produced;
- the level of imports and exports of oil, gas and NGLs and the level of global oil, gas and NGL inventories;
- the price and availability of alternative energy sources;
- technological advances affecting energy consumption and production, including with respect to electric vehicles;
- stockholder activism or activities by non-governmental organizations to restrict the exploration and production of oil and natural gas in order to reduce GHG emissions;
- the overall economic environment, including inflationary pressures and fluctuations in interest rates;
- market and geopolitical uncertainty as a result of shifts or potential further shifts in domestic and international policies following the 2024 U.S. presidential and congressional elections;
- changes in trade relations and policies, such as (i) the imposition of tariffs by the U.S., China or other countries, (ii) environmental performance standards or similar fossil fuel import restrictions in certain international markets, (iii) economic sanctions, including embargoes, on Russia or other producing countries or (iv) restrictions on oil, gas and NGL exports by the U.S.; and
- other governmental regulations and taxes.

Estimates of Oil, Gas and NGL Reserves Are Uncertain and May Be Subject to Revision

The process of estimating oil, gas and NGL reserves is complex and requires significant judgment in the evaluation of available geological, engineering and economic data for each reservoir, particularly for new discoveries. Because of the high degree of judgment involved, different reserve engineers may develop different estimates of reserve quantities and related revenue based on the same data. In addition, the reserve estimates for a given reservoir may change substantially over time as a result of several factors, including additional development and appraisal activity and the related impact to spacing assumptions for future drilling locations, the viability of production under varying economic conditions, including commodity price declines, and variations in production levels and associated costs. Consequently, material revisions to our existing reserves estimates may occur as a result of changes in any of these or other factors. Such revisions to proved reserves could have an adverse effect on our financial condition and the value of our properties, as well as the estimates of our future net revenue and profitability. Our policies and internal controls related to estimating and recording reserves are included in "Items 1 and 2. Business and Properties" of this report.

Discoveries or Acquisitions of Reserves Are Needed to Avoid a Material Decline in Reserves and Production, and Such Activities Are Capital Intensive

The production rates from oil and gas properties generally decline as reserves are depleted, while related per unit production costs generally increase due to decreasing reservoir pressures and other factors. Moreover, our current development activity is focused on unconventional oil and gas assets, which generally have significantly higher decline rates as compared to conventional assets. Therefore, our estimated proved reserves and future oil, gas and NGL production will decline materially as reserves are produced unless we conduct successful exploration and development activities, such as identifying additional producing zones in existing properties, utilizing secondary or tertiary recovery techniques or acquiring additional properties containing proved reserves. Consequently, our future oil, gas and NGL production and related per unit production costs are highly dependent upon our level of success in finding or acquiring additional reserves.

Our business requires significant capital to find and acquire new reserves. Although we plan to primarily fund these activities from cash generated by our operations, we have also from time to time relied on other sources of capital, including by accessing the debt and equity capital markets. There can be no assurance that these or other financing sources will be available in the future on acceptable terms, or at all. If we are unable to generate sufficient funds from operations or raise additional capital for any reason, we may be unable to replace our reserves, which would adversely affect our business, financial condition and results of operations.

Our Operations Are Uncertain and Involve Substantial Costs and Risks

Our operating activities are subject to numerous costs and risks, including the risk that we will not encounter commercially productive oil or gas reservoirs. Drilling for oil, gas and NGLs can be unprofitable, not only from dry holes, but from productive wells that do not return a profit because of insufficient revenue from production or high costs. Substantial costs are required to locate, acquire and develop oil and gas properties, and we are often uncertain as to the amount and timing of those costs. Our cost of drilling, completing, equipping and operating wells is often uncertain before drilling commences. Declines in commodity prices and overruns in budgeted expenditures are common risks that can make a particular project uneconomic or less economic than forecasted. While both exploratory and developmental drilling activities involve these risks, exploratory drilling involves greater risks of dry holes or failure to find commercial quantities of hydrocarbons. In addition, our oil and gas properties can become damaged, our operations may be curtailed, delayed or canceled and the costs of such operations may increase as a result of a variety of factors, including, but not limited to:

- unexpected drilling conditions, pressure conditions or irregularities in reservoir formations;
- equipment failures or accidents;
- fires, explosions, blowouts, cratering or loss of well control, as well as the mishandling or underground migration of fluids and chemicals;
- adverse weather conditions, such as tornadoes, hurricanes, severe thunderstorms and extreme temperatures, the severity and frequency of which could potentially increase as a consequence of climate change;
- other natural disasters, such as earthquakes, floods and wildfires;
- terrorism, vandalism, equipment theft, extreme activism directed against fossil fuel operations or assets, cybersecurity incidents and pandemics or other widespread health concerns;
- issues with title or in receiving governmental permits or approvals;
- restricted takeaway capacity for our production, including due to inadequate midstream infrastructure or constrained downstream markets;
- environmental hazards or liabilities;
- restrictions in access to, or disposal of, water used or produced in drilling and completion operations;
- limited access to electrical power sources or other infrastructure used in our operations; and
- shortages or delays in the availability of services or delivery of material or equipment.

Many of the factors described above have negatively impacted and currently impact our operations and may do so again in the future. The occurrence of one or more of these factors could result in a partial or total loss of our investment in a particular property, as well as significant liabilities. Moreover, certain of these events historically have, and in the future could, result in environmental pollution and impact to third parties, including persons living in proximity to our operations, our employees and employees of our contractors, leading to possible injuries, death or significant damage to property and natural resources. For example, we have from time to time experienced well-control events that have resulted in various remediation and clean-up costs and certain of the other impacts described above.

In addition, we rely on our employees, consultants and independent contractors to conduct our operations in compliance with applicable laws and standards. Any violation of such laws or standards by these individuals, whether through negligence, harassment, discrimination or other misconduct, could result in significant liability for us and adversely affect our business. For example, negligent operations by employees could result in serious injury, death or property damage, and sexual harassment or racial, gender or age discrimination could result in legal claims and reputational harm.

Our Hedging Activities Limit Participation in Commodity Price Increases and Involve Other Risks

We enter into financial derivative instruments with respect to a portion of our production to manage our exposure to oil, gas and NGL price volatility. To the extent that we engage in price risk management activities to protect ourselves from commodity price declines, we will be prevented from fully realizing the benefits of commodity price increases above the prices established by our hedging contracts. In addition, our hedging arrangements may expose us to the risk of financial loss in certain circumstances,

including instances in which the contract counterparties fail to perform under the contracts. Moreover, many of our contract counterparties have become subject to increasing governmental oversight and regulations in recent years, which could adversely affect the cost and availability of our hedging arrangements.

We Have Limited Control Over Properties and Investments Operated by Others or through Joint Ventures

Certain of the properties and investments in which we have an interest are operated by other companies and may involve third-party working interest owners. We have limited influence and control over the operation or future development of such properties and investments, including compliance with EHS regulations or the amount and timing of required future capital expenditures. In addition, we conduct certain of our operations through joint ventures in which we may share control with third parties, and the other joint venture participants may have interests or goals that are inconsistent with those of the joint venture or us. These limitations and our dependence on such third parties could result in unexpected future costs or liabilities and unplanned changes in operations or future development, which could adversely affect our financial condition and results of operations. Moreover, any bankruptcy involving, or any misconduct or other improper activities committed by, our business partners or other counterparties could negatively impact our own business or reputation.

Midstream Capacity Constraints and Interruptions Impact Commodity Sales

We rely on midstream facilities and systems owned and operated by others to process our gas production and to gather and transport our oil, gas and NGL production to downstream markets. All or a portion of our production in one or more regions may be interrupted or shut in from time to time due to losing access to plants, pipelines or gathering systems. Such access could be lost due to a number of factors, including, but not limited to, weather conditions and natural disasters, terrorism or sabotage, cybersecurity incidents, accidents, field labor issues or strikes. Additionally, midstream operators have in the past been, and in the future may be, subject to constraints that limit their ability to construct, maintain or repair the facilities needed to gather, process and transport our production. Such interruptions or constraints could adversely impact our operations, including by requiring us to curtail our production or obtain alternative takeaway capacity on less favorable terms.

Competition for Assets, Materials, People and Capital Can Be Significant

Strong competition exists in all sectors of the oil and gas industry. We compete with major integrated and independent oil and gas companies for the acquisition of oil and gas leases and properties. We also compete for the equipment, materials, services and personnel required to explore, develop and operate properties, such as drilling rigs, well materials and oilfield services. The rising costs and scarcity caused by this competitive pressure will generally increase during periods of higher commodity prices and can be further exacerbated by higher inflation rates and supply chain disruptions in the broader economy, including as a result of tariffs or changes in trade policy. For example, we experienced higher operating costs throughout 2023 due to steep cost inflation. Although cost inflation moderated somewhat in 2024, such inflationary pressures could continue or increase in 2025. Competition is also prevalent in the marketing of oil, gas and NGLs. Certain of our competitors have resources substantially greater than ours and may have established superior strategic long-term positions and relationships. As a consequence, we may be at a competitive disadvantage in bidding for assets or services and accessing capital and downstream markets. In addition, many of our larger competitors may have a competitive advantage when responding to factors that affect demand for oil and gas production, such as changing worldwide price and production levels, the cost and availability of alternative energy sources and the application of government regulations.

Legal, Regulatory and Environmental Risks

We Are Subject to Extensive Governmental Regulation, Which Can Change and Could Adversely Impact Our Business

Our operations are subject to extensive federal, state, tribal and local laws and regulations, including with respect to environmental matters, worker health and safety, land and wildlife conservation, the gathering and transportation of oil, gas and NGLs, resource management and conservation policies, reporting obligations, royalty payments, unclaimed property and the imposition of taxes. Such regulations include requirements for permits to drill and to conduct other operations and for provision of financial assurances (such as surety bonds) covering drilling, completion and well operations and decommissioning obligations. If permits are delayed or not issued, or if unfavorable restrictions or conditions are imposed on our drilling or completion activities, we may not be able to conduct our operations as planned. Moreover, certain regulations require the plugging and abandonment of wells, removal of production facilities and other restorative actions by current and former operators, including corporate successors of former operators, which means that we are exposed to the risk that owners or operators of assets acquired from us (or our predecessors) become unable to satisfy plugging or abandonment and other restorative obligations that attach to those assets. In that event, due to

operation of law, we may be required to assume such obligations, which could be material. We have incurred and will continue to incur substantial capital, operating and remediation costs as a result of these and other laws, regulations, permits and orders to which we are subject.

Changes in public policy have affected, and in the future could further affect, our operations. For example, various policy makers have expressed support for, and have taken steps to implement, efforts to transition the economy away from fossil fuels and to promote stricter environmental regulations, and such proposals could impose new and more onerous burdens on our industry and business. The IRA, for instance, contains hundreds of billions of dollars in incentives for the development of renewable energy, clean fuels and carbon capture and sequestration, among other provisions, potentially further accelerating the transition toward lower-or zero-carbon emissions alternatives to fossil fuels. These and other regulatory and public policy developments could, among other things, restrict production levels, delay necessary permitting, impose price controls, change environmental protection requirements, impose restrictions on pipelines or other necessary infrastructure, raise taxes, royalties and other amounts payable to governments or governmental agencies and otherwise increase our operating costs. In addition, changes in public policy may indirectly impact our operations by, among other things, increasing the cost of supplies and equipment and fostering general economic uncertainty. Although we are unable to predict changes to existing laws and regulations, such changes could significantly impact our profitability, financial condition and liquidity, particularly changes related to the matters discussed in more detail below.

Federal Lands – Federal policy makers have from time to time expressed support for, and have taken steps to implement, additional regulation of oil and gas leasing, permitting and development on federal lands. For example, the Department of the Interior adopted a final rule in April 2024 revising various terms for future federal leases and wells, including by enhancing bonding requirements and increasing royalty rates, rental rates and minimum bids. Moreover, non-governmental organizations, trade groups and other private parties have filed lawsuits challenging leasing, permitting and other regulatory decisions relating to our and other industry participants' oil and gas development on federal lands, which, if successful, could further hinder development activities or otherwise adversely impact operations. While it is not possible at this time to predict the ultimate impact of these actions or any other future regulatory changes, including any potential actions by the Trump Administration, any additional restrictions or burdens on our ability to operate on federal lands could adversely impact our business in the Delaware and Powder River Basins, as well as other areas where we operate under federal leases.

Hydraulic Fracturing – Various federal agencies have asserted regulatory authority over certain aspects of the hydraulic fracturing process. For example, the EPA has issued regulations under the federal Clean Air Act establishing performance standards for oil and gas activities, including standards for the capture of air emissions released during hydraulic fracturing, and it previously finalized regulations that prohibit the discharge of wastewater from hydraulic fracturing operations to publicly owned wastewater treatment plants. Moreover, several state and local governments in areas in which we operate have adopted, or stated intentions to adopt, laws or regulations that mandate further restrictions on hydraulic fracturing, such as requiring disclosure of chemicals used in hydraulic fracturing, imposing more stringent permitting, disclosure and well-construction requirements on hydraulic fracturing operations and establishing standards for the capture of air emissions released during hydraulic fracturing. Beyond these regulatory efforts, various policy makers, regulatory agencies and political leaders at the federal, state and local levels have proposed implementing even further restrictions on hydraulic fracturing, including prohibiting the technology outright. Although it is not possible at this time to predict the outcome of these or other proposals, any new restrictions on hydraulic fracturing that may be imposed in areas in which we conduct business could potentially result in increased compliance costs, delays or cessation in development or other restrictions on our operations.

Environmental Laws Generally – In addition to regulatory efforts focused on hydraulic fracturing, we are subject to various other federal, state, tribal and local laws and regulations relating to discharge of materials into, and protection of, the environment. These laws and regulations may, among other things, impose liability on us for the cost of remediating pollution that results from our operations or prior operations on assets we have acquired. Environmental laws may impose strict, joint and several liability, and failure to comply with environmental laws and regulations can result in the imposition of administrative, civil or criminal fines and penalties, as well as injunctions limiting operations in affected areas. Any future environmental costs of fulfilling our commitments to the environment are uncertain and will be governed by several factors, including future changes to regulatory requirements. Any such changes could have a significant impact on our operations and profitability.

Water Disposal – Earthquakes in southeastern New Mexico, western Texas and elsewhere have prompted concerns about seismic activity and possible relationships with the oil and gas industry, particularly the disposal of wastewater in salt-water disposal wells. In addition, similar concerns have been raised about the potential connection between water disposal activities and certain surface uplift, subsidence and other ground movement in western Texas and other areas of industry activity. Increased regulation and attention given to water disposal activities could lead to greater efforts, including through litigation, to limit or prohibit oil and gas

activities relying on injection wells for produced water disposal. For example, New Mexico implemented protocols requiring operators to take various actions with respect to salt-water disposal wells within a specified proximity of certain seismic activity, including a requirement to limit injection rates if the seismic event is of a certain magnitude. Separately, the Railroad Commission of Texas has shown increasing regulatory focus on seismicity and the oil and gas industry in recent years, including by suspending all disposal well permits that inject into deep strata within the Northern Culberson-Reeves area due to increasing seismicity concerns. These or similar actions directed at our operating areas could limit the takeaway capacity for produced water in the impacted area, which could increase our operating expenses, require us to curtail our development plans or otherwise adversely impact our operations.

Tax Matters – We are subject to U.S. federal income tax as well as income, capital and other taxes in various U.S. state and foreign jurisdictions, and our operating cash flow is sensitive to the amount of taxes we must pay. In the jurisdictions in which we or any of our subsidiaries operate or previously operated, income taxes are assessed on our earnings after consideration of all allowable deductions and credits. Changes in the types of earnings that are subject to income tax, the types of costs that are considered allowable deductions and the timing of such deductions, or the rates assessed on our taxable earnings could significantly increase our tax obligations, adversely impacting our financial condition, results of operations and cash flows. Additionally, more generally, a change in any U.S. federal, state or local or foreign tax law, treaty, policy, statute, rule, regulation or ordinance, or in the interpretation thereof, in any jurisdiction in which we or any of our subsidiaries operate, or in which we or any of our subsidiaries are organized, could result in us incurring a materially higher tax expense, which would also adversely impact our financial condition, results of operations and cash flows. For example, the IRA included a 15% CAMT on certain financial statement income, and the Organization for Economic Co-operation and Development has adopted a set of model international tax rules known as the “Pillar Two” framework, a central component of which is the imposition of a global minimum corporate tax rate of 15% on certain multinational enterprises. While we are still assessing the potential impacts of the CAMT and the Pillar Two rules to our business, any incremental taxes attributable to CAMT, Pillar Two or any other tax law changes, or a change in our current interpretation thereof, could be significant and adversely impact our financial condition, results of operations and cash flows. Moreover, we are regularly audited by tax authorities. Although we believe our tax positions are reasonable and properly supported, if one or more of our tax positions are challenged by the IRS or other tax authorities (in a tax audit or otherwise), material cash payments or adjustments to tax expense may occur, which could adversely affect our financial condition, results of operations and cash flows.

Climate Change and Related Regulatory, Social and Market Actions May Adversely Affect Our Business

Continuing and increasing political and social attention to the issue of climate change has resulted in legislative, regulatory and other initiatives, including international agreements, to reduce GHG emissions, such as carbon dioxide and methane. Policy makers and regulators at both the U.S. federal and state levels have from time to time imposed, or stated intentions to impose, laws and regulations designed to quantify and limit the emission of GHG. For example, in December 2023, the EPA finalized more stringent methane rules for new, modified and reconstructed facilities, known as OOOOb, as well as standards for existing sources for the first time ever, known as OOOOc. The final rule includes, among other things, enhanced leak detection survey requirements using optical gas imaging and other advanced monitoring, zero-emission requirements for certain devices, and reduction of emissions by 95% through capture and control systems. The final rule also establishes a “super emitter” response program that allows third parties to make reports to the EPA of large methane emissions events, triggering certain investigation and repair requirements. Fines and penalties for violations of these rules can be substantial. The rules have been subject to legal challenge, although OOOOb is already in effect. Relatedly, the IRA imposed a new charge or fee with respect to excess methane emissions from certain petroleum and natural gas facilities starting in 2024 and annually increasing through 2026, and we cannot predict whether or how the Trump Administration may seek to revise or repeal these rules or the timing of any such actions. In addition to these federal efforts, the states where we operate have already imposed, or stated intentions to impose, laws or regulations designed to reduce methane emissions from oil and gas exploration and production activities, including by mandating new leak detection and retrofitting requirements.

Policy makers have also advocated for expanding existing, or creating new, reporting and disclosure requirements regarding GHG emissions and other climate-related matters. For example, the EPA adopted amendments in May 2024 to its GHG Reporting Program, which, among other things, added well blowouts and other abnormal events as new categories of sources for GHG emissions reporting. In addition, the SEC finalized rules in March 2024 that require public companies to include extensive climate-related disclosures in their SEC filings, such as new disclosures on (i) material Scope 1 and 2 GHG emissions, including an independent assurance report, and (ii) financial statement information regarding the effects of severe weather events and other natural conditions. In April 2024, the SEC stayed the effectiveness of these rules pending the completion of a judicial review of certain legal challenges. Similarly, California enacted legislation in October 2023 requiring extensive climate-related disclosures for companies deemed to be doing business in California, and other states are considering similar laws. The European Union has also recently adopted a set of policy initiatives, including the Corporate Sustainability Reporting Directive and the Corporate Sustainability Due Diligence Directive, which impose expansive sustainability reporting and due diligence requirements for both European Union and certain

non-European Union companies. While we are still assessing the applicability of the European Union directives and California legislation and are awaiting resolution of the review of the SEC climate change rules, we would expect to incur substantial additional compliance costs to the extent these or similar disclosure requirements apply to us. We further anticipate the costs and other risks associated with any such disclosure requirements to be particularly heightened, given that reporting frameworks on GHG emissions and other climate-related metrics are still maturing and often require the use of numerous assumptions and judgments.

With respect to more comprehensive regulation, policy makers and political leaders have made, or expressed support for, a variety of proposals, such as the development of cap-and-trade or carbon tax programs. At the international level, over 190 countries have signed the Paris Agreement, which requires member nations to submit non-binding GHG emissions reduction goals every five years. Subsequent United Nations climate conferences have called for additional action to transition away from fossil fuels or otherwise reduce GHG emissions. The Trump Administration re-withdrew the United States from the Paris Agreement in January 2025, and the United States' participation in future United Nations climate-related efforts is unclear. At the state level, there have been attempts to introduce legislation whereby certain entities found responsible for contributing toward climate change over a period of time are required to pay into a fund used for climate-related projects. For example, in December 2024, New York passed its "Climate Superfund Law," which provides for the assessment of a fee for emitters that have a sufficient nexus to the state and are found to have released more than one billion tons of carbon dioxide during 2000 through 2018. Vermont passed a similar law in May 2024, and similar legislation has been proposed in California, Massachusetts and New Jersey. We have been identified by New York as a potentially responsible party under the law; however, to date, we have not received any cost recovery demand. These and other initiatives could negatively impact our business through restrictions or cancellations of oil and natural gas activities, greater costs of compliance or consumption (thereby reducing demand for our products) or an impairment in our ability to continue our operations in an economic manner.

In addition to regulatory risk, other market and social initiatives relating to climate change present risks for our business. For example, in an effort to promote a lower-carbon economy, there are various public and private initiatives subsidizing or otherwise encouraging the development and adoption of alternative energy sources and technologies, including by mandating the use of specific fuels or technologies. These initiatives may reduce the competitiveness of carbon-based fuels, such as oil and gas. Moreover, an increasing number of financial institutions, funds and other sources of capital have restricted or eliminated their investment in oil and natural gas activities due to their concern regarding climate change. Such restrictions in capital could decrease the value of our business and make it more difficult to fund our operations. In addition, governmental entities and other plaintiffs have brought, and may continue to bring, claims against us and other oil and gas companies for purported damages caused by the alleged effects of climate change. The increasing attention to climate change may result in further claims or investigations against us, and heightened societal or political pressures may increase the possibility that liability could be imposed on us in such matters without regard to our causation of, or contribution to, the asserted damage or violation, or to other mitigating factors.

Finally, climate change may also result in various enhanced physical risks, such as an increased frequency or intensity of extreme weather events or changes in meteorological and hydrological patterns, that may adversely impact our operations. Such physical risks may result in damage to our facilities or otherwise adversely impact our operations, such as if we are subject to water use curtailments in response to drought, or demand for our products, such as to the extent warmer winters reduce demand for energy for heating purposes. These and the other risks discussed above could result in additional costs, new restrictions on our operations and reputational harm to us, as well as reduce the actual and forecasted demand for our products. These effects in turn could impair or lower the value of our assets, including by resulting in uneconomic or "stranded" assets, and otherwise adversely impact our profitability, liquidity and financial condition.

Our Environmental Performance Targets and Other ESG Initiatives May Expose Us to Risks

We have developed, and may continue to develop, voluntary targets related to our ESG initiatives, including our environmental performance targets and strategy. Any public statements related to these initiatives reflect our current plans and expectations and are not a guarantee the targets will be achieved or achieved on the currently anticipated timeline. Additionally, such statements are often based on assumptions or hypothetical scenarios which are necessarily uncertain. Our ability to achieve any targets is subject to numerous risks and uncertainties, many of which are beyond our control, including market factors, unanticipated changes in societal behavior, capital constraints, the pace of technological advancement and governmental policies or priorities. Moreover, as emission measurement protocols mature and related technologies continue to develop, we may be required to revise our emissions estimates and reduction goals or otherwise revise the strategies outlined in our ESG initiatives. If our ESG initiatives do not meet our investors' or other stakeholders' evolving expectations and standards, investment in us may be viewed as less attractive and our reputation and business may be adversely impacted.

Additionally, public statements with respect to environmental targets or other ESG-related goals are becoming increasingly subject to heightened scrutiny from public and governmental authorities, as well as other parties, with respect to the risk of potential “greenwashing,” i.e., misleading information or false claims overstating potential ESG benefits. Certain regulators, such as the SEC and various state agencies, as well as non-governmental organizations and other private actors have filed lawsuits under various securities and consumer protection laws alleging that certain ESG statements were misleading, false or otherwise deceptive. Conversely, “anti-ESG” sentiment has gained momentum among some governmental and private actors, and various federal and state policy makers have enacted or proposed “anti-ESG” policies, legislation and other initiatives, including efforts targeting certain practices and programs related to diversity, equity and inclusion. As a result, we may also face heightened scrutiny, reputational risk, lawsuits or market access restrictions from these parties regarding our ESG initiatives.

Claims, Litigation, Audits and Other Proceedings, Including Relating to Historic and Legacy Operations, May Adversely Impact Us

Devon is subject to claims, litigation, audits, investigations and other proceedings, including proceedings by governments, taxing authorities and other regulatory bodies, involving a wide range of issues, such as royalty underpayment claims, tax audits, alleged environmental law violations and claims for alleged environmental damages or remediation obligations. The outcomes of these matters are inherently unpredictable and subject to numerous uncertainties, and estimating associated reserves or loss exposure involves significant judgment that may not reflect the full range of possible results. Moreover, a number of these claims and proceedings relate to historic operations or the operations of predecessor entities, which can increase the difficulty in making reserve or loss determinations due to the age of the underlying matter, limited access to relevant information or other factors. Until the final resolution of such matters, Devon may be exposed to losses in excess of any liabilities recorded, and such amounts could be material. Should any of our estimates and assumptions change or prove to have been incorrect, it could have a material adverse effect on our business, financial position, results of operations and cash flows.

Price Controls, Export Restrictions and Other Governmental Interventions in Energy Markets May Adversely Impact our Business

Domestic and foreign governmental bodies have from time to time intervened in energy markets by imposing price controls, restricting exports, limiting production or otherwise taking actions to impact the availability and price of oil, natural gas and NGLs. For instance, members of the European Union agreed to a price-cap framework in December 2022 for the trading of natural gas in response to rising energy costs in Europe. Similarly, during 2021 and 2022, President Biden authorized several releases from the U.S. Strategic Petroleum Reserve in an effort to lower domestic energy prices. More recently, in May 2024, the European Union approved new regulations imposing fossil fuel import standards, which include disclosure, emission mitigation work practices and methane intensity threshold requirements, which could impact our ability to sell production in European markets. Governments may take similar actions in the future, particularly in the event of disruption in energy markets or national emergency. Any such interventions could adversely impact our business, including by depressing the price of our production and generally introducing greater uncertainty to our operations.

General and Other Risks Facing our Business

The Credit Risk of Our Counterparties Could Adversely Affect Us

We enter into a variety of transactions that expose us to counterparty credit risk. For example, we have exposure to financial institutions and insurance companies through our hedging arrangements, our 2023 Senior Credit Facility and our insurance policies. Disruptions in the financial markets or otherwise may impact these counterparties and affect their ability to fulfill their existing obligations and their willingness to enter into future transactions with us.

In addition, we are exposed to the risk of financial loss from trade, joint interest billing and other receivables. We sell our oil, gas and NGLs to a variety of purchasers, and, as an operator, we pay expenses and bill our non-operating partners for their respective share of costs. We also frequently look to buyers of oil and gas properties from us or our predecessors to perform certain obligations associated with the disposed assets, including the removal of production facilities and plugging and abandonment of wells. Certain of these counterparties or their successors may experience insolvency, liquidity problems or other issues and may not be able to meet their obligations and liabilities (including contingent liabilities) owed to, and assumed from, us, particularly during a depressed or volatile commodity price environment. Any such default may result in us being forced to cover the costs of those obligations and liabilities. Our business has been adversely impacted by counterparty defaults in the past, and we may experience similar defaults again in the future.

Our Debt May Limit Our Liquidity and Financial Flexibility, and Any Downgrade of Our Credit Rating Could Adversely Impact Us

As of December 31, 2024, we had total indebtedness of \$8.9 billion. Our indebtedness and other financial commitments have important consequences to our business, including, but not limited to:

- requiring us to dedicate a portion of our liquidity to debt service payments, thereby limiting our ability to fund working capital, capital expenditures, investments or acquisitions and other general corporate purposes;
- increasing our vulnerability to general adverse economic and industry conditions, including low commodity price environments; and
- limiting our ability to obtain additional financing due to higher costs and more restrictive covenants.

In addition, we receive credit ratings from rating agencies in the U.S. with respect to our debt. Factors that may impact our credit ratings include, among others, debt levels, planned asset sales and purchases, liquidity, size and scale of our production and commodity prices. Certain of our contractual obligations require us to provide letters of credit or other assurances. Any credit downgrades could adversely impact our ability to access financing and trade credit, require us to provide additional letters of credit or other assurances under contractual arrangements and increase our interest rate under the 2023 Senior Credit Facility and the Term Loan, as well as the cost of any other future debt.

Cybersecurity Incidents May Adversely Impact Our Operations

We rely heavily on information systems, operational technologies and other digital technologies to conduct our business, and we anticipate expanding the use of and reliance on these systems and technologies, including through artificial intelligence, process automation and data analytics. Concurrent with the growing dependence on technology is a greater sensitivity to cyberattacks and other cyber-related incidents, which have increasingly targeted our industry. Perpetrators of cyberattacks often attempt to gain unauthorized access to digital systems for purposes of misappropriating confidential, proprietary or personal information, intellectual property or financial assets, corrupting data or causing operational disruptions, as well as preventing users from accessing systems or information for the purpose of demanding payment in order for users to regain access. A wide variety of individuals or groups may perpetuate cyberattacks, ranging from highly sophisticated criminal organizations and state-sponsored actors to disgruntled employees, and the nature of, and methods used in, cyberattacks are similarly diverse and constantly evolving, with examples including phishing attempts, distributed denial of service attacks or ransomware. In addition, our vendors (including third-party cloud and IT service providers), midstream providers and other business partners may separately suffer disruptions or breaches from cyberattacks or other cyber-related incidents, which, in turn, could adversely impact our operations and compromise our information. Moreover, we and other upstream companies rely on extensive oil and gas infrastructure and distribution systems to deliver our production to market, which, in turn, depend upon digital technologies; we also rely on other critical infrastructure to operate our business, such as communication networks and power grids. Any cyberattack directed at such infrastructure or systems could adversely impact our business and operations, including by limiting our ability to transport and market our production. Furthermore, human error by our employees, contractors or third-party business partners may also cause or exacerbate a cybersecurity incident, and geopolitical instability may heighten the risk of cyberattacks against us or the infrastructure we rely upon.

As of the date of this report, though the Company and certain of our service providers have experienced certain cybersecurity incidents, we are not aware of any previous cybersecurity incidents that have materially affected, or are reasonably likely to materially affect, the Company. However, there is no assurance that such a breach has not already occurred and we are unaware of it, or that we will not suffer such a loss in the future. We devote significant resources to prevent cybersecurity incidents and protect our data, but our systems and procedures for identifying and protecting against such attacks and mitigating such risks may prove to be insufficient due to system vulnerabilities, human error or malfeasance or other factors. Any such attacks could have an adverse impact on our business, operations or reputation and lead to remediation costs, litigation or regulatory actions. Moreover, as the sophistication and volume of cyberattacks continue to increase, we may be required to expend significant additional resources to further enhance our digital security or to remediate vulnerabilities, and we may face difficulties in fully anticipating or implementing adequate preventive measures or mitigating potential harm.

Insurance Does Not Cover All Risks

As discussed above, our business is hazardous and is subject to all of the operating risks normally associated with the exploration, development and production of oil, gas and NGLs. To mitigate financial losses resulting from these operational hazards, we maintain comprehensive general liability insurance, as well as insurance coverage against certain losses resulting from physical damages, loss of well control, business interruption and pollution events that are considered sudden and accidental. We also maintain workers' compensation and employer's liability insurance. However, our insurance coverage does not provide 100% reimbursement of potential losses resulting from these operational hazards and, in the future, we may not be able to maintain or obtain insurance of the type and amount we desire at reasonable rates. Additionally, we have limited or no insurance coverage for a variety of other risks, including pollution events that are considered gradual, war and political risks and fines or penalties assessed by governmental authorities. The occurrence of a significant event against which we are not fully insured could have an adverse effect on our profitability, financial condition and liquidity.

Our Business Could Be Adversely Impacted by Shareholder Activism, Proxy Contests or Similar Actions

In recent years, proxy contests and other forms of shareholder activism have been directed against numerous public companies. Investors may from time to time seek to involve themselves in the governance, strategic direction and operations of the Company, whether by stockholder proposals, public campaigns, proxy solicitations or otherwise. These actions may be prompted or exacerbated by unfavorable recommendations or ratings from proxy advisory firms or other third parties, including with respect to our performance (or the perception of our performance) under ESG metrics. Such actions could adversely impact our business by distracting our Board of Directors and employees from our long-term strategy, requiring us to incur increased advisory fees and related costs, interfering with our ability to successfully execute on core business operations and strategic transactions or plans and provoking perceived uncertainty about the future direction of our business. Such perceived uncertainty may, in turn, make it more difficult to retain employees and could result in significant fluctuation in the market price of our common stock.

Our Acquisition and Divestiture Activities Involve Substantial Risks

Our business depends, in part, on making acquisitions, including by merger and other similar transactions, that complement or expand our current business and successfully integrating any acquired assets or businesses. We cannot ensure that any acquisitions we attempt will be completed on the terms announced, or at all. If we are unable to make attractive acquisitions, our future growth could be limited. Furthermore, even if we do make acquisitions, such as the recently completed Grayson Mill acquisition, they may not result in an increase in our cash flow from operations or otherwise result in the benefits anticipated due to various risks, including, but not limited to:

- mistaken estimates or assumptions about reserves, potential drilling locations, revenues and costs, including synergies and the overall costs of equity or debt;
- difficulties in integrating the operations, technologies, products and personnel of the acquired assets or business; and
- unknown and unforeseen liabilities or other issues related to any acquisition for which contractual protections prove inadequate, including environmental liabilities and title defects.

In addition, from time to time, we may sell or otherwise dispose of certain of our properties or businesses as a result of an evaluation of our asset portfolio and to help enhance our liquidity. These transactions also have inherent risks, including possible delays or failures in closing, the risk of lower-than-expected sales proceeds for the disposed assets or business and potential post-closing liabilities and claims for indemnification, as well as secondary liability for any obligations to third parties guaranteed by us. Moreover, volatility in commodity prices may result in fewer potential bidders, unsuccessful sales efforts and a higher risk that buyers may seek to terminate a transaction prior to closing.

Our Ability to Declare and Pay Dividends and Repurchase Shares Is Subject to Certain Considerations

Dividends, whether fixed or variable, and share repurchases are authorized and determined by our Board of Directors in its sole discretion and depend upon a number of factors, including the Company's financial results, cash requirements and future prospects, as well as such other factors deemed relevant by our Board of Directors. We can provide no assurance that we will continue to pay dividends or execute share repurchases at the current rate or at all. Any elimination of, or downward revision in, our dividend payout or share repurchase program could have an adverse effect on the market price of our common stock.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 1C. Cybersecurity

We maintain a corporate information security policy and program (the "Program") designed to identify, assess and appropriately manage risk from cybersecurity threats to help maintain operational continuity and protect Devon's networks, systems and other assets, as well as the significant amount of information we use to run our business. We employ a variety of tools designed to identify, assess and manage cybersecurity threats, including monitoring and detection programs, network security measures, firewall monitoring devices and encryption of critical data. The Program includes a cybersecurity incident response plan that provides the framework for categorizing and responding to cybersecurity incidents. As part of the Program, we perform cybersecurity risk assessments of certain third-party vendors of the Company, including technology vendors and key operational suppliers and service providers. These assessments are intended to identify potential risks to Devon associated with our use of third-party vendors and, where appropriate, to recommend and implement mitigating controls or solutions. In addition, Devon maintains disaster recovery plans related to cybersecurity incidents as part of our broader corporate emergency preparedness program, and our employees and contractors receive cybersecurity awareness training as part of both onboarding and through periodic training opportunities, including phishing simulations.

We have made efforts to align the Program with the National Institute of Standards and Technology Cybersecurity Framework for risk management, and we conduct an annual assessment to identify areas for potential improvement and benchmark maturity relative to peers and other companies, as well as industry and other relevant standards. Moreover, we perform regular internal testing of our systems and programs, including disaster recovery exercises and tabletop exercises. We supplement these internal efforts by periodically engaging third-party organizations to separately review and stress-test the Program.

The Program is administered by our Digital Security team, which is led by our Manager of Digital Security. The Digital Security team meets at least weekly to discuss any cybersecurity incidents and related response actions, emerging cybersecurity threats facing the Company and preventative measures. It is important to Devon that members of our Digital Security team have the necessary expertise to oversee the Program and its related technologies, platforms and applications, whether through educational background, experience, technical certifications or other training. The Manager of Digital Security has approximately 15 years of cybersecurity experience, a degree in management information systems and multiple certifications relating to security, risk and information systems, including a security leadership certification.

Cybersecurity risk is an area of focus for our Board of Directors, and we include cybersecurity and related risks in our enterprise-wide risk-management framework that annually assesses risks to the Company. This year-round assessment of risk is guided by our Internal Audit team and involves our Board of Directors, management and certain internal subject matter experts. The Audit Committee of our Board of Directors has oversight of Devon's risks from cybersecurity threats and reviews the steps management has taken to monitor and address such risks. Our management team provides quarterly updates to the Audit Committee on activities and other developments impacting Devon's cybersecurity. These updates cover a variety of topics, including, among other things, (i) regular reviews of certain cybersecurity metrics for the Company, (ii) status reviews of our cybersecurity initiatives and the results of benchmarking or other assessments of the Program and (iii) briefings on current events or trends relating to cybersecurity. Our full Board of Directors also receives regular updates from our management team regarding the Program, as well as reports from the Audit Committee.

As of the date of this report, though the Company and certain of our service providers have experienced certain cybersecurity incidents, Devon is not aware of any previous cybersecurity threats that have materially affected or are reasonably likely to materially affect Devon. For information on the risks associated with cybersecurity threats, see "Item 1A. Risks Factors."

Item 3. 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, 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 18](#) in "Item 8. Financial Statements and Supplementary Data" of this report.

Environmental Matters

On April 7, 2020, WPX Energy, Inc., a wholly-owned subsidiary of the Company, received a notice of violation ("NOV") from the EPA relating to specific historical air emission events occurring on the Fort Berthold Indian Reservation in North Dakota. On July 22, 2022, we received an updated NOV from the EPA relating to the same underlying events. On June 4, 2021, we received a NOV from the EPA relating to alleged air permit violations by WPX Energy Permian, LLC, a wholly-owned subsidiary of the Company, during 2020 in western Texas. On February 1, 2023, we received a notice of violation from the EPA relating to alleged air permit violations by WPX Energy Permian, LLC during 2020 in New Mexico. On June 1, 2023, we received a NOV from the EPA relating to alleged air permit violations by Devon Energy Production Company, L.P., a wholly-owned subsidiary of the Company, during 2020 and 2022 in New Mexico. The Company has been engaging with the EPA to resolve each of these matters, which remain ongoing, and management cannot predict their ultimate outcome; however, resolution of each of these matters may result in a fine or penalty in excess of \$300,000. For more information on the North Dakota NOV matter with the EPA, see [Note 18](#) in "Item 8. Financial Statements and Supplementary Data" of this report.

On March 5, 2024, we received a NOV from the New Mexico Environment Department ("NMED") relating to alleged violations by WPX Energy Permian, LLC of certain notice, repair and facility design requirements under New Mexico environmental laws. On May 29, 2024, we received a NOV from the Oil Conservation Division of New Mexico relating to alleged reporting violations by Devon Energy Production Company, L.P. On February 10, 2025, CDM, a joint venture of the Company, received a NOV from the NMED relating to alleged air emission and reporting violations under New Mexico environmental laws. The Company and CDM have, as applicable, been engaging with the applicable New Mexico regulatory body to resolve each of these respective matters, which remain ongoing, and management cannot predict their ultimate outcome; however, resolution of each of these matters may result in a fine or penalty in excess of \$300,000.

Item 4. Mine Safety Disclosures

Not applicable.

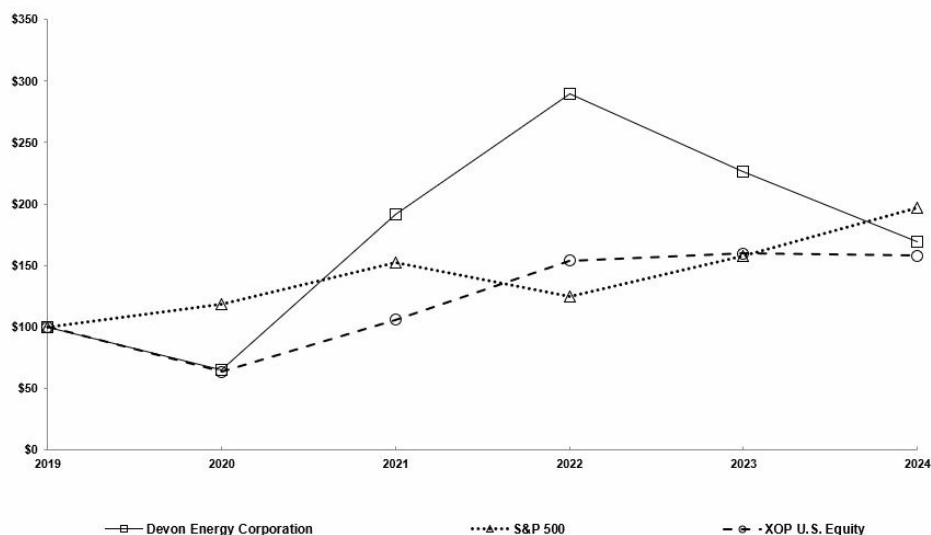
PART II

Item 5. Market for Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is traded on the NYSE under the "DVN" ticker symbol. On February 5, 2025, there were 10,800 holders of record of our common stock. We began paying regular quarterly cash dividends in the second quarter of 1993. Devon is committed to returning cash to shareholders through quarterly dividend payments and share repurchases, growing our per share value. The declaration and payment of any future dividend will remain at the full discretion of the Board of Directors and will depend on Devon's financial results, cash requirements, future prospects and other factors deemed relevant by the Devon Board. In determining the amount of the quarterly fixed dividend, the Board expects to consider a number of factors, including Devon's financial condition, the commodity price environment and a general target of paying out up to 10% of operating cash flow through the fixed dividend. Additional information on our dividends can be found in [Note 17](#) in "Item 8. Financial Statements and Supplementary Data" of this report.

Performance Graph

The following graph compares the cumulative TSR over a five-year period on Devon's common stock with the cumulative total returns of the S&P 500 Index and the SPDR Oil and Gas Exploration & Production ETF ("XOP U.S. Equity"). The graph was prepared assuming \$100 was invested on December 31, 2019 in Devon's common stock, the S&P 500 Index and the XOP U.S. Equity Index and dividends have been reinvested subsequent to the initial investment.



The graph and related information should not be deemed "soliciting material" or to be "filed" with the SEC, nor should such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that we specifically incorporate such information by reference into such a filing. The graph and information are included for historical comparative purposes only and should not be considered indicative of future stock performance.

Issuer Purchases of Equity Securities

The following table provides information regarding purchases of our common stock that were made by us during the fourth 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⁾
October 1 - October 31	2,560	\$ 40.18	2,559	\$ 1,854
November 1 - November 30	4,961	\$ 38.78	4,960	\$ 1,662
December 1 - December 31	134	\$ 37.39	134	\$ 1,657
Total	<u>7,655</u>	<u>\$ 39.22</u>	<u>7,653</u>	

(1) In addition to shares purchased under the share repurchase program described below, these amounts also include approximately two thousand shares received by us from employees for the payment of personal income tax withholding 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 approvals, including most recently in July 2024, Devon's Board of Directors expanded the share repurchase program authorization to \$5.0 billion, with a June 30, 2026 expiration date. In the fourth quarter of 2024, we repurchased 7.7 million common shares for \$300 million, or \$39.22 per share, under this share repurchase program. For additional information, see [Note 17](#) in "Item 8. Financial Statements and Supplementary Data" of this report.

Item 6. *[Reserved]*

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Introduction

The following discussion and analysis presents management's perspective of our business, financial condition and overall performance. This information is intended to provide investors with an understanding of our past performance, current financial condition and outlook for the future and should be read in conjunction with "Item 8. Financial Statements and Supplementary Data" of this report.

The following discussion and analyses primarily focus on 2024 and 2023 items and year-to-year comparisons between 2024 and 2023. Discussions of 2022 items and year-to-year comparisons between 2023 and 2022 that are not included in this report can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our [2023 Annual Report on Form 10-K](#).

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 four core areas: the Delaware Basin, Rockies, Eagle Ford and Anadarko. Our asset base is underpinned by premium acreage in the economic core of the Delaware Basin and our diverse, top-tier resource plays provide a deep inventory of opportunities for years to come.

On September 27, 2024, we acquired the Williston Basin business of Grayson Mill for total consideration of approximately \$5.0 billion, consisting of \$3.5 billion of cash and approximately 37.3 million shares of Devon common stock, including purchase price adjustments. 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.

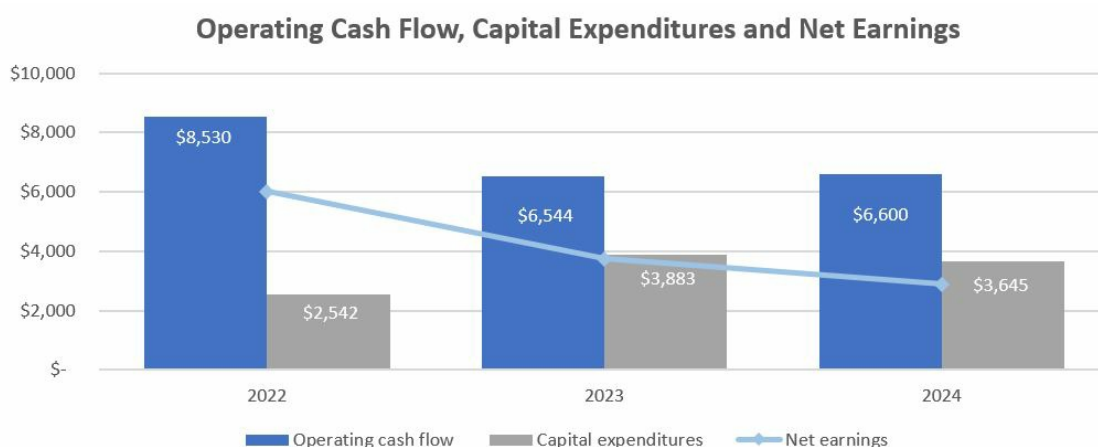
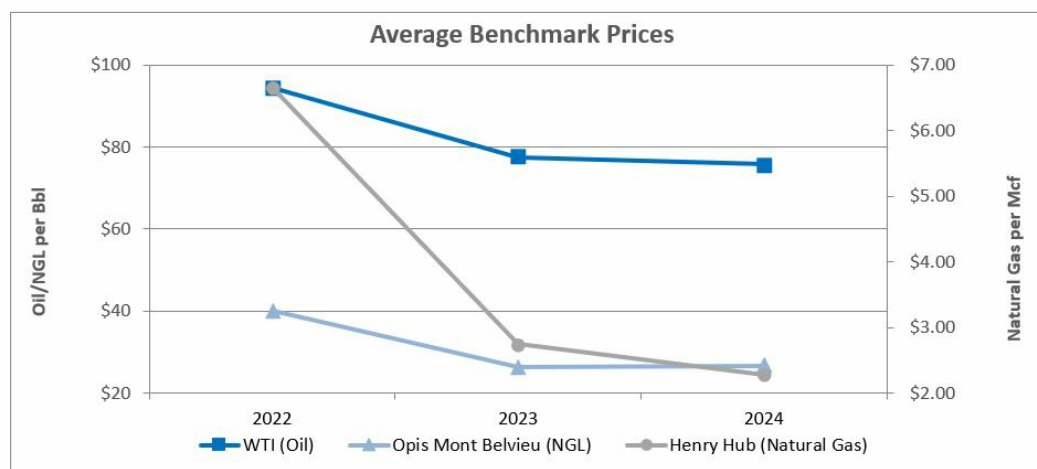
As evidenced by this acquisition, we remain focused on building economic value by executing on our strategic priorities of moderating production growth, emphasizing capital and operational efficiencies, optimizing reinvestment rates to maximize free cash flow, maintaining low leverage, delivering cash returns to our shareholders and pursuing operational excellence. Our recent performance highlights for these priorities include the following items for 2024:

- Oil production totaled 347 MBbls/d, an 8% increase year over year.
- Through 2024, completed approximately 67% of our authorized \$5.0 billion share repurchase program, with approximately 69 million of our common shares repurchased for approximately \$3.3 billion, or \$48.46 per share, since inception of the plan.
- Retired \$472 million of senior notes.
- Exited with \$3.8 billion of liquidity, including \$0.8 billion of cash.
- Generated \$6.6 billion of operating cash flow.
- Including variable dividends, paid dividends of \$937 million.
- Earnings attributable to Devon were \$2.9 billion, or \$4.56 per diluted share.
- Core earnings (Non-GAAP) were \$3.1 billion, or \$4.82 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 dividends, repaying debt at upcoming maturities and building cash balances.

Our net earnings and operating cash flow are highly dependent upon oil, gas and NGL prices which can be incredibly volatile due to several varying factors. Commodity prices were strong during 2022 as the continued recovery from the COVID-19 pandemic increased demand for oil and gas commodities, while economic sanctions imposed on Russia and restraint from OPEC+ on production growth both simultaneously impacted the supply of these commodities. In 2023, commodity prices weakened primarily due to economic uncertainty surrounding inflation and increased interest rates as well as certain geopolitical events. During 2024, oil and NGL prices remained stable from the prior year while gas prices decreased primarily due to warmer weather impacts and excess

supply. The graphs below show the trends in commodity prices over the past three years and their related impact on our net earnings, operating cash flow and capital investments.



As we dependably generate strong cash flow results as shown above, we will continue to prioritize delivering cash returns to shareholders through share repurchases and dividends while maintaining a strong liquidity position. Since the inception of our authorized \$5.0 billion share repurchase program, we have repurchased approximately 69 million common shares for approximately \$3.3 billion, or \$48.46 per share. We also returned value to shareholders by paying dividends of \$937 million during 2024. We exited 2024 with \$3.8 billion of liquidity, comprised of \$0.8 billion of cash and \$3.0 billion of available credit under our 2023 Senior Credit Facility. We currently have \$8.9 billion of debt outstanding, of which approximately \$485 million is classified as short-term. Additionally, to help mitigate the volatility of commodity prices and protect ourselves from downside risk, we currently have approximately 30% of our anticipated 2025 oil and gas production hedged.

Business and Industry Outlook

In 2024, Devon marked its 53rd anniversary in the oil and gas business and its 36th year as a public company. We generated \$6.6 billion of operating cash flow in 2024 as a result of the strength of our portfolio of assets and our operational execution. Our portfolio benefited from the acquisition of Grayson Mill that allowed us to efficiently expand our oil production and operating scale while capturing a meaningful runway of highly economic drilling inventory. The transaction created immediate value within our financial framework by delivering sustainable accretion to earnings and free cash flow. Operating cash flow in 2024 remained consistent with 2023, despite a decline in commodity prices, due to operational outperformance, capital efficiency gains and the positive contributions from our Grayson Mill acquisition.

We remain committed to continuing our track record of industry leading return of capital to our shareholders, underpinned by low capital reinvestment rates and a disciplined, returns-driven strategy which is designed to be successful through economic cycles. In 2024, we returned approximately \$2.0 billion of cash to shareholders through cash dividends and share repurchases, and will continue to prioritize this shareholder return strategy in 2025.

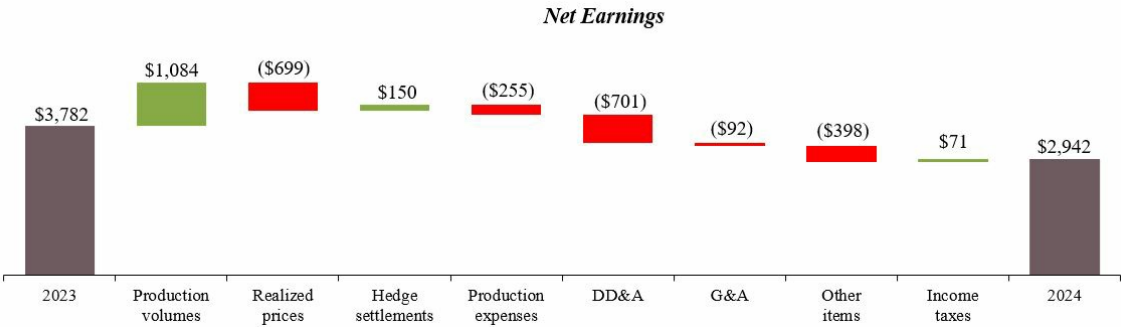
In 2024, WTI oil prices averaged \$75.79 per Bbl versus \$77.62 per Bbl in 2023, reflecting a downward trend as oil prices remained volatile even with continued capital discipline by global oil producers. Oil is expected to remain volatile in 2025 due to geopolitical risks to supply, forecasted stronger non-OPEC supply, and improving global demand growth expectations. Henry Hub natural gas prices fell in 2024, averaging \$2.27 per Mcf compared to \$2.74 per Mcf in 2023. For 2025, natural gas prices are expected to increase compared with 2024 prices due to increased demand, driven by rising LNG exports, strong powerburn as well as discipline from natural gas producers. Our 2025 cash flow is partly protected from commodity price volatility due to our current hedge position that covers approximately 30% of our anticipated oil and gas volumes. In order to further insulate our cash flow, we continue to examine and, when appropriate, execute attractive regional basis swap hedges to protect price realizations across our portfolio.

Our commitment to capital discipline and capital efficiency remains unchanged with our 2025 capital program. Similar to 2024, the majority of our 2025 capital, or approximately 55%, is expected to be focused on our highest returning oil play, the Delaware Basin. Our Williston Basin assets will receive additional capital allocation through 2025 as we work to develop the newly acquired Grayson Mill assets. The remainder of our 2025 capital will continue to be deployed to our other core areas of Eagle Ford, Anadarko Basin and Powder River Basin. Our 2025 capital is expected to be approximately 7% higher than 2024 primarily due to increased activity in the Williston Basin. Due to our strategy of spending within cash flow, we expect to continue generating material amounts of free cash flow for 2025.

Results of Operations

The following graph, 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 earnings attributable to noncontrolling interests. Analysis of the change in net earnings is shown below.

Our 2024 net earnings were \$2.9 billion, compared to net earnings of \$3.8 billion for 2023. The graph below shows the change in net earnings from 2023 to 2024. The material changes are further discussed by category on the following pages.



Production Volumes

	2024	% of Total	2023	Change
Oil (MBbls/d)				
Delaware Basin	220	63%	211	4%
Rockies	65	19%	50	30%
Eagle Ford	46	13%	42	10%
Anadarko Basin	13	4%	14	-7%
Other	3	1%	3	N/M
Total	<u>347</u>	<u>100%</u>	<u>320</u>	8%

	2024	% of Total	2023	Change
Gas (MMcf/d)				
Delaware Basin	732	61%	657	11%
Rockies	124	10%	76	63%
Eagle Ford	98	9%	82	20%
Anadarko Basin	241	20%	238	1%
Other	1	0%	1	N/M
Total	<u>1,196</u>	<u>100%</u>	<u>1,054</u>	13%

	2024	% of Total	2023	Change
NGLs (MBbls/d)				
Delaware Basin	123	64%	107	16%
Rockies	21	11%	11	91%
Eagle Ford	17	9%	15	13%
Anadarko Basin	29	15%	28	4%
Other	1	1%	1	N/M
Total	<u>191</u>	<u>100%</u>	<u>162</u>	18%

	2024	% of Total	2023	Change
Combined (MBoe/d)				
Delaware Basin	465	63%	427	9%
Rockies	107	15%	73	47%
Eagle Ford	79	11%	71	11%
Anadarko Basin	82	11%	82	0%
Other	4	0%	5	-6%
Total	<u>737</u>	<u>100%</u>	<u>658</u>	12%

From 2023 to 2024, the change in volumes contributed to a \$1.1 billion increase in earnings. The increase in volumes was primarily due to increased activity in the Delaware Basin and Eagle Ford as well as the Grayson Mill acquisition in the Rockies, which closed in the third quarter of 2024.

Due to the Grayson Mill acquisition and increased activity across our portfolio, we expect volumes to increase in 2025 and range from approximately 805 to 825 MBoe/d.

Realized Prices

	2024	Realization	2023	Change
Oil (per Bbl)				
WTI index	\$ 75.79		\$ 77.62	-2%
Realized price, unhedged	\$ 73.78	97%	\$ 75.98	-3%
Cash settlements	\$ 0.35		\$ (0.28)	
Realized price, with hedges	<u>\$ 74.13</u>	98%	<u>\$ 75.70</u>	-2%

	2024	Realization	2023	Change
Gas (per Mcf)				
Henry Hub index	\$ 2.27		\$ 2.74	-17 %
Realized price, unhedged	\$ 0.91	40%	\$ 1.83	-50 %
Cash settlements	\$ 0.35		\$ 0.20	
Realized price, with hedges	<u>\$ 1.26</u>	56%	<u>\$ 2.03</u>	-38 %

	2024	Realization	2023	Change
NGLs (per Bbl)				
WTI index	\$ 75.79		\$ 77.62	-2 %
Realized price, unhedged	\$ 20.20	27%	\$ 20.48	-1 %
Cash settlements	\$ 0.02		\$ —	
Realized price, with hedges	<u>\$ 20.22</u>	27%	<u>\$ 20.48</u>	-1 %

	2024		2023	Change
Combined (per Boe)				
Realized price, unhedged	\$ 41.44		\$ 44.96	-8 %
Cash settlements	\$ 0.73		\$ 0.19	
Realized price, with hedges	<u>\$ 42.17</u>		<u>\$ 45.15</u>	-7 %

From 2023 to 2024, realized prices contributed to an approximately \$700 million decrease in earnings. This decrease was due to lower unhedged realized oil, gas and NGL prices which decreased primarily due to lower WTI and Henry Hub index prices. Additionally, gas prices were impacted by expanded regional gas price differentials in the Delaware Basin driven by infrastructure constraints. Realized prices were strengthened by hedge cash settlements across all commodities.

Hedge Settlements

	2024		2023	Change
Oil	\$ 44		\$ (33)	233 %
Natural gas	152		80	90 %
NGL	1		—	N/M
Total cash settlements ⁽¹⁾	<u>\$ 197</u>		<u>\$ 47</u>	319 %

(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 “Item 8. Financial Statements and Supplementary Data” of this report.

Production Expenses

	2024		2023	Change
LOE	\$ 1,574		\$ 1,428	10 %
Gathering, processing & transportation	790		702	13 %
Production taxes	748		713	5 %
Property taxes	71		85	-16 %
Total	<u>\$ 3,183</u>		<u>\$ 2,928</u>	9 %
Per Boe:				
LOE	\$ 5.83		\$ 5.95	-2 %
Gathering, processing & transportation	\$ 2.93		\$ 2.92	0 %
Percent of oil, gas and NGL sales:				
Production taxes	6.7 %		6.6 %	1 %

LOE and gathering, processing and transportation and production taxes increased primarily due to increased activity and the Grayson Mill acquisition in the Rockies.

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 revenues less production expenses and is not prepared in accordance with GAAP. A reconciliation to the comparable GAAP measures is found in “Non-GAAP Measures” in this Item 7. The changes in production volumes, realized prices and production expenses, shown above, had the following impacts on our field-level cash margins by asset.

	2024	\$ per BOE	2023	\$ per BOE
Field-level cash margin (Non-GAAP)				
Delaware Basin	\$ 5,197	\$ 30.56	\$ 5,359	\$ 34.38
Rockies	1,122	28.61	863	32.19
Eagle Ford	1,150	39.72	1,074	41.71
Anadarko Basin	464	15.50	508	16.94
Other	60	N/M	59	N/M
Total	\$ 7,993	\$ 29.63	\$ 7,863	\$ 32.76

DD&A

	2024	2023	Change
Oil and gas per Boe	\$ 11.70	\$ 10.27	14 %
Oil and gas	\$ 3,156	\$ 2,464	28 %
Other property and equipment	99	90	11 %
Total	\$ 3,255	\$ 2,554	27 %

DD&A increased in 2024 primarily due to higher volumes as well as an increase in the oil and gas DD&A rate. The primary contributor to the higher DD&A rate was our 2023 drilling and development activity.

General and Administrative Expense

	2024	2023	Change
G&A per Boe	\$ 1.85	\$ 1.70	9 %
Labor and benefits	\$ 285	\$ 210	36 %
Non-labor	215	198	9 %
Total	\$ 500	\$ 408	23 %

G&A increased in 2024 primarily due to higher employee compensation, driven in part by inflationary adjustments and the Grayson Mill acquisition. We also had an increase in non-labor costs which were primarily related to technology system upgrade projects.

Other Items

	2024	2023	Change in earnings
Commodity hedge valuation changes ⁽¹⁾	\$ (176)	\$ 71	\$ (247)
Marketing and midstream operations	(49)	(60)	11
Exploration expenses	28	20	(8)
Asset dispositions	11	(30)	(41)
Net financing costs	363	308	(55)
Other, net	96	38	(58)
			<u>\$ (398)</u>

(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.

In 2023, asset dispositions include a \$64 million gain related to the difference between the fair value and the book value of assets contributed to the Water JV, which was partially offset by a \$33 million loss related to the re-valuation of contingent earnout payments associated with divested Barnett assets. For additional information, see [Note 2](#) in "Item 8. Financial Statements and Supplementary Data" of this report.

During the third quarter of 2024, we issued \$3.25 billion of debt to partially fund the Grayson Mill acquisition. Additionally, we retired \$472 million of debt in the third quarter of 2024. The net impact of this debt activity is expected to increase our annual net financing costs by approximately \$180 million. For additional information, see [Note 13](#) in "Part I. Financial Information - Item 1. Financial Statements" in this report.

For discussion on other, net, see [Note 5](#) in "Item 8. Financial Statements and Supplementary Data" of this report.

Income Taxes

	2024	2023
Current expense	\$ 459	\$ 465
Deferred expense	311	376
Total expense	<u>\$ 770</u>	<u>\$ 841</u>
Current tax rate	12 %	10 %
Deferred tax rate	9 %	8 %
Effective income tax rate	<u>21 %</u>	<u>18 %</u>

For discussion on income taxes, see [Note 6](#) in "Item 8. Financial Statements and Supplementary Data" of this report.

Capital Resources, Uses and Liquidity

Sources and Uses of Cash

The following table presents the major changes in cash and cash equivalents for the time periods presented below.

	Year Ended December 31,	
	2024	2023
Operating cash flow	\$ 6,600	\$ 6,544
Grayson Mill acquired cash	147	—
Capital expenditures	(3,645)	(3,883)
Acquisitions of property and equipment	(3,808)	(64)
Divestitures of property and equipment	24	26
Investment activity, net	(50)	(21)
Debt activity, net	2,747	(242)
Repurchases of common stock	(1,057)	(979)
Common stock dividends	(937)	(1,858)
Noncontrolling interest activity, net	1	(8)
Other	(51)	(94)
Net change in cash, cash equivalents and restricted cash	\$ (29)	\$ (579)
Cash, cash equivalents and restricted cash at end of period	\$ 846	\$ 875

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 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.

	Year Ended December 31,	
	2024	2023
Delaware Basin	\$ 2,049	\$ 2,257
Rockies	504	489
Eagle Ford	670	775
Anadarko Basin	225	196
Other	7	6
Total oil and gas	3,455	3,723
Midstream	101	81
Other	89	79
Total capital expenditures	\$ 3,645	\$ 3,883

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 moderating our production growth and maximizing our returns. As such, our capital expenditures for 2024 represent approximately 55% of our operating cash flow.

Acquisitions of Property and Equipment

During the third quarter of 2024, we acquired the Williston Basin business of Grayson Mill. The transaction consisted of \$3.5 billion of cash and approximately 37.3 million shares of Devon common stock. For additional information, please see [Note 2](#) in "Part II. Item 8. Financial Statements and Supplementary Data" in this report.

Divestitures of Property and Equipment

During 2024 and 2023, we received contingent earnout payments related to assets previously sold. For additional information, please see [Note 2](#) in "Part II. Item 8. Financial Statements and Supplementary Data" in this report.

Investment Activity

During 2024 and 2023, Devon received distributions from our investments of \$68 million and \$32 million, respectively. Devon contributed \$118 million and \$53 million to our investments during 2024 and 2023, respectively.

Debt Activity

In 2024, Devon issued \$1.25 billion of 5.20% senior notes due 2034 and \$1.0 billion of 5.75% senior notes due 2054. Additionally, in 2024, Devon borrowed \$1.0 billion from the Term Loan. These debt issuances helped fund the Grayson Mill acquisition. During 2024, we repaid \$472 million of senior notes at maturity.

During 2023, we repaid \$242 million of senior notes at maturity.

Shareholder Distributions and Stock Activity

We repurchased 24.2 million shares of common stock for \$1.1 billion in 2024 and 19.1 million shares of common stock for \$979 million in 2023 under the share repurchase program authorized by our Board of Directors. For additional information, see [Note 17](#) in "Item 8. Financial Statements and Supplementary Data" in this report.

The following table summarizes our common stock dividends in 2024 and 2023. Devon most recently raised its fixed dividend 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, second and third quarters of 2024 and each quarter of 2023. For additional information, see [Note 17](#) in "Item 8. Financial Statements and Supplementary Data" of this report.

	Fixed	Variable	Total	Rate Per Share
2024:				
First quarter	\$ 143	\$ 156	\$ 299	\$ 0.44
Second quarter	138	85	223	\$ 0.35
Third quarter	136	136	272	\$ 0.44
Fourth quarter	143	—	143	\$ 0.22
Total year-to-date	<u>\$ 560</u>	<u>\$ 377</u>	<u>\$ 937</u>	
2023:				
First quarter	\$ 133	\$ 463	\$ 596	\$ 0.89
Second quarter	128	334	462	\$ 0.72
Third quarter	127	185	312	\$ 0.49
Fourth quarter	127	361	488	\$ 0.77
Total year-to-date	<u>\$ 515</u>	<u>\$ 1,343</u>	<u>\$ 1,858</u>	

Noncontrolling Interest Activity

During 2024 and 2023, we received \$52 million and \$37 million, respectively, of contributions from our noncontrolling interests in CDM. During 2024 and 2023, we distributed \$51 million and \$45 million, respectively, to our noncontrolling interests in CDM.

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 land owners to enhance our existing portfolio of assets.

On September 27, 2024, Devon acquired the Williston Basin business of Grayson Mill. This acquisition adds a high-margin production mix that enhances our position and efficiently expands our operating scale and production. The acquisition delivers sustainable accretion to earnings and free cash flow further supporting our cash-return business model, which moderates growth, emphasizes capital efficiencies and prioritizes cash returns to shareholders.

Historically, our primary sources of capital funding and liquidity have been our operating cash flow and cash on hand. 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 execute our cash-return business model.

Operating Cash Flow

Key inputs into determining our planned capital investment is 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 2024, we held approximately \$850 million 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 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 December 31, 2024 are presented in [Note 3](#) in "Item 8. Financial Statements and Supplementary Data" 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 2025.

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 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 collateral postings.

Credit Availability

We had approximately \$3.0 billion of available borrowing capacity under our 2023 Senior Credit Facility at December 31, 2024. 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. The 2023 Senior Credit Facility supports our \$3.0 billion of short-term credit under our commercial paper program. As of December 31, 2024, there were no borrowings under our commercial paper program. See [Note 13](#) in "Item 8. Financial Statements and Supplementary Data" of this report for further discussion.

The 2023 Senior Credit Facility contains only one material financial covenant. This covenant requires us to maintain a ratio of total funded debt to total capitalization, as defined in the credit agreement, of no more than 65%. As of December 31, 2024, we were in compliance with this covenant with a 26.5% debt-to-capitalization ratio.

Our access to funds from the 2023 Senior Credit Facility is not subject to a specific funding condition requiring the absence of a “material adverse effect”. It is not uncommon for credit agreements to include such provisions. In general, these provisions can remove the obligation of the banks to fund the credit line if any condition or event would reasonably be expected to have a material and adverse effect on the borrower’s financial condition, operations, properties or business considered as a whole, the borrower’s ability to make timely debt payments or the enforceability of material terms of the credit agreement. While our credit agreement includes provisions qualified by material adverse effect as well as a covenant that requires us to report a condition or event having a material adverse effect, the obligation of the banks to fund the 2023 Senior Credit Facility is not conditioned on the absence of a material adverse effect.

As market conditions warrant and subject to our contractual restrictions, liquidity position and other factors, we may from time to time seek to repurchase or retire our outstanding debt through cash purchases and/or exchanges for other debt or equity securities in open market transactions, privately negotiated transactions, by tender offer or otherwise. Any such cash repurchases by us may be funded by cash on hand or incurring new debt. The amounts involved in any such transactions, individually or in the aggregate, may be material. Furthermore, any such repurchases or exchanges may result in our acquiring and retiring a substantial amount of such indebtedness, which would impact the trading liquidity of such indebtedness.

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 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 cash to shareholders through dividends 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. 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 February 2025, we raised our fixed dividend by 9%, to \$0.24 per share, beginning in the first quarter of 2025. The dividend is payable in the first quarter of 2025 and is expected to total approximately \$156 million.

Our Board of Directors has authorized a \$5.0 billion share repurchase program that expires on June 30, 2026. Through February 14, 2025, we had executed \$3.4 billion of the authorized program.

Capital Expenditures

Our 2025 capital expenditure budget is expected to be approximately \$3.8 billion to \$4.0 billion, which is approximately 7% higher than our 2024 capital expenditures primarily due to the Grayson Mill acquisition.

Contractual Obligations

As of December 31, 2024, our material contractual obligations include debt, interest expense, asset retirement obligations, lease obligations, operational agreements, drilling and facility obligations, various tax obligations and retained obligations related to our divested Canadian business. As discussed above, we estimate the combination of our sources of capital will continue to be adequate to fund our short- and long-term contractual obligations. See [Notes 6, 13, 14, 15](#) and [18](#) in “Item 8. Financial Statements and Supplementary Data” of this report for further discussion.

Tax Contingencies

As we are regularly audited by tax authorities, we have and will continue to have our tax positions challenged. Certain tax authorities require material cash deposits be made to further dispute and respond to any of our challenged tax positions.

Contingencies and Legal Matters

For a detailed discussion of contingencies and legal matters, see [Note 18](#) in "Item 8. Financial Statements and Supplementary Data" of this report.

Critical Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires us to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from these estimates, and changes in these estimates are recorded when known. We consider the following to be our most critical accounting estimates that involve judgment and have reviewed these critical accounting estimates with the Audit Committee of our Board of Directors.

Purchase Accounting

Periodically, we acquire assets and assume liabilities in transactions accounted for as business combinations, such as the acquisition of the Williston Basin business of Grayson Mill. In connection with the acquisition, we allocated the \$5.0 billion of purchase price consideration to the assets acquired and liabilities assumed based on estimated fair values as of the date of the acquisition. The preliminary purchase price assessment remains an ongoing process and is subject to change for up to one year subsequent to the closing date of the acquisition.

We made a number of assumptions in estimating the fair value of assets acquired and liabilities assumed in the acquisition. The most significant assumptions relate to the estimated fair values of proved and unproved oil and gas properties. Since sufficient market data was not available regarding the fair values of proved and unproved oil and gas properties, we prepared estimates and engaged third-party valuation experts. Significant judgments and assumptions are inherent in these estimates and include, among other things, estimates of reserve quantities, estimates of future commodity prices, drilling plans, expected development costs, lease operating costs, reserve risk adjustment factors and an estimate of an applicable market participant discount rate that reflects the risk of the underlying cash flow estimates.

Estimated fair values ascribed to assets acquired can have a significant impact on future results of operations presented in our financial statements. A higher fair value ascribed to a property results in higher DD&A expense, which results in lower net earnings. Fair values are based on estimates of future commodity prices, reserve quantities, development costs and operating costs. In the event that future commodity prices or reserve quantities are lower than those used as inputs to determine estimates of acquisition date fair values, the likelihood increases that certain costs may be determined to not be recoverable.

Oil and Gas Assets Accounting, Classification, Reserves & Valuation

Successful Efforts Method of Accounting and Classification

We utilize the successful efforts method of accounting for our oil and natural gas exploration and development activities which requires management's assessment of the proper designation of wells and associated costs as developmental or exploratory. This classification assessment is dependent on the determination and existence of proved reserves, which is a critical estimate discussed in the section below. The classification of developmental and exploratory costs has a direct impact on the amount of costs we initially recognize as exploration expense or capitalize, then subject to DD&A calculations and impairment assessments and valuations.

Once a well is drilled, the determination that proved reserves have been discovered may take considerable time and requires both judgment and application of industry experience. Development wells are always capitalized. Costs associated with drilling an exploratory well are initially capitalized, or suspended, pending a determination as to whether proved reserves have been found. At the end of each quarter, management reviews the status of all suspended exploratory drilling costs to determine whether the costs should continue to remain capitalized or shall be expensed. When making this determination, management considers current activities,

near-term plans for additional exploratory or appraisal drilling and the likelihood of reaching a development program. If management determines future development activities and the determination of proved reserves are unlikely to occur, the associated suspended exploratory well costs are recorded as dry hole expense and reported in exploration expense in the consolidated statements of comprehensive earnings. Otherwise, the costs of exploratory wells remain capitalized. At December 31, 2024, all material suspended well costs have been suspended for less than one year.

Similar to the evaluation of suspended exploratory well costs, costs for undeveloped leasehold, for which reserves have not been proven, must also be evaluated for continued capitalization or impairment. At the end of each quarter, management assesses undeveloped leasehold costs for impairment by considering future drilling plans, drilling activity results, commodity price outlooks, planned future sales or expiration of all or a portion of such projects. At December 31, 2024, Devon had approximately \$1.9 billion of undeveloped leasehold costs. Of the remaining undeveloped leasehold costs at December 31, 2024, none is scheduled to expire in 2025.

Reserves

Our estimates of proved and proved developed reserves are a major component of DD&A calculations. Additionally, our proved reserves represent the element of these calculations that require the most subjective judgments. Estimates of reserves are forecasts based on engineering data, projected future rates of production and the timing of future expenditures. The process of estimating oil, gas and NGL reserves requires substantial judgment, resulting in imprecise determinations, particularly for new discoveries. Different reserve engineers may make different estimates of reserve quantities based on the same data. Our engineers prepare our reserve estimates. We then subject certain of our reserve estimates to audits performed by a third-party petroleum consulting firm. In 2024, 89% of our proved reserves were subjected to such an audit.

The passage of time provides additional information which may result in revisions to previous estimates to reflect updated information. In the past five years, annual revisions other than price to our proved reserve estimates, which have been both increases and decreases in individual years, have averaged approximately 3% of the previous year's estimate. However, there can be no assurance that more significant revisions will not be necessary in the future. For example, revisions may be driven broadly by economic factors such as significant changes in operating costs, or they may be more focused such as in a given area or reservoir. The data for a given reservoir may change substantially over time as a result of numerous factors, including, but not limited to, additional development activity, evolving production history and continual reassessment of the viability of production under varying economic conditions.

Valuation of Long-Lived Assets

Long-lived assets used in operations, including proved and unproved oil and gas properties, are depreciated and assessed for impairment annually or whenever changes in facts and circumstances indicate a possible significant deterioration in future cash flows is expected to be generated by an asset group. For DD&A calculations and impairment assessments, management groups individual assets based on a judgmental assessment of the lowest level ("common operating field") for which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. The determination of common operating fields is largely based on geological structural features or stratigraphic condition, which requires judgment. Management also considers the nature of production, common infrastructure, common sales points, common processing plants, common regulation and management oversight to make common operating field determinations. These determinations impact the amount of DD&A recognized each period and could impact the determination and measurement of a potential asset impairment.

Management evaluates assets for impairment through an established process in which changes to significant assumptions such as prices, volumes and future development plans are reviewed. If, upon review, the sum of the undiscounted pre-tax cash flows is less than the carrying value of the asset group, the carrying value is written down to estimated fair value. Because there usually is a lack of quoted market prices for long-lived assets, the fair value of impaired assets is typically determined based on the present values of expected future cash flows using discount rates believed to be consistent with those used by principal market participants. The expected future cash flows used for impairment reviews and related fair value calculations are typically based on judgmental assessments of future production volumes, commodity prices, operating costs and capital investment plans, considering all available information at the date of review. The expected future cash flows used for impairment reviews include future production volumes associated with proved producing and risk-adjusted proved undeveloped reserves, and when needed, probable and possible reserves.

Besides the risk-adjusted estimates of reserves and future production volumes, future commodity prices are the largest driver in the variability of undiscounted pre-tax cash flows. For our impairment determinations, we utilize NYMEX forward strip prices and

incorporate internally generated price forecasts along with price forecasts published by reputable investment banks and reservoir engineering firms to estimate our future revenues.

We also estimate and escalate or de-escalate future capital and operating costs by using a method that correlates cost movements to price movements similar to recent history. To measure indicated impairments, we use a market-based weighted-average cost of capital to discount the future net cash flows. Changes to any of the reserves or market-based assumptions can significantly affect estimates of undiscounted and discounted pre-tax cash flows and impact the recognition and amount of impairments.

None of our oil and gas assets were at risk of impairment as of December 31, 2024.

Income Taxes

The amount of income taxes recorded requires interpretations of complex rules and regulations of federal, state, provincial and foreign tax jurisdictions. We recognize current tax expense based on estimated taxable income for the current period and the applicable statutory tax rates. We routinely assess potential uncertain tax positions and, if required, estimate and establish accruals for such amounts. We have recognized deferred tax assets and liabilities for temporary differences, operating losses and other tax carryforwards. We routinely assess our deferred tax assets and reduce such assets by a valuation allowance if we deem it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Further, in the event we were to undergo an "ownership change" (as defined in Section 382 of the Internal Revenue Code of 1986, as amended), our ability to use net operating losses and tax credits generated prior to the ownership change may be limited. Generally, an "ownership change" occurs if one or more shareholders, each of whom owns five percent or more in value of a corporation's stock, increase their aggregate percentage ownership by more than 50 percent over the lowest percentage of stock owned by those shareholders at any time during the preceding three-year period. Based on currently available information, we do not believe an ownership change has occurred during 2024 for Devon.

Non-GAAP Measures

Core Earnings

We make reference to "core earnings attributable to Devon" and "core earnings per share attributable to Devon" in "Overview of 2024 Results" in this Item 7 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 noncash and other items that are typically excluded by securities analysts in their published estimates of our quarterly financial results. Our non-GAAP measures are typically used as a quarterly performance measure. Amounts excluded for 2024 relate to asset dispositions, noncash asset impairments (including unproved asset impairments), fair value changes in derivative financial instruments and restructuring and transaction costs.

Amounts excluded for 2023 and 2022 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 our core earnings and earnings per share to their comparable GAAP measures.

	Year Ended December 31,			Per Diluted Share
	Before Tax	After Tax	After NCI	
2024:				
Earnings attributable to Devon (GAAP)	\$ 3,712	\$ 2,942	\$ 2,891	\$ 4.56
Adjustments:				
Asset dispositions	11	9	9	0.01
Asset and exploration impairments	5	4	4	0.01
Fair value changes in financial instruments	182	143	143	0.23
Restructuring and transaction costs	9	7	7	0.01
Core earnings attributable to Devon (Non-GAAP)	<u>\$ 3,919</u>	<u>\$ 3,105</u>	<u>\$ 3,054</u>	<u>\$ 4.82</u>
2023:				
Earnings attributable to Devon (GAAP)	\$ 4,623	\$ 3,782	\$ 3,747	\$ 5.84
Adjustments:				
Asset dispositions	(30)	(24)	(24)	(0.04)
Asset and exploration impairments	5	3	3	—
Deferred tax asset valuation allowance	—	(1)	(1)	—
Fair value changes in financial instruments	(74)	(58)	(58)	(0.09)
Core earnings attributable to Devon (Non-GAAP)	<u>\$ 4,524</u>	<u>\$ 3,702</u>	<u>\$ 3,667</u>	<u>\$ 5.71</u>
2022:				
Earnings attributable to Devon (GAAP)	\$ 7,775	\$ 6,037	\$ 6,015	\$ 9.12
Adjustments:				
Asset dispositions	(44)	(34)	(34)	(0.05)
Asset and exploration impairments	13	10	10	0.02
Deferred tax asset valuation allowance	—	17	17	0.03
Fair value changes in financial instruments	(690)	(532)	(532)	(0.81)
Core earnings attributable to Devon (Non-GAAP)	<u>\$ 7,054</u>	<u>\$ 5,498</u>	<u>\$ 5,476</u>	<u>\$ 8.31</u>

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; accretion on discounted liabilities; and other items not related to our normal operations. Field-Level Cash Margin is computed as oil, gas and NGL revenues 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, 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.

	Year Ended December 31,		
	2024	2023	2022
Net earnings (GAAP)	\$ 2,942	\$ 3,782	\$ 6,037
Financing costs, net	363	308	309
Income tax expense	770	841	1,738
Exploration expenses	28	20	29
Depreciation, depletion and amortization	3,255	2,554	2,223
Asset dispositions	11	(30)	(44)
Share-based compensation	98	92	87
Derivative and financial instrument non-cash valuation changes	176	(71)	(698)
Accretion on discounted liabilities and other	96	38	(95)
EBITDAX (Non-GAAP)	7,739	7,534	9,586
Marketing and midstream revenues and expenses, net	49	60	35
Commodity derivative cash settlements	(197)	(47)	1,356
General and administrative expenses, cash-based	402	316	308
Field-level cash margin (Non-GAAP)	<u>\$ 7,993</u>	<u>\$ 7,863</u>	<u>\$ 11,285</u>

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

The primary objective of the following information is to provide forward-looking quantitative and qualitative information about our potential exposure to market risks. The term “market risk” refers to our risk of loss arising from adverse changes in oil, gas and NGL prices, interest rates and foreign currency exchange rates. The following disclosures are not meant to be precise indicators of expected future losses but rather indicators of reasonably possible losses. This forward-looking information provides indicators of how we view and manage our ongoing market risk exposures. All of our market risk sensitive instruments were entered into for purposes other than speculative trading.

Commodity Price Risk

Our major market risk exposure is the pricing applicable to our oil, gas and NGL production. Realized pricing is primarily driven by the prevailing worldwide price for crude oil and spot market prices applicable to our gas and NGL production. Pricing for oil and gas production has been volatile and unpredictable as discussed in “Item 1A. Risk Factors” of this report. Consequently, we systematically hedge a portion of our production through various financial transactions. The key terms to our oil and gas derivative financial instruments as of December 31, 2024 are presented in [Note 3](#) in “Item 8. Financial Statements and Supplementary Data” of this report.

The fair values of our commodity derivatives are largely determined by estimates of the forward curves of the relevant price indices. At December 31, 2024, a 10% change in the forward curves associated with our commodity derivative instruments would have changed our net positions by approximately \$300 million.

Interest Rate Risk

At December 31, 2024, we had total debt of \$8.9 billion. \$7.9 billion of this debt was comprised of debentures and notes that have fixed interest rates which average 5.7%. We also have a \$1.0 billion Term Loan which has a variable interest rate that is adjusted monthly. The interest rate on the Term Loan was 5.81% at December 31, 2024.

Item 8. *Financial Statements and Supplementary Data*

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All financial statement schedules are omitted as they are inapplicable or the required information has been included in the consolidated financial statements or notes thereto.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Devon Energy Corporation:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of Devon Energy Corporation and subsidiaries (the Company) as of December 31, 2024 and 2023, the related consolidated statements of comprehensive earnings, equity, and cash flows for each of the years in the three-year period ended December 31, 2024, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024 based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

The Company acquired Grayson Mill during 2024, and management excluded from its assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2024, Grayson Mill's internal control over financial reporting associated with total assets of \$5.6 billion and total revenues of \$687 million included in the consolidated financial statements of the Company as of and for the year ended December 31, 2024. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of Grayson Mill.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1)

pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Estimate of proved oil and gas reserves used in the depletion of proved oil and gas properties

As discussed in Notes 1 and 11 to the consolidated financial statements, the Company calculates depletion for its proved oil and gas properties subject to amortization using a units-of-production method. The rates used to deplete the balance of oil and gas properties subject to amortization are set using the estimate of proved oil and gas reserves by common operating field. Under the units-of-production method, a rate is set annually using the beginning of year balance of oil and gas properties subject to amortization and estimated proved oil and gas reserves for each common operating field. That rate is then applied to production throughout the year to determine the amount of depletion expense to be recorded by common operating field. The Company also periodically evaluates whether changes in the estimated proved oil and gas reserves for each common operating field have occurred that would require a change in the rate of depletion to be applied to the production realized. The Company's internal reservoir engineers estimate proved oil and gas reserves, and the Company engages external reservoir engineers to perform an independent evaluation of a portion of the estimates of proved oil and gas reserves. The company recorded depletion expense of \$3.3 billion for the year ended December 31, 2024.

We identified the estimate of proved oil and gas reserves used in the depletion of proved oil and gas properties as a critical audit matter. There was a high degree of subjectivity in evaluating the Company's estimate of the proved oil and gas reserves used as an input to determine depletion for each common operating field.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's depletion expense process, including controls related to the estimate of proved oil and gas reserves. We analyzed and assessed the determination of depletion expense for compliance with industry and regulatory standards. To assess the Company's ability to accurately estimate proved oil and gas reserves, we compared the estimated future production quantities assumptions used by the Company in prior periods to the actual production amounts realized and the current year-end future production quantities forecasted. We compared the estimated future production quantities used by the Company in the current period to historical production trends and investigated differences. We evaluated (1) the professional qualifications of the Company's internal reservoir engineers as well as the external reservoir engineers and external engineering firm, (2) the knowledge, skills, and ability of the Company's internal and external reservoir engineers, and (3) the relationship of the external reservoir engineers and external engineering firm to the Company. We read and considered the report of the Company's external reservoir engineers in connection with our evaluation of the Company's reserve estimates.

/s/ KPMG, LLP

We have served as the Company's auditor since 1980.

Houston, Texas
February 19, 2025

DEVON ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

	2024	Year Ended December 31, 2023	2022
	(Millions, except per share amounts)		
Oil, gas and NGL sales	\$ 11,176	\$ 10,791	\$ 14,082
Oil, gas and NGL derivatives	21	118	658
Marketing and midstream revenues	4,743	4,349	5,745
Total revenues	15,940	15,258	19,169
Production expenses	3,183	2,928	2,797
Exploration expenses	28	20	29
Marketing and midstream expenses	4,792	4,409	5,780
Depreciation, depletion and amortization	3,255	2,554	2,223
Asset dispositions	11	30	44
General and administrative expenses	500	408	395
Financing costs, net	363	308	309
Other, net	96	38	95
Total expenses	12,228	10,635	11,394
Earnings before income taxes	3,712	4,623	7,775
Income tax expense	770	841	1,738
Net earnings	2,942	3,782	6,037
Net earnings attributable to noncontrolling interests	51	35	22

	2,891	3,747	6,015
Net earnings attributable to Devon	\$	\$	\$
Net earnings per share:			
	4.58	5.86	9.15
Basic net earnings per share	\$	\$	\$
	4.56	5.84	9.12
Diluted net earnings per share	\$	\$	\$
Comprehensive earnings (loss):			
	2,942	3,782	6,037
Net earnings	\$	\$	\$
Other comprehensive earnings (loss), net of tax:			
		(
	2	8	16
Pension and postretirement plans)	
		(
	2	8	16
Other comprehensive earnings (loss), net of tax)	
	2,944	3,774	6,053
Comprehensive earnings:			
	51	35	22
Comprehensive earnings attributable to noncontrolling interests			
	2,893	3,739	6,031
Comprehensive earnings attributable to Devon	\$	\$	\$

See accompanying notes to consolidated financial statements.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash, cash equivalents and restricted cash	\$ 846	\$ 875
Accounts receivable	1,972	1,573
Inventory	294	249
Other current assets	315	460
Total current assets	3,427	3,157
Oil and gas property and equipment, based on successful efforts accounting, net	23,198	17,825
Other property and equipment, net (\$ 178 million and \$ 136 million related to CDM in 2024 and 2023, respectively)	1,813	1,503
Total property and equipment, net	25,011	19,328
Goodwill	753	753
Right-of-use assets	303	267
Investments	727	666
Other long-term assets	268	319
Total assets	<u>\$ 30,489</u>	<u>\$ 24,490</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 806	\$ 760
Revenues and royalties payable	1,432	1,222
Short-term debt	485	483

Other current liabilities	586	484
Total current liabilities	3,309	2,949
Long-term debt	8,398	5,672
Lease liabilities	320	295
Asset retirement obligations	770	643
Other long-term liabilities	840	876
Deferred income taxes	2,148	1,838
Stockholders' equity:		
Common stock, \$		
0.10		
par value. Authorized		
1.0		
billion shares; issued		
651		
million and		
636	65	64
million shares in 2024 and 2023, respectively		
Additional paid-in capital	6,387	5,939
Retained earnings	8,166	6,195
Accumulated other comprehensive loss	(122)	(124)
Treasury stock, at cost,		(
0.3	—	13
million shares in 2023)
Total stockholders' equity attributable to Devon	14,496	12,061
Noncontrolling interests	208	156
Total equity	14,704	12,217
Total liabilities and equity	\$ 30,489	\$ 24,490

See accompanying notes to consolidated financial statements.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	2024	Year Ended December 31, 2023	2022
Cash flows from operating activities:			
Net earnings	\$ 2,942	\$ 3,782	\$ 6,037
Adjustments to reconcile net earnings to net cash from operating activities:			
Depreciation, depletion and amortization	3,255	2,554	2,223
Leasehold impairments	5	5	12
		((
Accretion (amortization) of liabilities	8	16	31
	(()
Total (gains) losses on commodity derivatives	21	118	658
))	(
Cash settlements on commodity derivatives	197	47	1,356
		((
(Gains) losses on asset dispositions	11	30	44
))
Deferred income tax expense	311	376	1,179
Share-based compensation	99	93	88
		((
Other	10	5	10
	(((
Changes in assets and liabilities, net	217	144	226
)))
Net cash from operating activities	6,600	6,544	8,530
Cash flows from investing activities:			
	(((
Capital expenditures	3,645	3,883	2,542
)))
	(((
Acquisitions of property and equipment	3,808	64	2,583
)))
Divestitures of property and equipment	24	26	39
Grayson Mill acquired cash	147	—	—
Distributions from investments	68	32	39

	(((
Contributions to investments and other	118	53	76
)))
	(((
Net cash from investing activities	7,332	3,942	5,123
)))
Cash flows from financing activities:			
	3,219	—	—
Borrowings of long-term debt, net of issuance costs	(((
	472	242	—
Repayments of long-term debt)))
	(((
	1,057	979	718
Repurchases of common stock)))
	(((
	937	1,858	3,379
Dividends paid on common stock)))
	52	37	—
Contributions from noncontrolling interests	(((
	51	45	30
Distributions to noncontrolling interests)))
	(((
	48	97	86
Shares exchanged for tax withholdings and other)))
	(((
	706	3,184	4,213
Net cash from financing activities)))
	(((
	3	3	11
Effect of exchange rate changes on cash)))
	(((
	29	579	817
Net change in cash, cash equivalents and restricted cash)))
	875	1,454	2,271
Cash, cash equivalents and restricted cash at beginning of period			
	846	875	1,454
Cash, cash equivalents and restricted cash at end of period	<u>\$</u>	<u>\$</u>	<u>\$</u>
Reconciliation of cash, cash equivalents and restricted cash:			
	811	853	1,314
Cash and cash equivalents	\$	\$	\$
	35	22	140
Restricted cash	<u></u>	<u></u>	<u></u>
	846	875	1,454
Total cash, cash equivalents and restricted cash	<u>\$</u>	<u>\$</u>	<u>\$</u>

See accompanying notes to consolidated financial statements.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY

	Common Shares	Stock Amount	Additional Paid-In Capital	Retained Earnings	Other Comprehensive Earnings (Loss)	Treasury Stock	Noncontrolling Interests	Total Equity
					(
Balance as of December 31, 2021	663	\$ 66	\$ 7,636	\$ 1,692	\$ 132	\$ —	\$ 137	\$ 9,399
Net earnings	—	—	—	6,015	—	—	22	6,037
Other comprehensive earnings, net of tax	—	—	—	—	16	—	—	16
Restricted stock grants, net of cancellations	2	1	3	—	—	—	—	4
Common stock repurchased	—	—	—	—	—	808	—	808
Common stock retired	(13)	(2)	(806)	—	—	808	—	—
Common stock dividends	—	—	—	3,410	—	—	—	3,410
Share-based compensation	1	—	88	—	—	—	—	88
Distributions to noncontrolling interests	—	—	—	—	—	—	30	30
					(
Balance as of December 31, 2022	653	\$ 65	\$ 6,921	\$ 4,297	\$ 116	\$ —	\$ 129	\$ 11,296
Net earnings	—	—	—	3,747	—	—	35	3,782
Other comprehensive loss, net of tax	—	—	—	—	8	—	—	8
Restricted stock grants, net of cancellations	2	—	—	—	—	—	—	—
Common stock repurchased	—	—	8	—	—	1,081	—	1,089
Common stock retired	(20)	(1)	(1,067)	—	—	1,068	—	—

				((
				1,849				1,849	
Common stock dividends	—	—	—)	—	—	—)	
Share-based compensation	1	—	93	—	—	—	—	93	
Contributions from noncontrolling interests	—	—	—	—	—	—	37	37	
							((
Distributions to noncontrolling interests	—	—	—	—	—	—	45	45	
))	
					((
Balance as of December 31, 2023	636	64	5,939	6,195	124	13	156	12,217	
	\$	\$	\$	\$	\$	\$	\$	\$	
Net earnings	—	—	—	2,891	—	—	51	2,942	
Other comprehensive earnings, net of tax	—	—	—	—	2	—	—	2	
Restricted stock grants, net of cancellations	2	—	—	—	—	—	—	—	
							((
Common stock repurchased	—	—	—	—	—	1,092	—	1,092	
	((())	
Common stock retired	25	2	1,103	—	—	1,105	—	—	
)))						(
Common stock dividends	—	—	—	920	—	—	—	920	
))	
Common stock issued	37	3	1,452	—	—	—	—	1,455	
Share-based compensation	1	—	99	—	—	—	—	99	
Contributions from noncontrolling interests	—	—	—	—	—	—	52	52	
							((
Distributions to noncontrolling interests	—	—	—	—	—	—	51	51	
))	
					(
Balance as of December 31, 2024	651	65	6,387	8,166	122	—	208	14,704	
	\$	\$	\$	\$	\$	\$	\$	\$	

See accompanying notes to consolidated financial statements.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Devon is a leading independent energy company engaged primarily in the exploration, development and production of oil, natural gas and NGLs. Devon's operations are concentrated in various onshore areas in the U.S.

On September 27, 2024, Devon acquired the Williston Basin business of Grayson Mill for total consideration of approximately \$

5.0
billion, consisting of \$

3.5
billion of cash and approximately

37.3
million shares of Devon common stock, including purchase price adjustments. The transaction has been accounted for using the acquisition method of accounting.

Accounting policies used by Devon and its subsidiaries conform to accounting principles generally accepted in the U.S. and reflect industry practices. The more significant of such policies are discussed below.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Devon, entities in which it holds a controlling interest and VIEs for which Devon is the primary beneficiary. All intercompany transactions have been eliminated. Undivided interests in oil and natural gas exploration and production joint ventures are consolidated on a proportionate basis. Investments in non-controlled entities, over which Devon has the ability to exercise significant influence over operating and financial policies, are accounted for using the equity method. In applying the equity method of accounting, the investments are initially recognized at cost and subsequently adjusted for Devon's proportionate share of earnings, losses, contributions and distributions. Investments in non-controlled entities over which Devon does not have the ability to exercise significant influence are initially recognized at cost and subsequently adjusted for contributions and distributions.

Variable Interest Entity

In 2019, Devon and an affiliate of QL Capital Partners, LP ("QLCP") formed CDM, a joint venture in 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.

Devon, through its controlling interest in CDM, has the power to direct the activities that significantly affect the economic performance of CDM and the obligation to absorb losses or the right to receive benefits that could be significant to CDM; therefore, Devon is considered the primary beneficiary and consolidates CDM. CDM maintains its own capital structure that is separate from Devon. During 2024, 2023 and 2022, QLCP distributions from CDM were approximately \$

51
million, \$

45
million and \$

30
million, respectively. During 2024 and 2023 QLCP contributions to CDM were approximately \$

52
million and \$

37
million, respectively.

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.

Segment Information

Devon's oil and gas exploration and production activities are solely focused in the U.S. For financial reporting purposes, Devon aggregates its U.S. operating segments into one reporting segment due to the similar nature of these operations.

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

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from these estimates, and changes in these estimates are recorded when known. Significant items subject to such estimates and assumptions include the following:

- proved reserves and related present value of future net revenues;
- evaluation of suspended well costs;
- the carrying and fair values of oil and gas properties, other property and equipment and product and equipment inventories;
- derivative financial instruments;
- the fair value of reporting units and related assessment of goodwill for impairment;
- income taxes;
- asset retirement obligations;
- obligations related to employee pension and postretirement benefits;
- purchase accounting estimates used for assets acquired and liabilities assumed;
- legal and environmental risks and exposures; and
- general credit risk associated with receivables and other assets.

Revenue Recognition

Upstream Revenues

Upstream revenues include the sale of oil, gas and NGL production. Oil, gas and NGL sales are recognized when production is sold to a purchaser at a fixed or determinable price, delivery has occurred, control has transferred and collectability of the revenue is probable. Devon's performance obligations are satisfied at a point in time. This occurs when control is transferred to the purchaser upon delivery of contract-specified production volumes at a specified point. The transaction price used to recognize revenue is a function of the contract billing terms. Revenue is invoiced, if required, by calendar month based on volumes at contractually based rates with payment typically received within 30 days of the end of the production month. Taxes assessed by governmental authorities on oil, gas and NGL sales are presented separately from such revenues in the accompanying consolidated statements of comprehensive earnings.

Devon acts as a principal in sales transactions when control of the product is retained prior to delivery to the ultimate third-party customer or acts as an agent when services are rendered on behalf of the principal in the transactions. A control-based assessment is performed to identify whether Devon is a principal or an agent in the transaction, which determines whether revenue and the related expenses are presented on a gross or net basis, respectively.

Oil sales

Devon's oil sales contracts are generally structured in one of two ways. First, production is sold at the wellhead at an agreed-upon index price, net of pricing differentials. In this scenario, revenue is recognized when control transfers to the purchaser at the wellhead at the net price received. Alternatively, production is delivered to the purchaser at a contractually agreed-upon delivery point where the purchaser takes custody, title and risk of loss of the product. Under this arrangement, a third party is paid to transport the product and Devon receives a specified index price from the purchaser with no transportation deduction. In this scenario, revenue is recognized when control transfers to the purchaser at the delivery point based on the price received from the purchaser. The

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

third-party costs are recorded as gathering, processing and transportation expense as a component of production expenses in the consolidated statements of comprehensive earnings.

Natural gas and NGL sales

Under Devon's natural gas processing contracts, natural gas is delivered to a midstream processing entity at the wellhead or the inlet of the midstream processing entity's system. The midstream processing entity gathers and processes the natural gas and remits proceeds for the resulting sales of NGLs and residue gas. In these scenarios, Devon evaluates whether it is the principal or the agent in the transaction. Devon has concluded it is the principal under these contracts and the ultimate third party is the customer. Revenue is recognized on a gross basis, with gathering, processing and transportation fees presented as a component of production expenses in the consolidated statements of comprehensive earnings.

In certain natural gas processing agreements, Devon may elect to take residue gas and/or NGLs in-kind at the tailgate of the midstream entity's processing plant and subsequently market the product. Through the marketing process, the product is delivered to the ultimate third-party purchaser at a contractually agreed-upon delivery point, and Devon receives a specified index price from the purchaser. In this scenario, revenue is recognized when control transfers to the purchaser at the delivery point based on the index price received from the purchaser. The gathering, processing and compression fees attributable to the gas processing contract, as well as any transportation fees incurred to deliver the product to the purchaser, are presented as gathering, processing and transportation expense as a component of production expenses in the consolidated statements of comprehensive earnings.

Marketing Revenues

Marketing revenues are generated primarily as a result of Devon selling commodities purchased from third parties. Marketing revenues are recognized when performance obligations are satisfied. This occurs at the time contract-specified products are sold to third parties at a contractually fixed or determinable price, delivery occurs at a specified point or performance has occurred, control has transferred and collectability of the revenue is probable. The transaction price used to recognize revenue and invoice customers is based on a contractually stated fee or on a third party published index price plus or minus a known differential. Devon typically receives payment for invoiced amounts within 30 days. Marketing revenues and expenses attributable to oil, gas and NGL purchases are reported on a gross basis when Devon takes control of the products and has risks and rewards of ownership.

Midstream Revenues

Devon's reported midstream revenue primarily relates to its interest in CDM. CDM provides gathering, compression and dehydration services to Devon and other producers' natural gas production. An evaluation is performed to determine whether CDM is a principal or agent in these transactions. Under the terms of these gathering, compression and dehydration contracts, CDM has concluded it is the agent as title to the gas production remains with the CDM affiliate producer or a third-party producer. Revenue is recognized on a net basis since CDM is strictly providing a service. Costs to maintain CDM's assets are presented as marketing and midstream expenses in the consolidated statements of comprehensive earnings. Revenue is recognized for sales at the time the gathering, compression and dehydration service has been rendered or performed.

Satisfaction of Performance Obligations and Revenue Recognition

Because Devon has a right to consideration from its customers in amounts that correspond directly to the value that the customer receives from the performance completed on each contract, Devon recognizes revenue for sales at the time the crude oil, natural gas or NGLs are delivered at a fixed or determinable price.

Transaction Price Allocated to Remaining Performance Obligations

Most of Devon's contracts are short-term in nature with a contract term of one year or less. Devon applies the practical expedient exempting the disclosure of the transaction price allocated to remaining performance obligations if the performance obligation is part of a contract that has an original expected duration of one year or less. For contracts with terms greater than one year, Devon applies the practical expedient exempting the disclosure of the transaction price allocated to remaining performance

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

obligations if the variable consideration is allocated entirely to a wholly unsatisfied performance obligation. Under Devon's contracts, each unit of product typically represents a separate performance obligation; therefore, future volumes are wholly unsatisfied and disclosure of the transaction price allocated to remaining performance obligations is not required.

Contract Balances

Cash received relating to future performance obligations is deferred and recognized when all revenue recognition criteria are met. Contract liabilities generated from such deferred revenue are not considered material as of December 31, 2024. Devon's product sales and marketing contracts do not give rise to contract assets.

Disaggregation of Revenue

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

	2024	Year Ended December 31, 2023	2022
Oil	\$ 9,368	\$ 8,879	\$ 10,281
Gas	398	703	1,948
NGL	1,410	1,209	1,853
Oil, gas and NGL sales	11,176	10,791	14,082
Oil	3,405	3,018	3,305
Gas	517	572	1,163
NGL	821	759	1,277
Marketing and midstream revenues	4,743	4,349	5,745
Total revenues from contracts with customers	\$ <u>15,919</u>	\$ <u>15,140</u>	\$ <u>19,827</u>

Customers

For the year ended December 31, 2024, no customer accounted for more than

10

% of Devon's sales revenue. For the year ended December 31, 2023, sales to

two

customers accounted for approximately

14

% and

10

% of Devon's sales revenue. For the year ended December 31, 2022, sales to

one

customer accounted for approximately

If any one of Devon's major customers were to stop purchasing our production, the Company believes there are a number of other purchasers to whom the company could sell Devon's production. If multiple significant customers were to discontinue purchasing Devon's production abruptly, the Company believes it would have the resources needed to access alternative customers or markets and avoid or materially mitigate associated sales disruptions.

Derivative Financial Instruments

Devon is exposed to certain risks relating to its ongoing business operations, including risks related to commodity prices and interest rates. As discussed more fully below, Devon uses derivative instruments primarily to manage commodity price risk. Devon does not intend to issue or hold derivative financial instruments for speculative trading purposes.

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 instruments are used to manage the inherent uncertainty of future revenues resulting from commodity price volatility. Devon's derivative financial instruments typically include financial price swaps, basis swaps and costless price collars. Under the terms of the price swaps, Devon receives a fixed price for its production and pays a variable market price to the contract counterparty. For the basis swaps, Devon receives a fixed differential between two regional index prices and pays a variable differential on the same two index prices to the contract counterparty. For price collars, Devon primarily utilizes two-way price collars. The two-way price collars set a floor and ceiling price for the hedged production. If the applicable monthly price indices

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

are outside of the ranges set by the floor and ceiling prices in the various collars, Devon will cash-settle the difference with the counterparty.

All derivative financial instruments are recognized at their current fair value as either assets or liabilities in the balance sheet. 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 balance sheet. Changes in the fair value of these derivative financial instruments are recorded in earnings unless specific hedge accounting criteria are met. For derivative financial instruments held during the three-year period ended December 31, 2024, Devon chose not to meet the necessary criteria to qualify its derivative financial instruments for hedge accounting treatment. Cash settlements with counterparties on Devon's derivative financial instruments are also recorded in earnings.

By using derivative financial instruments to hedge exposures to changes in commodity prices, 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 require cash collateral to be posted if either its or the counterparty's credit rating falls below certain credit rating levels. As of December 31, 2024, Devon held

no
cash collateral of its counterparties

no
or posted collateral to its counterparties.

General and Administrative Expenses

G&A is reported net of amounts reimbursed by working interest owners of the oil and gas properties operated by Devon.

Share-Based Compensation

Devon grants share-based awards to members of its Board of Directors, management and employees. All such awards are measured at fair value on the date of grant and are generally recognized as a component of G&A in the accompanying consolidated statements of comprehensive earnings over the applicable requisite service periods.

Generally, Devon uses new shares from approved incentive programs to grant share-based awards and to issue shares upon stock option exercises. Shares repurchased under approved programs are generally available to be issued as part of Devon's share-based awards. However, Devon has historically canceled these shares upon repurchase.

Income Taxes

Devon is subject to current income taxes assessed by the federal and various state jurisdictions in the U.S. and by other foreign jurisdictions. In addition, Devon accounts for deferred income taxes related to these jurisdictions using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences and carryforwards are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Deferred tax assets are also recognized for the future tax benefits attributable to the expected utilization of existing tax net operating loss carryforwards and other types of carryforwards. If the future utilization of some portion of the deferred tax assets is determined to be unlikely, a valuation allowance is provided to reduce the recorded tax benefits from such assets. Devon periodically weighs the positive and negative evidence to determine if it is more likely than not that some or all of the deferred tax assets will be realized. Forming a conclusion that a valuation allowance is not required is difficult when there is significant negative evidence, such as cumulative losses in recent years.

Devon recognizes the financial statement effects of tax positions when it is more likely than not, based on the technical merits, that the position will be sustained upon examination by a taxing authority. Recognized tax positions are initially and subsequently measured as the largest amount of tax benefit that is more likely than not of being realized upon ultimate settlement with a taxing

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

authority. Liabilities for unrecognized tax benefits related to such tax positions are included in other long-term liabilities unless the tax position is expected to be settled within the upcoming year, in which case the liabilities are included in other current liabilities. Interest and penalties related to unrecognized tax benefits are included in current income tax expense.

Devon estimates its annual effective income tax rate in recording its provision for income taxes in the various jurisdictions in which it operates. Statutory tax rate changes and other significant or unusual items are recognized as discrete items in the period in which they occur.

Net Earnings Per Share Attributable to Devon

Devon's basic earnings per share amounts have been computed based on the average number of shares of common stock outstanding for the period. Devon applies the two-class method to stock awards deemed to be participating securities. The two-class method requires allocating net earnings to both common shares and participating securities based on their respective rights to receive dividends. Diluted earnings per share is calculated using the treasury stock method to reflect the assumed issuance of common shares for all potentially dilutive securities. Such securities primarily consist of unvested restricted stock awards and unvested performance share units.

Cash, Cash Equivalents and Restricted Cash

Devon considers all highly liquid investments with original contractual maturities of three months or less to be cash equivalents. Devon also considers cash balances subject to legal and contractual restrictions as restricted cash.

Accounts Receivable

Devon's accounts receivable balance primarily consists of oil and gas sales receivables, marketing and midstream revenue receivables and joint interest receivables. Devon does not require collateral security for joint interest receivables.

Devon records an allowance for credit losses based on a forward-looking "expected loss" model. Credit risk is assessed by class of account type, which includes cash equivalents and oil and gas, marketing and midstream, joint interest and other accounts receivable. These classes are further evaluated using a probability-weighted scenario assessment based on historical losses and a probability of future default. This evaluation is supported by an assessment of risk factors such as the age of the receivable, current macro-economic conditions, credit rating of the counterparty and our historical loss rate.

Inventory

Devon's inventories primarily consist of oil and NGL inventory and equipment inventory. Oil and NGL inventory are recorded at weighted average cost and carried at the lower of cost or net realizable value. Equipment inventory is valued at weighted average cost and reviewed periodically for obsolescence or impairment when market conditions indicate.

Property and Equipment

Oil and Gas Property and Equipment

Devon follows the successful efforts method of accounting for its oil and gas properties. Exploration costs, such as exploratory geological and geophysical costs, and costs associated with nonproductive exploratory wells, delay rentals and exploration overhead are charged against earnings as incurred. Costs of drilling successful exploratory wells along with acquisition costs and the costs of drilling development wells, including those that are unsuccessful, are capitalized. Devon groups its oil and gas properties with a common geological structure or stratigraphic condition ("common operating field") for purposes of computing DD&A, assessing proved property impairments and accounting for asset dispositions.

Exploratory drilling costs and exploratory-type stratigraphic test wells are initially capitalized, or suspended, pending the determination of proved reserves. If proved reserves are found, drilling costs remain capitalized as proved properties. Costs of unsuccessful wells are charged to exploration expense. For exploratory wells that find reserves that cannot be classified as proved

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

when drilling is completed, costs continue to be capitalized as suspended exploratory well costs if there have been sufficient reserves found to justify completion as a producing well and sufficient progress is being made in assessing the reserves and the economic and operating viability of the project. If management determines that future appraisal drilling or development activities are unlikely to occur, associated suspended exploratory well costs are expensed. In some instances, this determination may take longer than one year. Devon reviews the status of all suspended exploratory drilling costs quarterly.

Capitalized costs of proved oil and gas properties are depleted by an equivalent unit-of-production method, converting gas to oil at the ratio of six Mcf of gas to one Bbl of oil. Proved leasehold acquisition costs, less accumulated amortization, are depleted over total proved reserves, which includes proved undeveloped reserves. Capitalized costs of wells and related equipment and facilities, including estimated asset retirement costs, net of estimated salvage values and less accumulated amortization are depreciated over proved developed reserves associated with those capitalized costs. Depletion is calculated by applying the DD&A rate (amortizable base divided by beginning of period proved reserves) to current period production.

Costs associated with unproved properties are excluded from the depletion calculation until it is determined whether or not proved reserves can be assigned to such properties. Devon assesses its unproved properties for impairment annually, or more frequently if events or changes in circumstances dictate that the carrying value of those assets may not be recoverable. Significant unproved properties are assessed individually.

Proved properties are assessed for impairment when events or changes in circumstances dictate that the carrying value of those assets may not be recoverable. Individual assets are grouped for impairment purposes based on a common operating field. If there is an indication the carrying amount of an asset may not be recovered, the asset is assessed for potential impairment by management through an established process. If, upon review, the sum of the undiscounted pre-tax reserve cash flows is less than the carrying value of the asset, the carrying value is written down to estimated fair value. Because there is usually a lack of quoted market prices for long-lived assets, the fair value of impaired assets is typically determined based on the present values of expected future cash flows using discount rates believed to be consistent with those used by principal market participants or by comparable transactions. The expected future cash flows used for impairment reviews and related fair value calculations are typically based on judgmental assessments of future production volumes, commodity prices, operating costs, and capital investment plans, considering all available information at the date of review.

Gains or losses are recorded for sales or dispositions of oil and gas properties which constitute an entire common operating field or which result in a significant alteration of the common operating field's DD&A rate. These gains and losses are classified as asset dispositions in the accompanying statements of comprehensive earnings. Partial common operating field sales or dispositions deemed not to significantly alter the DD&A rates are generally accounted for as adjustments to capitalized costs with no gain or loss recognized.

Devon capitalizes interest costs incurred that are attributable to material unproved oil and gas properties and major development projects of oil and gas properties.

Other Property and Equipment

Costs for midstream assets that are in use are depreciated over the assets' estimated useful lives, using the straight-line method. Depreciation and amortization of other property and equipment, including corporate and leasehold improvements, are provided using the straight-line method based on estimated useful lives ranging from three to 60 years. Interest costs incurred and attributable to major corporate construction projects are also capitalized.

Asset Retirement Obligations

Devon recognizes liabilities for retirement obligations associated with tangible long-lived assets, such as producing well sites when there is a legal obligation associated with the retirement of such assets and the amount can be reasonably estimated. The initial measurement of an asset retirement obligation is recorded as a liability at its fair value, with an offsetting asset retirement cost recorded as an increase to the associated property and equipment on the consolidated balance sheet unless the associated asset has already been disposed. When the assumptions used to estimate a recorded asset retirement obligation change, a revision is recorded to both the asset retirement obligation and the asset retirement cost. Devon's asset retirement obligations also include estimated environmental remediation costs which arise from normal operations and are associated with the retirement of such long-lived assets.

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

The asset retirement cost is depreciated using a systematic and rational method similar to that used for the associated property and equipment.

Leases

Devon establishes right-of-use assets and lease liabilities on the balance sheet for all leases with a term longer than 12 months. Devon's right-of-use operating lease assets are for certain leases related to real estate, drilling rigs and other equipment related to the exploration, development and production of oil and gas. Devon's right-of-use financing lease assets primarily relate to real estate. Certain of Devon's lease agreements include variable payments based on usage or rental payments adjusted periodically for inflation.

Goodwill

Goodwill represents the excess of the purchase price of business combinations over the fair value of the net assets acquired and is tested for impairment annually, or more frequently if events or changes in circumstances dictate that the carrying value of goodwill may not be recoverable. Such test includes a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the qualitative assessment determines that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill, then a quantitative goodwill impairment test is performed. The quantitative goodwill impairment test requires the fair value of the reporting unit be compared to the carrying value of the reporting unit. If the fair value of the reporting unit is less than the carrying value, an impairment charge will be recognized for the amount by which the carrying amount exceeds the fair value. The fair value of the reporting unit is estimated based upon market capitalization, comparable transactions of similar companies and premiums paid.

Devon performed impairment tests of goodwill in the fourth quarters of 2024, 2023 and 2022.

No

impairment was required as a result of the annual tests in these time periods.

Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation or other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Liabilities for environmental remediation or restoration claims resulting from allegations of improper operation of assets are recorded when it is probable that obligations have been incurred and the amounts can be reasonably estimated. Expenditures related to such environmental matters are expensed or capitalized in accordance with Devon's accounting policy for property and equipment.

Fair Value Measurements

Certain of Devon's assets and liabilities are measured at fair value at each reporting date. Fair value represents the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants. This price is commonly referred to as the "exit price." Fair value measurements are classified according to a hierarchy that prioritizes the inputs underlying the valuation techniques. This hierarchy consists of three broad levels:

- Level 1 – Inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. When available, Devon measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.
- Level 2 – Inputs consist of quoted prices that are generally observable for the asset or liability. Common examples of Level 2 inputs include quoted prices for similar assets and liabilities in active markets or quoted prices for identical assets and liabilities in markets not considered to be active.
- Level 3 – Inputs are not observable from objective sources and have the lowest priority. The most common Level 3 fair value measurement is an internally developed cash flow model.

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

Noncontrolling Interests

Noncontrolling interests represent third-party ownership in the net assets of Devon's consolidated subsidiaries and are presented as a component of equity. Changes in Devon's ownership interests in subsidiaries that do not result in deconsolidation are recognized in equity.

Recently Adopted Accounting Standards

Beginning in this Annual Report on Form 10-K, Devon adopted ASU 2023-07, Improvements to Reportable Segments Disclosures. Under this ASU, the scope and frequency of segment disclosures has increased to provide investors with additional detail about information utilized by an entity's "Chief Operating Decision Maker." See [Note 20](#) for Devon's disclosure.

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 will result in additional disclosures for annual reporting periods beginning after December 15, 2024, with early adoption permitted for annual financial statements that have not yet been issued. This ASU will result in additional disclosures for Devon beginning with our 2025 annual reporting and interim periods beginning in 2026.

In November 2024, the FASB issued ASU 2024-03, Disaggregation of Income Statement Expenses. ASU 2024-03 requires disclosures about specific types of expenses included in the expense captions presented on the face of the statement of operations as well as disclosures about selling expenses. This ASU is effective for Devon beginning with its 2027 annual reporting and interim periods beginning in 2028. Devon is evaluating the impact this ASU will have on the disclosures that accompany its consolidated financial statements.

2. Acquisitions and Divestitures

Grayson Mill Acquisition

On September 27, 2024, Devon completed its acquisition of the Williston Basin business of Grayson Mill for total consideration of approximately \$

5.0
billion, consisting of \$

3.5
billion of cash and approximately

37.3
million shares of Devon common stock, including purchase price adjustments. Devon funded the cash portion of the purchase price through cash on hand and debt financing. For additional information regarding the debt financing, see [Note 13](#).

Purchase Price Allocation

This transaction has been accounted for using the acquisition method of accounting. Under the acquisition method of accounting, the assets and liabilities of Grayson Mill and its subsidiaries have been recorded at their respective fair values as of the date of completion of the acquisition and added to Devon's. The preliminary purchase price assessment remains an ongoing process and is subject to change for up to one year subsequent to the closing date of the acquisition. Determining the fair value of the assets and liabilities of Grayson Mill requires judgment and certain assumptions to be made, the most significant of these being related to the valuation of Grayson Mill's oil and gas properties. The inputs and assumptions related to the oil and gas properties are categorized as level 3 in the fair value hierarchy.

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

The following table represents the preliminary allocation of the total purchase price of Grayson Mill to the identifiable assets acquired and the liabilities assumed based on the fair values as of the acquisition date.

	Purchase Price Allocation as of December 31, 2024
Consideration:	
Devon common stock issued	37.3
Devon closing price on September 27, 2024	\$ 38.96
Total common equity consideration	\$ 1,455
Cash consideration	3,567
Total consideration	\$ 5,022
Assets acquired:	
Cash, cash equivalents and restricted cash	\$ 147
Accounts receivable	219
Inventory	44
Other current assets	9
Proved oil and gas property and equipment	3,056
Unproved oil and gas property and equipment	1,771
Other property and equipment, net	210
Right-of-use assets	29
Total assets acquired	\$ 5,485
Liabilities assumed:	
Accounts payable	\$ 145
Revenue and royalties payable	209

Other current liabilities	16
Asset retirement obligations	75
Lease liabilities	18
Total liabilities assumed	463
Net assets acquired	\$ 5,022

Grayson Mill Revenues and Earnings

From the date of the acquisition through December 31, 2024, revenues and net earnings included in Devon's consolidated statements of comprehensive earnings associated with these assets totaled \$

687
million and \$

122
million, respectively.

Pro Forma Financial Information

The following unaudited pro forma financial information is based on our historical consolidated financial statements adjusted to reflect as if the Grayson Mill acquisition had occurred on January 1, 2023. The information below reflects pro forma adjustments to conform Grayson Mill's historical financial information to Devon's financial statement presentation. The unaudited pro forma financial information is not necessarily indicative of what would have occurred if the acquisition had been completed as of the beginning of the periods presented, nor is it indicative of future results.

	2024	Year Ended December 31, (Unaudited)	2023
Total revenues	\$ 17,930	\$ 17,483	
Net earnings	\$ 3,166	\$ 4,083	

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

Acquisitions

Subsequent to December 31, 2024, Devon and its partner, BPX Energy, have agreed to dissolve their partnership and divide their acreage in the Eagle Ford Blackhawk field located in Texas' DeWitt County. The exchange is expected to close at the beginning of the second quarter of 2025.

In the third quarter of 2022, Devon completed its acquisition of producing properties and leasehold interests located in the Eagle Ford and Williston Basin for cash consideration of approximately \$

1.7
billion and \$

830
million, respectively, net of purchase price adjustments. The total estimated proved reserves associated with these Eagle Ford and Williston Basin assets were approximately

87
MMBoe and

66
MMBoe, respectively. Each of these acquisitions were accounted for as asset acquisitions as substantially all of the fair value was concentrated in a group of similar assets. Each of the acquisitions resulted in the purchase of producing properties and leasehold interests in a defined geographical and geological area, and substantially all of the assets have similar risk characteristics.

Contingent Earnout Payments

Devon was 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 and had a term of four years. Devon received \$

20
million in contingent earnout payments related to this transaction in the first quarter of 2025, \$

20
million in the first quarter of 2024 and \$

65
million in the first quarter of 2023. The value of the final contingent earnout payment included within other current assets in the December 31, 2024 consolidated balance sheet was \$

20
million.

Devon also received \$

4

million in contingent earnout payments in the first quarter of 2023 and 2022 related to the sale of non-core assets in the Rockies which occurred in 2021.

3. Derivative Financial Instruments

Commodity Derivatives

As of December 31, 2024, Devon had the following open oil derivative positions. The first two tables present Devon's oil derivatives that settle against the average of the prompt month NYMEX WTI futures price. The third table presents Devon's oil derivatives that settle against the respective indices noted within the table.

Period	Price Swaps		Price Collars		Weighted Average Ceiling Price (\$/Bbl)
	Volume (Bbls/d)	Weighted Average Price (\$/Bbl)	Volume (Bbls/d)	Weighted Average Floor Price (\$/Bbl)	
Q1-Q4 2025	12,468	71.86	83,025	66.77	74.87
	\$		\$	\$	

Three-Way Price Collars

Period	Volume (Bbls/d)	Weighted Average Floor Sold Price (\$/Bbl)	Weighted Average Floor Purchased Price (\$/Bbl)	Weighted Average Ceiling Price (\$/Bbl)
Q1-Q4 2025	8,000	51.25	65.00	77.11
	\$		\$	\$

Oil Basis Swaps			
Period	Index	Volume (Bbls/d)	Weighted Average Differential to WTI (\$/Bbl)
Q1-Q4 2025	Midland Sweet	63,000	1.00
			\$
Q1-Q4 2026	Midland Sweet	20,000	1.20
			\$
	63		

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

As of December 31, 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.

Price Swaps			Price Collars		
Period	Volume (MMBtu/d)	Weighted Average Price (\$/MMBtu)	Volume (MMBtu/d)	Weighted Average Floor Price (\$/MMBtu)	Weighted Average Ceiling Price (\$/MMBtu)
Q1-Q4 2025	298,071	3.30	145,137	3.00	3.68
		\$		\$	\$
Q1-Q4 2026	215,000	3.71	120,000	3.19	4.43
		\$		\$	\$
Natural Gas Basis Swaps					
Period	Index	Volume (MMBtu/d)	Weighted Average Differential to Henry Hub (\$/MMBtu)		
Q1-Q4 2025	Houston Ship Channel	230,000	(0.35)		
			\$		
Q1-Q4 2025	WAHA	110,000	(1.11)		
			\$		
Q1-Q4 2026	Houston Ship Channel	50,000	(0.29)		
			\$		
Q1-Q4 2026	WAHA	20,000	(1.30)		
			\$		

As of December 31, 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.

Price Swaps		
Period	Product	Weighted Average Price (\$/Bbl)
Q1-Q4 2025	Natural Gasoline	63.35
		\$
Q1-Q4 2025	Normal Butane	39.90
		\$
Q1-Q4 2025	Propane	32.29
		\$

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 table below presents a summary of these positions as of December 31, 2024 and 2023.

December 31, 2024			December 31, 2023			Balance Sheet Classification
Gross Fair Value	Amounts Netted	Net Fair Value	Gross Fair Value	Amounts Netted	Net Fair Value	
Commodity derivatives:						
Short-term derivative asset						
	((
78	23	55	213	5	208	Other current assets
\$	\$) \$	\$	\$) \$	

Long-term derivative asset	(
	5	4	1	—	—	—	Other long-term assets
))))))	
Short-term derivative liability	((((
	37	23	14	7	5	2	Other current liabilities
))))))	
Long-term derivative liability	((((
	23	4	19	7	—	7	Other long-term liabilities
))))))	
Total derivative asset							
	23	—	23	199	—	199	
	\$	\$	\$	\$	\$	\$	

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

4. Share-Based Compensation

In 2022, Devon's stockholders approved the 2022 Plan, which replaced the 2017 Plan. From the effective date of the 2022 Plan, no further awards may be made under the 2017 Plan; however, awards previously granted will continue to be governed by the terms of the respective award documents. The 2022 Plan authorizes the grant of nonqualified and incentive stock options, restricted stock awards or units and stock appreciation rights to eligible employees. Restricted stock awards or restricted stock units granted under the 2022 Plan may be subject to performance-based conditions. The 2022 Plan also authorizes the grant of nonqualified stock options, restricted stock awards or units and stock appreciation rights to non-employee directors. To calculate the number of shares that may be granted in awards under the 2022 Plan, options and stock appreciation rights represent

one
share and other awards represent

1.74
shares.

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

	2024	Year Ended December 31, 2023	2022
G&A	\$ 98	\$ 92	\$ 87
Exploration expenses	1	1	1
Total	<u>\$ 99</u>	<u>\$ 93</u>	<u>\$ 88</u>
Related income tax benefit	\$ 25	\$ 34	\$ 34

The following table presents a summary of Devon's unvested restricted stock awards and units and performance share units granted under the plans.

	Awards/Units	Restricted Stock Awards & Units Weighted Average Grant-Date Fair Value (Thousands, except fair value data)	Units	Performance Share Units Weighted Average Grant-Date Fair Value
Unvested at 12/31/23	4,033	\$ 42.10	1,547	\$ 43.25
Granted	1,997	\$ 42.34	858	(1) \$ 40.41
Vested	(1,812)	\$ 34.88	(1,226)	\$ 18.08
Forfeited	(111)	\$ 45.69	—	\$ —
Unvested at 12/31/24	<u>4,107</u>	<u>\$ 45.31</u>	<u>1,179</u>	(2) \$ 67.38

(1) These grants also include the impact of performance share units granted in prior year that vested higher than

100
% target due to Devon's TSR performance compared to applicable peers.

(2) A maximum of

2.4 million common shares could be awarded based upon Devon's final TSR ranking .

The following table presents the aggregate fair value of awards and units that vested during the indicated period.

	2024	2023	2022
Restricted Stock Awards and Units	\$ 82	\$ 172	\$ 180
Performance Share Units	\$ 52	\$ 66	\$ 62

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

The following table presents the unrecognized compensation cost and the related weighted average recognition period associated with unvested awards and units as of December 31, 2024.

	Restricted Stock Awards/Units	Performance Share Units
Unrecognized compensation cost	\$ 102	\$ 19
Weighted average period for recognition (years)	2.5	1.7

Restricted Stock Awards and Units

Restricted stock awards and units are subject to the terms, conditions, restrictions and limitations, if any, that the Compensation Committee deems appropriate, including restrictions on continued employment. Generally, the service requirement for vesting ranges from one to four years. Dividends declared during the vesting period with respect to restricted stock awards and units will not be paid until the underlying award vests. Devon estimates the fair values of restricted stock awards and units as the closing price of Devon's common stock on the grant date of the award, which is expensed over the applicable vesting period.

Performance Share Units

Performance share units are granted to certain members of Devon's management and employees. Each unit that vests entitles the recipient to one share of Devon common stock. The vesting of these units is based on comparing Devon's TSR to the TSR of a predetermined group of peer companies and certain indices over the specified three-year performance period. Subject to certain limits, the vesting of units may be between

zero
and

200

% of the units granted depending on Devon's TSR as compared to the peer group as of the end of the performance period.

At vesting, recipients receive dividend equivalents with respect to the number of units vested. The fair value of each performance share unit is estimated as of the date of grant using a Monte Carlo simulation with the following assumptions used for all grants made under the plan: (i) a risk-free interest rate based on U.S. Treasury rates as of the grant date; (ii) a volatility assumption based on the historical realized price volatility of Devon and the designated peer group; and (iii) an estimated ranking of Devon among the designated peer group. The fair value of the unit on the date of grant is expensed over the applicable vesting period. The following table presents the assumptions related to performance share units granted.

	2024	2023	2022
Grant-date fair value	\$ 56.99	\$ 81.70	\$ 68.68
Risk-free interest rate	4.28 %	4.15 %	1.81 %
Volatility factor	46.03 %	61.43 %	70.1 %
Contractual term (years)	2.89	2.89	2.89

5. Other, Net

The following table summarizes Devon's other expenses (income) presented in the accompanying consolidated comprehensive statements of earnings.

	2024	Year Ended December 31, 2023	2022
Estimated future obligation under a performance guarantee	\$ (28)	\$ —	\$ 144

Asset retirement obligation accretion					
		39		29	25
Restructuring & transaction costs		9		—	—
Other		76		9	24
Total					(
	\$	96	\$	38	\$ 95)
		66			

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

Devon has guaranteed performance through 2026 for a minimum volume commitment associated with assets divested in 2018. Due to improved commodity prices, market conditions, and performance by the purchaser of the assets, the purchaser was able to fully satisfy the performance obligation due in 2024, 2023 and 2022, as well as reimburse Devon for shortfall payments previously made on the purchasers' behalf in 2021 and 2020. Additionally, at March 31, 2024 and March 31, 2022, Devon reduced the estimated future exposure of the performance guarantee resulting in a \$

28
million and \$

144
million benefit, respectively.

Other is primarily comprised of accrued liabilities related to various royalty matters.

6. Income Taxes

Income Tax Expense

The following table presents Devon's income tax components.

	Year Ended December 31,		
	2024	2023	2022
Current income tax expense (benefit):			
U.S. federal	\$ 427	\$ 441	\$ 501
Various states	32	27	65
Canada	—	(3)	7)
Total current income tax expense	459	465	559
Deferred income tax expense:			
U.S. federal	267	365	1,090
Various states	44	11	82
Canada	—	—	7
Total deferred income tax expense	311	376	1,179
Total income tax expense	<u>\$ 770</u>	<u>\$ 841</u>	<u>\$ 1,738</u>

Total income tax expense differed from the amounts computed by applying the U.S. federal income tax rate to earnings before income taxes as a result of the following:

	Year Ended December 31,		
	2024	2023	2022
Earnings before income taxes	\$ 3,712	\$ 4,623	\$ 7,775

U.S. statutory income tax rate	21 %	21 %	21 %
State income taxes	2 %	1 %	1 %
	((
Income tax credits	2 %)	3 %)	—
		(
Other	—	1 %)	—
Effective income tax rate	21 %	18 %	22 %

In 2024 and 2023, Devon recognized income tax credits associated with its qualified research activities.

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

Deferred Tax Assets and Liabilities

The following table presents the tax effects of temporary differences that gave rise to Devon's deferred tax assets and liabilities.

	2024	December 31, 2023
Deferred tax assets:		
Capital loss carryforwards	\$ 497	\$ 542
Net operating loss carryforwards	428	447
Accrued liabilities	191	194
Asset retirement obligation	181	148
Other, including tax credits	28	25
Total deferred tax assets before valuation allowance	1,325	1,356
Less: valuation allowance	(794)	(826)
Net deferred tax assets	531	530
Deferred tax liabilities:		
Property and equipment	(2,669)	(2,304)
Fair value of derivative financial instruments	(6)	(50)
Other	(4)	(14)
Total deferred tax liabilities	(2,679)	(2,368)
Net deferred tax liability	\$ 2,148	\$ 1,838

At December 31, 2024, Devon has recognized \$

428 million of deferred tax assets related to various net operating loss carryforwards available to offset future taxable income. Devon has \$

107 million of U.S. federal net operating loss carryforwards, of which \$

60 million expires between 2035 and 2036, and \$

million does not expire. Devon has \$

8
million of Canadian net operating loss carryforwards, all of which are covered by a valuation allowance. Devon also has \$

313
million of state net operating loss carryforwards, with \$

149
million expiring between 2025 and 2040, \$

164
million with no expiration, and \$

281
million of which are covered by a valuation allowance.

Devon's remaining \$

107
million U.S. federal net operating losses were acquired through the merger with WPX. These net operating losses are subject to limitation pursuant to Section 382 of the Internal Revenue Code of 1986, which relates to limitations upon the

50
% or greater change of ownership of an entity during any three-year period. The Company anticipates utilizing these net operating losses prior to their expiration.

Devon's remaining Canadian deferred tax assets of \$

505
million, primarily made up of \$

489
million of capital losses, are fully covered by a valuation allowance.

Unrecognized Tax Benefits

The following table presents changes in Devon's unrecognized tax benefits.

	December 31,	
	2024	2023
	(Millions)	
Balance at beginning of year	\$ 83	\$ 73
Tax positions taken in prior periods	22	10
Balance at end of year	<u>\$ 105</u>	<u>\$ 83</u>

Devon's unrecognized tax benefit balance at December 31, 2024 and 2023 included \$

12
million and \$

4
million, respectively, of interest. At December 31, 2024 and 2023, there were \$

105
million and \$

83
million, respectively, of current unrecognized tax benefits that if recognized would affect the annual effective tax rate.

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

Included below is a summary of the tax years, by jurisdiction, that remain subject to examination by taxing authorities.

Jurisdiction	Tax Years Open
	2018
	-
	2024
U.S. federal	
	2020
	-
	2024
Various U.S. states	
	2006
	-
	2024
Canada	

Certain statute of limitation expirations are scheduled to occur in the next twelve months. Devon is currently in various stages of the audit and administrative review process for certain open tax years.

7. 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.

	2024	Year Ended December 31, 2023	2022
Net earnings available to common shareholders - basic and diluted	2,891	3,747	5,958
	\$	\$	\$
Common shares:			
Average common shares outstanding - basic	632	639	651
Dilutive effect of potential common shares issuable	2	3	2
Average common shares outstanding - diluted	634	642	653
Net earnings per share available to common shareholders:			
Basic	4.58	5.86	9.15
	\$	\$	\$
Diluted	4.56	5.84	9.12
	\$	\$	\$

8. Other Comprehensive Earnings (Loss)

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

	2024	Year Ended December 31, 2023	2022
Pension and postretirement benefit plans:			

Beginning accumulated pension and postretirement benefits	(124 \$)	(116 \$)	(132 \$)
Net actuarial gain (loss) and prior service cost arising in current year	(3)	(15)	(15)
Recognition of net actuarial loss and prior service cost in earnings ⁽¹⁾	6	5	6
Income tax benefit (expense)	(1)	(2)	(5)
Accumulated other comprehensive loss, net of tax	(122 \$)	(124 \$)	(116 \$)

(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. See [Note 16](#) for additional details.

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

9. Supplemental Information to Statements of Cash Flows

	2024	Year Ended December 31, 2023	2022
Changes in assets and liabilities, net:			
Accounts receivable	\$ (170)	\$ 191	\$ (142)
Other current assets	(46)	95	(119)
Other long-term assets	12	(36)	90
Accounts payable and revenues and royalties payable	(32)	(335)	152
Other current liabilities	26	(50)	(97)
Other long-term liabilities	(7)	(9)	(110)
Total	\$ (217)	\$ 144	\$ 226
Supplementary cash flow data:			
Interest paid	\$ 366	\$ 378	\$ 370
Income taxes paid	\$ 480	\$ 400	\$ 438

As of December 31, 2024, Devon had approximately \$ 340 million of accrued capital expenditures included in total property and equipment, net and accounts payable on the consolidated balance sheets. As of December 31, 2023 (pre-Grayson Mill acquisition), Devon had approximately \$

350 million of accrued capital expenditures in total property and equipment, net and accounts payable on the consolidated balance sheets. As of September 27, 2024 (date of Grayson Mill acquisition closing), Devon assumed approximately \$

50 million of accrued capital expenditures included in accounts payable.

Devon's non-cash investing activities for 2023 included approximately \$

150 million of contributions of other property and equipment for the formation of the Water JV.

10. Accounts Receivable

Components of accounts receivable include the following:

	December 31, 2024	December 31, 2023
Oil, gas and NGL sales	\$ 1,130	\$ 965

Joint interest billings	341	251
Marketing and midstream revenues	465	342
Other	42	22
Gross accounts receivable	1,978	1,580
Allowance for doubtful accounts	(6)	(7)
Net accounts receivable	\$ 1,972	\$ 1,573

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

11. Property, Plant and Equipment

Capitalized Costs

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

	December 31, 2024	December 31, 2023
Property and equipment:		
Proved	\$ 53,647	\$ 46,659
Unproved and properties under development	2,814	1,279
Total oil and gas	56,461	47,938
Less accumulated DD&A	(33,263)	(30,113)
Oil and gas property and equipment, net	23,198	17,825
Other property and equipment	2,671	2,289
Less accumulated DD&A	(858)	(786)
Other property and equipment, net ⁽¹⁾	1,813	1,503
Property and equipment, net	<u>\$ 25,011</u>	<u>\$ 19,328</u>

(1) \$

178
million and \$

136
million related to CDM in 2024 and 2023, respectively.

Suspended Exploratory Well Costs

The following summarizes the changes in suspended exploratory well costs for the three years ended December 31, 2024.

	2024	Year Ended December 31, 2023	2022
Beginning balance	\$ 136	\$ 126	\$ 66
Additions pending determination of proved reserves	674	522	462
Charges to exploration expense	(1)	(1)	(1)

Reclassifications to proved properties	(((
	516)	511)	401)
Ending balance	\$	\$	\$
	293	136	126

Devon had no projects with material suspended exploratory well costs capitalized for a period greater than one year since the completion of drilling as of December 31, 2024, 2023 and 2022.

12. Investments

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 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 is serving as the operator. In 2023, Devon recognized a \$

64
million gain in asset dispositions in the consolidated statements

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

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.

In 2024, Devon invested approximately \$

117

million in Fervo, a company that generates energy from geothermal wells. The investment 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.

Devon has an interest in Matterhorn, which is a joint venture in a natural gas pipeline which transports 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.

Devon has other investments largely focused on midstream, new technologies and energy transition initiatives. Devon does not have the ability to exercise significant influence over these investments. The following table presents Devon's investments that are shown on the consolidated balance sheet.

Investments	% Interest	Carrying Amount	
		December 31, 2024	December 31, 2023
Catalyst	50 %	\$ 273	\$ 311
Water JV	30 %	216	216
Fervo	17 %	115	—
Matterhorn	12.5 %	69	90
Other	Various	54	49
Total		<u>\$ 727</u>	<u>\$ 666</u>

As of December 31, 2024, Devon's investments in equity investees exceeded the underlying equity in net assets by approximately \$

200

million. The basis differences primarily relate from intangible assets associated with Devon's acreage dedication to Catalyst and the Water JV, which are being amortized over their remaining terms of 13 years.

Devon's investments provided certain gathering, processing and marketing services to Devon in the ordinary course of business. The impact from these services on Devon's consolidated statements of comprehensive earnings and consolidated balance sheets for the years ended and as of December 31, 2024 and 2023, respectively, relate primarily to Catalyst and are summarized below.

	Year ended December 31,		
	2024	2023	2022
Oil, gas and NGL sales	\$ 284	\$ 213	\$ 405
Production expenses	\$ 131	\$ 93	\$ 55
Accounts receivable	\$ 18	\$ 11	\$ 14



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

13. Debt and Related Expenses

See below for a summary of debt instruments and balances. The notes, debentures and Term Loan reflected below are senior, unsecured obligations of Devon unless otherwise noted in the table below.

	December 31, 2024	December 31, 2023
5.25		
% due		
September 15, 2024 (1)	\$ —	\$ 472
5.85		
% due		
December 15, 2025	485	485
7.50		
% due		
September 15, 2027 (2)	73	73
5.25		
% due		
October 15, 2027 (1)	390	390
5.875		
% due		
June 15, 2028 (1)	325	325
4.50		
% due		
January 15, 2030 (1)	585	585
7.875		
% due		
September 30, 2031	675	675

7.95		
% due		
April 15, 2032	366	366
5.20		
% due		
September 15, 2034	1,250	—
5.60		
% due		
July 15, 2041	1,250	1,250
4.75		
% due		
May 15, 2042	750	750
5.00		
% due		
June 15, 2045	750	750
5.75		
% due		
September 15, 2054	1,000	—
Term Loan due		
September 25, 2026	1,000	—
Net premium on debentures and notes	37	64
	((
Debt issuance costs	53	30
))
Total debt	\$ 8,883	\$ 6,155
Less amount classified as short-term debt	485	483
Total long-term debt	\$ 8,398	\$ 5,672

(1) These instruments were assumed by Devon in January 2021 in conjunction with the merger with WPX. Approximately \$

27

million of these instruments remain the unsecured and unsubordinated obligation of WPX, a wholly-owned subsidiary of Devon.

(2) This instrument was assumed by Devon in April 2003 in conjunction with the merger with Ocean Energy. The fair value and effective rate of this note at the time assumed was \$

169
million and

6.5

%, respectively. This instrument is the unsecured and unsubordinated obligation of Devon OEI Operating, L.L.C. and is guaranteed by Devon Energy Production Company, L.P. Each of these entities is a wholly-owned subsidiary of Devon.

Debt maturities as of December 31, 2024, excluding debt issuance costs, premiums and discounts, are as follows:

	Total
2025	485
2026	1,000
2027	463
2028	325
2029	—
Thereafter	6,626
Total	8,899

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

On or after the dates in the following schedule, Devon has the option to redeem the notes, in whole or in part, at the applicable redemption prices set forth in the indenture documents, plus accrued and unpaid interest thereon to the redemption date as more fully described in the indenture documents governing the notes to be redeemed. At any time prior to the dates in the following schedule, Devon has the option to redeem some or all of the notes at a specified “make whole” premium as described in such documents. Other than with respect to the notes identified in the schedule below, Devon's senior notes generally include more limited redemption provisions, such as “par call” rights near the maturity date or “make whole” redemption rights.

	Optional Redemption
5.25% due October 15, 2027	October 15, 2022
5.875% due June 15, 2028	June 15, 2023
4.50% due January 15, 2030	January 15, 2025

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 December 31, 2024, Devon had no outstanding borrowings under the 2023 Senior Credit Facility and had issued \$ 4 million in outstanding letters of credit under this facility. Interest rates on borrowings under the 2023 Senior Credit Facility are determined based on the applicable loan type elected by Devon and a pricing grid set forth in the credit agreement and vary according to the credit ratings of the Company. The 2023 Senior Credit Facility currently provides for an annual facility fee of approximately \$ 5 million.

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 December 31, 2024, Devon was in compliance with this covenant with a debt-to capitalization ratio of 26.5 %.

Commercial Paper

Devon's 2023 Senior Credit Facility supports its \$ 3.0 billion of short-term credit under its commercial paper program. Commercial paper debt generally has a maturity of between 1 and 90 days, although it can have a maturity of up to 365 days, and bears interest at rates agreed to at the time of the borrowing. As of December 31, 2024, Devon had no outstanding commercial paper borrowings.

Term Loan Credit Agreement

In August 2024, Devon entered into a delayed draw term loan credit agreement (the “Term Loan Credit Agreement”), providing for delayed draw term loans in an aggregate principal amount not to exceed \$ 2.0 billion, including a 364-day tranche of \$ 500 million and a two-year tranche of \$

1.5
billion. On September 27, 2024, Devon borrowed \$

1.0
billion on the two-year tranche (the "Term Loan") to partially fund the closing of the Grayson Mill acquisition. In connection with the borrowing of the Term Loan, the undrawn commitments under the Term Loan Credit Agreement automatically terminated. The Term Loan bears interest at a rate based on term SOFR plus a spread adjustment that varies based on Devon's credit ratings. The interest rate on the Term Loan was

5.81
% as of December 31, 2024.

The Term Loan Credit Agreement contains substantially the same financial covenant as the 2023 Senior Credit Facility. As of December 31, 2024, Devon was in compliance with this covenant with a debt-to-capitalization ratio of

26.5
%.

Issuance of Senior Notes

In August 2024, Devon issued \$

1.25
billion of

5.20
% senior notes due 2034 and \$

1.0
billion of

5.75
% senior notes due 2054. Devon used the net proceeds to partially fund the Grayson Mill acquisition. For additional information, see [Note 2](#).

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

Retirement of Senior Notes

On September 15, 2024 and August 1, 2023, Devon repaid the \$

472
million of

5.25
% senior notes and \$

242
million of

8.25
% senior notes at maturity, respectively.

Net Financing Costs

The following schedule includes the components of net financing costs.

	2024	Year Ended December 31, 2023	2022
Net financing costs:			
Interest based on debt outstanding	\$ 401	\$ 369	\$ 370
	(((
Interest income	62	55	38
)))
	(((
Other	24	6	23
)))
Total net financing costs	<u>\$ 363</u>	<u>\$ 308</u>	<u>\$ 309</u>

14. Leases

Devon's right-of-use operating lease assets are for certain leases related to real estate, drilling rigs and other equipment related to the exploration, development and production of oil and gas. Devon's right-of-use financing lease assets primarily relate to real estate. Certain of Devon's lease agreements include variable payments based on usage or rental payments adjusted periodically for inflation. Devon's financing lease arrangement contains various covenants, including covenants similar to the 2023 Senior Credit Facility.

On February 14, 2025, Devon's Board of Directors approved an early extinguishment of an approximately \$

300
million real estate finance lease included in the table below for a cash payment of approximately \$

275
million. This extinguishment and acquisition of the associated real estate is expected to occur in the first quarter of 2025. In conjunction with extinguishing the lease, Devon expects to sell the associated real estate and considers the related real estate assets held for sale as of February 14, 2025. In the first quarter of 2025, Devon expects to recognize a non-cash loss of approximately \$

160
million, consisting of an asset impairment of approximately \$

185
million partially offset by an approximately \$

25
million gain on early lease extinguishment. Upon lease extinguishment and sale of the associated real estate and related sales proceeds received, Devon's annual net financing costs and DD&A will be reduced by approximately \$

18
million and \$

11
million, respectively.

The following table presents Devon's right-of-use assets and lease liabilities.

	December 31, 2024			December 31, 2023		
	Finance	Operating	Total	Finance	Operating	Total
Right-of-use assets	\$ 248	\$ 55	\$ 303	\$ 246	\$ 21	\$ 267
Lease liabilities:						
Current lease liabilities ⁽¹⁾	\$ 25	\$ 28	\$ 53	\$ 21	\$ 12	\$ 33
Long-term lease liabilities	293	27	320	286	9	295
Total lease liabilities ⁽²⁾	\$ 318	\$ 55	\$ 373	\$ 307	\$ 21	\$ 328

(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 December 31, 2024 and are therefore excluded from the amounts shown above.

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

The following table presents Devon's total lease cost.

		Year Ended December 31,		
		2024	2023	2022
Operating lease cost	Property and equipment; LOE; G&A	\$ 28	\$ 13	\$ 22
Short-term lease cost ⁽¹⁾	Property and equipment; LOE; G&A	234	193	140
Financing lease cost:				
Amortization of right-of-use assets	DD&A	11	9	8
Interest on lease liabilities	Net financing costs	19	15	11
Variable lease cost	G&A	—	5	—
		(((
Lease income	G&A	10	10	8
)))
Net lease cost		\$ 282	\$ 225	\$ 173

(1) Short-term lease cost excludes leases with terms of one month or less.

The following table presents Devon's additional lease information.

	Year Ended December 31,			
	2024		2023	
	Finance	Operating	Finance	Operating
Cash outflows for lease liabilities:				
Operating cash flows	\$ 22	\$ 27	\$ 15	\$ 13
Investing cash flows	\$ —	\$ 1	\$ —	\$ 1
Right-of-use assets obtained in exchange for new lease liabilities	\$ 14	\$ 59	\$ —	\$ 13
Weighted average remaining lease term (years)	8.2	2.1	9.4	2.2
Weighted average discount rate	6.2%	5.3%	6.1%	4.9%

The following table presents Devon's maturity analysis as of December 31, 2024 for leases expiring in each of the next 5 years and thereafter.

Finance	Operating	Total
---------	-----------	-------

2025	\$	25	\$	30	\$	55
2026		25		24		49
2027		25		4		29
2028		24		—		24
2029		22		—		22
Thereafter ⁽¹⁾		349		—		349
Total lease payments		470		58		528
		(((
		152)		3)		155)
Less: interest						
Present value of lease liabilities	\$	318	\$	55	\$	373

(1) Devon has one real estate lease that contains a residual value guarantee. Under the lease terms, the residual value guarantee stipulates that if the lessor were to sell the leased property and receive sale proceeds less than

90

% of the lease liability at the time of sale, Devon would be required to make a shortfall payment to the lessor for the difference.

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

Devon rents or subleases certain real estate to third parties. The following table presents Devon's expected lease income as of December 31, 2024 for each of the next 5 years and thereafter.

	Operating Lease Income
2025	\$ 14
2026	15
2027	16
2028	16
2029	15
Thereafter	67
Total	\$ 143

15. Asset Retirement Obligations

The following table presents the changes in asset retirement obligations.

	Year Ended December 31, 2024	2023
Asset retirement obligations as of beginning of period	\$ 665	\$ 529
Assumed Grayson Mill obligations	75	—
Liabilities incurred	30	110
Liabilities settled and divested	(37)	(30)
Revision of estimated obligation	35	27
Accretion expense on discounted obligation	39	29
Asset retirement obligations as of end of period	807	665
Less current portion	37	22

Asset retirement obligations, long-term	\$	770	\$	643
---	----	-----	----	-----

Devon increased its asset retirement obligations during 2024 by approximately \$

35 million primarily due to changes in current cost estimates and future retirement dates for its oil and gas assets.

During 2023, Devon recorded a potential obligation to decommission two California offshore oil and gas production platforms and related facilities pursuant to an order of the Department of the Interior, Bureau of Safety and Environmental Enforcement. During this same time period, Devon also increased its asset retirement obligations by approximately \$

27 million primarily due to inflation-driven increases in cost estimates.

16. Retirement Plans

Defined Contribution Plans

Devon sponsors defined contribution plans covering its employees. Such plans include its 401(k) plan and enhanced contribution plan. Devon makes matching contributions and additional retirement contributions, with the matching contributions being primarily based upon percentages of annual compensation and years of service. In addition, each plan is subject to regulatory limitations by the U.S. government. Devon contributed \$

44 million, \$

38 million and \$

37 million to these plans in 2024, 2023 and 2022, respectively.

Defined Benefit Plans

Devon has various non-contributory defined benefit pension plans, including qualified plans and nonqualified plans covering eligible employees and former employees meeting certain age and service requirements. Benefits under the defined benefit plans have

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

been closed to new employees and effective, as of December 31, 2020, Devon's benefits committee approved a freeze of all future benefit accruals under the plans.

Benefits are primarily funded from assets held in the plans' trusts.

Devon's investment objective for its plans' assets is to achieve stability of the funded status while providing long-term growth of invested capital and income to ensure benefit payments can be funded when required. Devon has established certain investment strategies, including target allocation percentages and permitted and prohibited investments, designed to mitigate risks inherent with investing. Devon's target allocations for its plan assets are

70
% fixed income and

30
% equity. See the following discussion for Devon's pension assets by asset class.

Fixed-income – Devon's fixed-income securities consist of U.S. Treasury obligations, bonds issued by investment-grade companies from diverse industries and asset-backed securities. These fixed-income securities do not consistently trade actively in an established market. The fair values of these Level 2 securities are estimated based upon rates available for securities with similar terms and maturity when active trading is not available and were \$

286
million and \$

418
million at December 31, 2024 and 2023, respectively.

Equity – Devon's equity securities include commingled global equity funds that invest in large, mid and small capitalization stocks across the world's developed and emerging markets and international large cap equity securities. These equity securities can be sold on demand but are not actively traded. The fair values of these securities are based upon the net asset values provided by the investment managers and were \$

97
million and \$

44
million at December 31, 2024 and 2023, respectively.

Other – Devon's other securities include short-term investment funds that invest both long and short term using a variety of investment strategies. The fair value of these securities is based upon the net asset values provided by investment managers and were \$

64
million and \$

14
million at December 31, 2024 and 2023, respectively.

Defined Postretirement Plans

Devon also has defined benefit postretirement plans that provide benefits for substantially all qualifying retirees. Benefit obligations for such plans are estimated based on Devon's future cost-sharing intentions. Devon's funding policy for the plans is to fund the benefits as they become payable with available cash and cash equivalents.

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

Benefit Obligations and Funded Status

The following table summarizes the benefit obligations, assets, funded status and balance sheet impacts associated with Devon's defined pension and postretirement plans. Devon's benefit obligations and plan assets are measured each year as of December 31. The accumulated benefit obligation for pension plans approximated the projected benefit obligation at December 31, 2024 and 2023.

	Pension Benefits		Postretirement Benefits	
	2024	2023	2024	2023
Change in benefit obligation:				
Benefit obligation at beginning of year	\$ 655	\$ 629	\$ 7	\$ 7
Interest cost	31	34	—	—
Actuarial loss (gain)	(14)	46	—	1
Participant contributions	—	—	1	1
Benefits paid	(52)	(54)	(1)	(2)
Benefit obligation at end of year	620	655	7	7
Change in plan assets:				
Fair value of plan assets at beginning of year	476	458	—	—
Actual return on plan assets	9	58	—	—
Employer contributions	14	14	1	1
Participant contributions	—	—	1	1
Benefits paid	(52)	(54)	(2)	(2)
Fair value of plan assets at end of year	447	476	—	—
Funded status at end of year	\$ 173	\$ 179	\$ 7	\$ 7
Amounts recognized in balance sheet:				
Other current liabilities	\$ 13	\$ 13	\$ 1	\$ 1
Other long-term liabilities	(160)	(166)	(6)	(6)

	((((
	173	179	7	7
Net amount	\$	\$	\$	\$
Amounts recognized in accumulated other comprehensive earnings:))))
			((
	195	198	13	14
Net actuarial loss (gain)	\$	\$	\$	\$
))
	—	—	1	1
Prior service cost				
			((
	195	198	12	13
Total	\$	\$	\$	\$
))

Certain of Devon's pension plans have a combined projected benefit obligation or accumulated benefit obligation in excess of plan assets at December 31, 2024, and December 31, 2023, as presented in the table below.

	December 31,	
	2024	2023
Projected and accumulated benefit obligation	\$ 620	\$ 655
Fair value of plan assets	\$ 447	\$ 476

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

The following table presents the components of net periodic benefit cost and other comprehensive earnings.

	Pension Benefits			Postretirement Benefits		
	2024	2023	2022	2024	2023	2022
Net periodic benefit cost:						
Interest cost	\$ 31	\$ 34	\$ 19	\$ —	\$ —	\$ —
	(((
Expected return on plan assets	27	27	31	—	—	—
)))	(((
Recognition of net actuarial loss (gain) ⁽¹⁾	7	6	6	1	1	1
			()))
			((((
Total net periodic benefit cost ⁽²⁾	11	13	6	1	1	1
))))
Other comprehensive loss (earnings):						
			((
Actuarial loss (gain) arising in current year	4	16	11	—	—	4
))
	(((
Recognition of net actuarial (loss) gain, including settlement expense, in net periodic benefit cost	7	6	6	1	1	1
)))			
	(((
Total other comprehensive loss (earnings)	3	10	17	1	1	3
)))
			((
Total	\$ 8	\$ 23	\$ 23	\$ —	\$ —	\$ 4
))

(1) These net periodic benefit costs were reclassified out of other comprehensive earnings in the current period.

(2) The service cost component of net periodic benefit cost is included in G&A expense and the remaining components of net periodic benefit costs are included in other, net in the accompanying consolidated statements of comprehensive earnings.

Assumptions

	Pension Benefits			Postretirement Benefits		
	2024	2023	2022	2024	2023	2022
Assumptions to determine benefit obligations:						
Discount rate	5.27 %	5.01 %	5.78 %	5.18 %	4.96 %	5.71 %
Assumptions to determine net periodic benefit cost:						
Discount rate - service cost	N/A	N/A	N/A	5.01 %	5.81 %	2.83 %
Discount rate - interest cost	4.95 %	5.61 %	2.18 %	4.94 %	5.49 %	1.57 %

Expected return on plan assets	5.80 %	6.21 %	4.80 %	N/A	N/A	N/A
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Discount rate – Future pension and post-retirement obligations are discounted based on the rate at which obligations could be effectively settled, considering the timing of expected future cash flows related to the plans. This rate is based on high-quality bond yields, after allowing for call and default risk.

Expected return on plan assets – This was determined by evaluating input from external consultants and economists, as well as long-term inflation assumptions and consideration of target allocation of investment types.

Mortality rate – Devon utilized the Society of Actuaries produced mortality tables.

Other assumptions – For measurement of the 2024 benefit obligation for the other postretirement medical plans, a

6.6
% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2024. The rate was assumed to decrease annually to an ultimate rate of

5
% in the year 2033 and remain at that level thereafter.

Expected Cash Flows

Devon expects benefit plan payments to average approximately \$

52
million a year for the next five years and \$

239
million total for the five years thereafter. Of these payments to be paid in 2025, \$

15
million is expected to be funded from Devon’s available cash, cash equivalents and other assets.



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

17. Stockholders' Equity

The authorized capital stock of Devon consists of

1.0 billion shares of common stock, par value \$

0.10 per share, and

4.5 million shares of preferred stock, par value \$

1.00 per share. The preferred stock may be issued in one or more series, and the terms and rights of such stock will be determined by the Board of Directors.

Share Issuance

On September 27, 2024 , Devon completed its acquisition of the Williston Basin business of Grayson Mill for total consideration of approximately \$

5.0 billion. The transaction consisted of \$

3.5 billion of cash and approximately

37.3 million shares of Devon common stock at \$

38.96 per share for total equity consideration of approximately \$

1.5 billion, including purchase price adjustments.

Share Repurchase Program

In July 2024, Devon's Board of Directors authorized an expansion to the Company's share repurchase program from \$

3.0 billion to \$

5.0 billion and extended the expiration date from December 31, 2024 to June 30, 2026 . The table below provides information regarding purchases of Devon's common stock under the \$

5.0 billion share repurchase program (shares in thousands).

	Total Number of Shares Purchased	Dollar Value of Shares Purchased	Average Price Paid per Share
\$5.0 Billion Plan			
2021	13,983	\$ 589	\$ 42.15
2022	11,708	718	\$ 61.36
2023	19,350	992	\$ 51.23
2024	23,944	1,044	\$ 43.61

Total plan	68,985	\$	3,343	\$	48.46
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DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Dividends

Devon pays a quarterly dividend which can be 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 three calendar years with it most recently being raised from \$

0.22
to \$

0.24
per share beginning in the first quarter of 2025. The following table summarizes the dividends Devon has paid on its common stock in 2024, 2023 and 2022, respectively.

	Fixed	Variable	Total	Rate Per Share
2024:				
First quarter	\$ 143	\$ 156	\$ 299	\$ 0.44
Second quarter	138	85	223	\$ 0.35
Third quarter	136	136	272	\$ 0.44
Fourth quarter	143	—	143	\$ 0.22
Total year-to-date	<u>\$ 560</u>	<u>\$ 377</u>	<u>\$ 937</u>	
2023:				
First quarter	\$ 133	\$ 463	\$ 596	\$ 0.89
Second quarter	128	334	462	\$ 0.72
Third quarter	127	185	312	\$ 0.49
Fourth quarter	127	361	488	\$ 0.77
Total year-to-date	<u>\$ 515</u>	<u>\$ 1,343</u>	<u>\$ 1,858</u>	
2022:				
First quarter	\$ 109	\$ 558	\$ 667	\$ 1.00
Second quarter	105	725	830	\$ 1.27
Third quarter	117	890	1,007	\$ 1.55
Fourth quarter	117	758	875	\$ 1.35

	448	2,931	3,379
Total year-to-date	\$	\$	\$

In February 2025, Devon announced it was raising its fixed cash dividend by

9
%, to \$

0.24
per share beginning in the first quarter of 2025. The dividend is payable in the first quarter of 2025 and is expected to total approximately \$

156
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.

18. 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 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

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

of business, some that may lead to additional royalty claims. As of December 31, 2024, Devon has accrued approximately \$

70
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.

The Company has previously received separate NOV's from the EPA alleging emissions and permitting violations relating to certain of our historic operations in North Dakota, western Texas and New Mexico, respectively. The Company has been engaging with the EPA to resolve each of these matters, and Devon is actively negotiating a draft consent decree with the EPA and the Department of Justice with respect to the North Dakota NOV matter. If finalized, the consent decree may include monetary sanctions and obligations to complete mitigation projects and implement specific injunctive relief. Given that negotiations of the draft consent decree are ongoing and the uncertainty as to the ultimate result of the North Dakota NOV matter, we are currently unable to provide an estimate of potential loss; however, the costs associated with the resolution of the North Dakota NOV matter or any of the other NOV matters could be significant in amount and may include monetary penalties.

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 has 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 this matter, Devon denies the allegations asserted in this lawsuit 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 America. 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.

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

Commitments

The following table presents Devon's commitments that have initial or remaining noncancelable terms in excess of one year as of December 31, 2024.

Year Ending December 31,	Drilling and Facility Obligations ⁽¹⁾	Operational Agreements ⁽¹⁾	Office and Equipment Leases and Other
2025	\$ 142	\$ 594	\$ 128
2026	19	534	159
2027	23	465	118
2028	36	451	105
2029	4	401	86
Thereafter	—	1,289	432
Total	\$ 224	\$ 3,734	\$ 1,028

(1) Total costs incurred under take-or-pay and throughput obligations were approximately \$

800
million, \$

750
million and \$

650
million in 2024, 2023 and 2022, respectively.

Devon has certain drilling and facility obligations under contractual agreements with third-party service providers to procure drilling rigs and other related services for developmental and exploratory drilling and facilities construction. The value of the drilling obligations reported is based on gross contractual value.

Devon has certain operational agreements whereby Devon has committed to transport or process certain volumes of oil, gas and NGLs for a fixed fee. Devon has entered into these agreements to aid the movement of its production to downstream markets.

Devon leases certain office space and equipment under financing and operating lease arrangements.

19. 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, restricted 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 December 31, 2024 and December 31, 2023, as applicable. Therefore, such financial assets and liabilities are not presented in the following table.

	Carrying Amount	Total Fair Value	Level 1 Inputs	Fair Value Measurements Using: Level 2 Inputs	Level 3 Inputs
December 31, 2024 assets (liabilities):					
Cash equivalents	\$ 319	\$ 319	\$ 319	\$ —	\$ —

Commodity derivatives	\$	56	\$	56	\$	—	\$	56	\$	—
		(((
Commodity derivatives	\$	33)	\$	33)	\$	—	\$	33)	\$	—
		(((
Debt	\$	8,883)	\$	8,520)	\$	—	\$	8,520)	\$	—
Contingent earnout payments	\$	20	\$	20	\$	—	\$	—	\$	20
December 31, 2023 assets (liabilities):										
Cash equivalents	\$	306	\$	306	\$	306	\$	—	\$	—
Commodity derivatives	\$	208	\$	208	\$	—	\$	208	\$	—
		(((
Commodity derivatives	\$	9)	\$	9)	\$	—	\$	9)	\$	—
		(((
Debt	\$	6,155)	\$	6,090)	\$	—	\$	6,090)	\$	—
Contingent earnout payments	\$	55	\$	55	\$	—	\$	—	\$	55

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

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

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. Our variable rate debt is non-public and consists of our Term Loan. The fair value of our variable rate debt approximates the carrying value as the underlying SOFR resets every month based on the prevailing market rate.

Level 3 Fair Value Measurements

Contingent Earnout Payments – Devon had the right to receive contingent consideration related to the Barnett asset divestiture based on future oil and gas prices. 2024 was the last performance period related to this contingent consideration. 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](#).

20. Reportable Segments

Devon is a leading independent energy company engaged primarily in the exploration, development and production of oil, natural gas and NGLs. Devon's oil and gas exploration and production activities are solely focused in the U.S. For financial reporting purposes, Devon aggregates its U.S. operating segments into one reporting segment due to the similar nature of these operations.

Devon's chief operating decision maker is the executive committee, which includes the chief executive officer, chief operating officers and chief financial officer. To assess the performance of our assets, we use net earnings. We believe net earnings provides information useful in assessing our operating and financial performance across periods.

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

The following table reflects Devon's net earnings, assets and capital expenditures for the time periods presented below.

	2024	Year Ended December 31, 2023	2022
Total revenues	\$ 15,940	\$ 15,258	\$ 19,169
LOE	1,574	1,428	1,071
Gathering, processing & transportation	790	702	693
Production and property taxes	819	798	1,033
Total significant expenses	3,183	2,928	2,797
Marketing and midstream expenses	4,792	4,409	5,780
DD&A	3,255	2,554	2,223
G&A	500	408	395
Financing costs, net	363	308	309
Income tax expense	770	841	1,738
Other segment items ⁽¹⁾	135	28	(110)
Total expenses	12,998	11,476	13,132
Net earnings	\$ 2,942	\$ 3,782	\$ 6,037
Total assets	\$ 30,489	\$ 24,490	\$ 23,271
Capital expenditures, including acquisitions	\$ 8,919	\$ 3,907	\$ 5,301

(1) Other segment items included in segment net earnings are exploration expenses, asset dispositions and other, net.

21. Supplemental Information on Oil and Gas Operations (Unaudited)

Supplemental unaudited information regarding Devon's oil and gas activities is presented in this note. All of Devon's reserves are located within

the U.S.

Costs Incurred

The following table reflects the costs incurred in oil and gas property acquisition, exploration and development activities.

	2024	Year Ended December 31,		2022
		2023		
Property acquisition costs:				
Proved properties	\$ 3,058	\$ 2	\$ 1,760	
Unproved properties	1,949	63	803	
Exploration costs	690	534	472	
Development costs	2,856	3,160	2,132	
Costs incurred	\$ 8,553	\$ 3,759	\$ 5,167	

Acquisition costs for 2024 in the table above relate primarily to the Grayson Mill acquisition which closed in the third quarter of 2024. Acquisition costs for 2022 relate primarily to Eagle Ford and Williston Basin acquisitions which closed in the third quarter of 2022. Development costs in the table above includes additions and revisions to Devon's asset retirement obligations.

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

Results of Operations

The following table includes revenues and expenses associated with Devon's oil and gas producing activities. It does not include any allocation of Devon's interest costs or general corporate overhead and, therefore, is not necessarily indicative of the contribution to net earnings of Devon's oil and gas operations. Income tax expense has been calculated using statutory income tax rates, and then giving effect to permanent differences associated with oil and gas producing activities.

	2024	Year Ended December 31,	2023	2022
Oil, gas and NGL sales	\$ 11,176	\$ 10,791	\$ 14,082	
Production expenses	(3,183)	(2,928)	(2,797)	
Exploration expenses	(28)	(20)	(29)	
Depreciation, depletion and amortization	3,156	2,464	2,119	
Asset dispositions	15	33	43	
Accretion of asset retirement obligations	39	29	25	
Income tax expense	972	1,044	2,041	
Results of operations	\$ 3,783	\$ 4,273	\$ 7,114	
Depreciation, depletion and amortization per Boe	\$ 11.70	\$ 10.27	\$ 9.52	

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

Proved Reserves

The following table presents Devon's estimated proved reserves by product.

	Oil (MMBbls)	Gas (Bcf) ⁽¹⁾	NGL (MMBbls)	Combined (MMBoe)
Proved developed and undeveloped reserves:				
December 31, 2021	709	2,878	437	1,625
Revisions due to prices	15	61	8	34
Revisions other than price	(55)	13	3	(49)
Extensions and discoveries	127	449	76	278
Purchase of reserves	106	137	24	153
Production	(109)	(356)	(54)	(223)
Sale of reserves	—	7	1	3
December 31, 2022	793	3,175	493	1,815
Revisions due to prices	25	189	22	78
Revisions other than price	12	58	1	1
Extensions and discoveries	147	525	87	322
Production	(117)	(385)	(59)	(240)
Sale of reserves	—	2	—	1
December 31, 2023	786	3,182	500	1,817
Revisions due to prices	9	187	14	54
Revisions other than price	3	245	31	75

Extensions and discoveries	129	646	104	340
Purchase of reserves	120	328	73	247
Production	(127)	(438)	(70)	(270)
December 31, 2024	902	3,776	624	2,155
Proved developed reserves:				
December 31, 2021	544	2,361	348	1,285
December 31, 2022	596	2,595	391	1,419
December 31, 2023	603	2,560	395	1,425
December 31, 2024	706	3,057	500	1,715
Proved undeveloped reserves:				
December 31, 2021	165	517	89	340
December 31, 2022	197	580	102	396
December 31, 2023	183	622	105	392
December 31, 2024	196	719	124	440

(1) Gas reserves are converted to Boe at the rate of

six
Mcf per Bbl of oil, based upon the approximate relative energy content of gas and oil. NGL reserves are converted to Boe on a one-to-one basis with oil. The conversion rates are not necessarily indicative of the relationship of oil, natural gas and NGL prices.

Price Revisions

Reserves decreased

54
MMBoe in 2024 primarily due to price decreases in the trailing 12-month averages for oil, gas and NGLs.

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

Reserves decreased

78

MMBoe in 2023 primarily due to price decreases in the trailing 12-month averages for oil, gas and NGLs.

Reserves increased

34

MMBoe in 2022 primarily due to price increases in the trailing 12-month averages for oil, gas and NGLs.

Revisions Other Than Price

2024 – Total revisions other than price (

75

MMBoe) are the result of upward revisions due to well performance exceeding previous estimates on proved developed reserves (

81

MMBoe) and downward revisions to proved undeveloped reserves (-

6

MMBoe) as noted below. In total, each of the operating areas recorded modest upward revisions with the most significant changes being located in the Delaware Basin (

55

MMBoe), Anadarko Basin (

7

MMBoe) and Powder River Basin (

6

MMBoe).

2023 – Total revisions other than price (-

1

MMBoe) are the result of upward revisions due to well performance exceeding previous estimates on developed properties (

11

MMBoe), which were offset by downward revisions to proved undeveloped reserves (-

12

MMBoe) as noted below. In total, we recorded modest upward revisions in the Delaware Basin (

7

MMBoe), Eagle Ford (

5

MMBoe), Anadarko Basin (

4

MMBoe) and Powder River Basin (

2

MMBoe) which were offset by downward revisions in the Williston Basin (-

19

MMBoe) due to reduced well performance compared to previous estimates.

2022 – Total revisions other than price (-

49

MMBoe) were driven by higher operating costs across all areas of operation and revisions to proved undeveloped reserves. These downward revisions were partially offset by upward revisions due to well performance exceeding previous estimates primarily in the Delaware Basin. In total, after accounting for these compensating factors, we recorded negative revisions across each of our operating areas with the most significant changes being located in the Delaware Basin (-

33

MMBoe), followed by the Powder River Basin (-

5

MMBoe) and the Anadarko Basin (-

4

MMBoe).

Extensions and Discoveries

Each year, Devon's proved reserves extensions and discoveries consist of adding proved undeveloped reserves to locations classified as undeveloped at year-end and adding proved developed reserves from successful development wells drilled on locations outside the areas classified as proved at the previous year-end. Therefore, it is not uncommon for Devon's total proved extensions and discoveries to differ from the extensions and discoveries for Devon's proved undeveloped reserves. Furthermore, because annual additions are classified according to reserve determinations made at the previous year-end and because Devon operates a multi-basin portfolio with assets at varying stages of maturity, extensions and discoveries for proved developed and proved undeveloped reserves can differ significantly in any particular year.

2024 – Of the

340

MMBoe of additions from extensions and discoveries,

252

MMBoe were in the Delaware Basin,

36

MMBoe were in the Williston Basin,

30

MMBoe were in the Anadarko Basin,

16

MMBoe were in Eagle Ford and

6

MMBoe were in the Powder River Basin.

2023 – Of the

322

MMBoe of additions from extensions and discoveries,

212

MMBoe were in the Delaware Basin,

33

MMBoe were in the Anadarko Basin,

32

MMBoe were in Eagle Ford,

26

MMBoe were in the Powder River Basin and

19

MMBoe were in the Williston Basin.

2022 – Of the

278

MMBoe of additions from extensions and discoveries,

255

MMBoe were in the Delaware Basin,

7

MMBoe were in the Powder River Basin,

6

MMBoe were in Eagle Ford,

5

MMBoe were in the Anadarko Basin and

5

MMBoe were in the Williston Basin.

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

Purchase of Reserves

During 2024, Devon had reserve additions due to the acquisition of 247 MMBoe in the Williston Basin. For additional information on these asset additions, see [Note 2](#).

During 2022, Devon had reserve additions due to the acquisitions of 66 MMBoe in the Williston Basin and 87 MMBoe in the Eagle Ford. For additional information on these asset additions, see [Note 2](#).

Proved Undeveloped Reserves

The following table presents the changes in Devon’s total proved undeveloped reserves during 2024 (MMBoe).

	Total
Proved undeveloped reserves as of December 31, 2023	392
Extensions and discoveries	198
Revisions due to prices	(2)
Revisions other than price	(6)
Purchase of reserves	47
Conversion to proved developed reserves	(189)
Proved undeveloped reserves as of December 31, 2024	440

Total proved undeveloped reserves increased 12% from 2023 to 2024 with the year-end 2024 balance representing 20% of total proved reserves. Approximately 75% of the 198 MMBoe in extensions and discoveries were the result of Devon’s drilling and development activities in the Delaware Basin, followed by the Williston Basin (17%), the Powder River Basin (3%), the Anadarko Basin (3%) and Eagle Ford (

2
%). Conversions to proved developed reserves of

189
MMBoe were driven by development in the Delaware Basin (

68
%) and Anadarko Basin (

17
%). Costs incurred in 2024 to develop and convert Devon's proved undeveloped reserves were approximately \$

1.2
billion. Proved undeveloped reserves revisions other than price (-

6
MMBoe) were due to changes in previously adopted development plans (-

8
MMBoe) in the Delaware Basin (-

6
MMBoe) and Williston Basin (-

2
MMBoe), combined with upward revisions (

2
MMBoe) caused by continued evaluation of well performance primarily in the Delaware Basin.

Standardized Measure

The following tables reflect Devon's standardized measure of discounted future net cash flows from its proved reserves.

	2024	Year Ended December 31, 2023	2022
Future cash inflows	\$ 82,422	\$ 75,734	\$ 108,361
Future costs:			
Development	(6,099)	(5,241)	(5,176)
Production	(38,326)	(31,648)	(35,264)
Future income tax expense	(5,528)	(6,644)	(13,216)
Future net cash flow	32,469	32,201	54,705
10% discount to reflect timing of cash flows	(12,699)	(12,888)	(23,391)
Standardized measure of discounted future net cash flows	\$ 19,770	\$ 19,313	\$ 31,314

Future cash inflows, development costs and production costs were computed using the same assumptions for prices and costs that were used to estimate Devon's proved oil and gas reserves at the end of each year. For 2024 estimates, Devon's future realized prices were assumed to be \$

73.65
per Bbl of oil, \$

0.81
per Mcf of gas and \$

20.75
per Bbl of NGLs. Of the \$

6.1
billion of future development costs as of the end of 2024, \$

2.2
billion, \$

1.4

billion and \$

0.5

billion are estimated to be spent in 2025, 2026 and 2027, respectively.

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

Future development costs include not only development costs but also future asset retirement costs. Included as part of the \$

6.1
billion of future development costs are \$

1.3
billion of future asset retirement costs. The future income tax expenses have been computed using statutory tax rates, giving effect to allowable tax deductions and tax credits under current laws.

The principal changes in Devon's standardized measure of discounted future net cash flows are as follows:

	Year Ended December 31,		
	2024	2023	2022
Beginning balance	\$ 19,313	\$ 31,314	\$ 19,301
	(((
Net changes in prices and production costs	3,202	16,797	14,081
)))
	(((
Oil, gas and NGL sales, net of production costs	7,993	7,863	11,285
)))
	(((
Changes in estimated future development costs	806	218	216
)
Extensions and discoveries, net of future development costs	3,951	5,222	7,279
Purchase of reserves	3,123	—	4,185
			(
Sales of reserves in place	—	9	20
))
		((
Revisions of quantity estimates	427	747	874
))
Previously estimated development costs incurred during the period	1,269	1,567	956
Accretion of discount	1,730	2,972	2,059
			(
Net change in income taxes and other	346	3,436	4,152
)

Ending balance

\$	19,770	\$	19,313	\$	31,314
<hr/>					
<hr/>					

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. 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 December 31, 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.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for Devon, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Under the supervision and with the participation of Devon's management, including our principal executive and principal financial officers, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control – Integrated Framework* issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission (the "2013 COSO Framework"). Based on this evaluation under the 2013 COSO Framework, which was completed on February 19, 2025, management concluded that its internal control over financial reporting was effective as of December 31, 2024.

Management's assessment and conclusion on the effectiveness of the Company's internal control over financial reporting as of December 31, 2024 excludes an assessment of the internal control over financial reporting of Grayson Mill, which was acquired in a business combination on September 27, 2024. See [Note 2](#) in "Item 8. Financial Statements and Supplementary Data" of this report for further details on the Grayson Mill acquisition. The total revenues of Grayson Mill represent \$687 million of the related consolidated financial statement amounts for the year ended December 31, 2024, and the total fair value of the Grayson Mill assets acquired as of the Grayson Mill acquisition closing date represent \$5.6 billion of the total assets of the consolidated Company as of December 31, 2024.

The effectiveness of our internal control over financial reporting as of December 31, 2024 has been audited by KPMG LLP, an independent registered public accounting firm who audited our consolidated financial statements as of and for the year ended December 31, 2024, as stated in their report, which is included under "Item 8. Financial Statements and Supplementary Data" of this report.

Changes in Internal Control Over Financial Reporting

Other than incorporating Grayson Mill's processes and procedures, there were no changes in our internal control over financial reporting during the fourth quarter of 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Not applicable.

Item 9C. *Disclosure Regarding Foreign Jurisdictions that Prevent Inspections*

Not applicable.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance*

The information called for by this Item 10 is incorporated herein by reference to the definitive Proxy Statement to be filed by Devon pursuant to Regulation 14A of the General Rules and applicable information in Regulations under the Securities Exchange Act of 1934 no later than 120 days following the fiscal year ended December 31, 2024.

Item 11. *Executive Compensation*

The information called for by this Item 11 is incorporated herein by reference to the definitive Proxy Statement to be filed by Devon pursuant to Regulation 14A of the General Rules and applicable information in Regulations under the Securities Exchange Act of 1934 no later than 120 days following the fiscal year ended December 31, 2024.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

The information called for by this Item 12 is incorporated herein by reference to the definitive Proxy Statement to be filed by Devon pursuant to Regulation 14A of the General Rules and applicable information in Regulations under the Securities Exchange Act of 1934 no later than 120 days following the fiscal year ended December 31, 2024.

Item 13. *Certain Relationships and Related Transactions, and Director Independence*

The information called for by this Item 13 is incorporated herein by reference to the definitive Proxy Statement to be filed by Devon pursuant to Regulation 14A of the General Rules and applicable information in Regulations under the Securities Exchange Act of 1934 no later than 120 days following the fiscal year ended December 31, 2024.

Item 14. *Principal Accountant Fees and Services*

The information called for by this Item 14 is incorporated herein by reference to the definitive Proxy Statement to be filed by Devon pursuant to Regulation 14A of the General Rules and applicable information in Regulations under the Securities Exchange Act of 1934 no later than 120 days following the fiscal year ended December 31, 2024.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) *The following documents are included as part of this report:*

1. Consolidated Financial Statements

Reference is made to the Index to Consolidated Financial Statements and Consolidated Financial Statement Schedules appearing at "Item 8. Financial Statements and Supplementary Data" in this report.

2. Consolidated Financial Statement Schedules

All financial statement schedules are omitted as they are inapplicable, or the required information has been included in the consolidated financial statements or notes thereto.

3. Exhibits

Exhibit No.	Description
2.1	Purchase and Sale Agreement, dated December 17, 2019, by and between Devon Energy Production Company, L.P. and BKV Barnett, LLC (incorporated by reference to Exhibit 2.1 to Registrant's Form 8-K filed December 18, 2019; File No. 001-32318).*
2.2	First Amendment to Purchase and Sale Agreement, dated April 13, 2020, by and between Devon Energy Production Company, L.P., BKV Barnett, LLC, and solely with respect to certain provisions therein, BKV Oil & Gas Capital Partners, L.P. (incorporated by reference to Exhibit 2.1 to Registrant's Current Report on Form 8-K filed April 14, 2020; File No. 001-32318).
2.3	Agreement and Plan of Merger, dated September 26, 2020, by and among Registrant, East Merger Sub, Inc., and WPX Energy, Inc. (incorporated by reference to Exhibit 2.1 to Registrant's Current Report on Form 8-K, filed September 28, 2020; File No. 001-32318).
2.4	Securities Purchase Agreement, dated July 8, 2024, by and among Grayson Mill Holdings II, LLC, Grayson Mill Holdings III, LLC, Grayson Mill Intermediate HoldCo II, LLC, Grayson Mill Intermediate HoldCo III, LLC, WPX Energy Williston, LLC and Registrant (incorporated by reference to Exhibit 2.1 to Registrant's Form 8-K filed July 8, 2024; File No. 001-32318).*
2.5	Amendment to Securities Purchase Agreement, dated September 27, 2024, by and among Grayson Mill Holdings II, LLC, Grayson Mill Holdings III, LLC, Grayson Mill Intermediate HoldCo II, LLC, Grayson Mill Intermediate HoldCo III, LLC, WPX Energy Williston, LLC and Registrant (incorporated by reference to Exhibit 2.2 to Registrant's Form 10-Q filed November 6, 2024; File No. 001-32318).*
3.1	Registrant's Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to Registrant's Form 8-K filed June 12, 2023; File No. 001-32318).
3.2	Registrant's Bylaws (incorporated by reference to Exhibit 3.2 to Registrant's Form 8-K filed June 12, 2023; File No. 001-32318).
4.1	Indenture, dated as of July 12, 2011, between Registrant and UMB Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.1 to Registrant's Form 8-K filed July 12, 2011; File No. 001-32318).
4.2	Supplemental Indenture No. 1, dated as of July 12, 2011, to Indenture dated as of July 12, 2011, between Registrant and UMB Bank, National Association, as Trustee, relating to the 5.60% Senior Notes due 2041 (incorporated by reference to Exhibit 4.2 to Registrant's Form 8-K filed July 12, 2011; File No. 001-32318).

- 4.3 Supplemental Indenture No. 2, dated as of May 14, 2012, to Indenture dated as of July 12, 2011, between Registrant and UMB Bank, National Association, as Trustee, relating to the 4.750% Senior Notes due 2042 ([incorporated by reference to Exhibit 4.1 to Registrant's Form 8-K filed May 14, 2012; File No. 001-32318](#)).
- 4.4 Supplemental Indenture No. 4, dated as of June 16, 2015, to Indenture dated as of July 12, 2011, between Registrant and UMB Bank, National Association, as Trustee, relating to the 5.000% Senior Notes due 2045 ([incorporated by reference to Exhibit 4.1 to Registrant's Form 8-K filed June 16, 2015; File No. 001-32318](#)).
- 4.5 Supplemental Indenture No. 5, dated as of December 15, 2015, to Indenture dated as of July 12, 2011, between Registrant and UMB Bank, National Association, as Trustee, relating to the 5.850% Senior Notes due 2025 ([incorporated by reference to Exhibit 4.1 to Registrant's Form 8-K filed December 15, 2015; File No. 001-32318](#)).
- 4.6 Supplemental Indenture No. 7, dated as of June 9, 2021, between Registrant and UMB Bank, National Association, as Trustee, relating to the 5.250% Senior Notes due 2027, 5.875% Senior Notes due 2028 and 4.500% Senior Notes due 2030 ([incorporated by reference to Exhibit 4.3 to Registrant's Form 8-K filed June 9, 2021; File No. 001-32318](#)).
- 4.7 Indenture, dated as of March 1, 2002, between Registrant and The Bank of New York Mellon Trust Company, N.A. (as successor to The Bank of New York), as Trustee ([incorporated by reference to Exhibit 4.1 of Registrant's Form 8-K filed April 9, 2002; File No. 000-30176](#)).
- 4.8 Supplemental Indenture No. 1, dated as of March 25, 2002, to Indenture dated as of March 1, 2002, between Registrant and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to the 7.95% Senior Debentures due 2032 ([incorporated by reference to Exhibit 4.2 to Registrant's Form 8-K filed April 9, 2002; File No. 000-30176](#)).
- 4.9 Supplemental Indenture No. 4, dated as of March 22, 2018, to Indenture dated as of March 1, 2002, between Registrant and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to the 7.95% Senior Notes due 2032 ([incorporated by reference to Exhibit 4.1 to Registrant's Form 8-K filed March 22, 2018; File No. 000-32318](#)).
- 4.10 Indenture, dated as of October 3, 2001, among Devon Financing Company, L.L.C. (f/k/a Devon Financing Corporation, U.L.C.), as Issuer, Registrant, as Guarantor, and The Bank of New York Mellon Trust Company, N.A., originally The Chase Manhattan Bank, as Trustee, relating to the 7.875% Debentures due 2031 ([incorporated by reference to Exhibit 4.7 to Registrant's Registration Statement on Form S-4 filed October 31, 2001; File No. 333-68694](#)).
- 4.11 Assignment and Assumption Agreement, dated as of June 19, 2019, by and between Devon Financing Company, L.L.C. and Registrant, relating to that certain Indenture, dated as of October 3, 2001, by and among Devon Financing Company, L.L.C. (f/k/a Devon Financing Company, U.L.C.), as Issuer, Devon Energy Corporation, as Guarantor, and The Bank of New York Mellon Trust Company, N.A., as successor to The Chase Manhattan Bank, as Trustee, and the 7.875% Debentures due 2031 issued thereunder ([incorporated by reference to Exhibit 4.1 to Registrant's Form 10-Q filed August 7, 2019; File No. 001-32318](#)).
- 4.12 Senior Indenture, dated as of September 1, 1997, between Devon OEI Operating, L.L.C. (as successor to Seagull Energy Corporation) and The Bank of New York Mellon Trust Company, N.A. (as successor to The Bank of New York), as Trustee, and related Specimen of 7.50% Senior Notes due 2027 ([incorporated by reference to Exhibit 4.4 to Ocean Energy Inc.'s Form 10-K filed March 23, 1998; File No. 001-08094](#)).

- 4.13 First Supplemental Indenture, dated as of March 30, 1999, to Senior Indenture dated as of September 1, 1997, by and among Devon OEI Operating, L.L.C., its Subsidiary Guarantor, and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to the 7.50% Senior Notes due 2027 ([incorporated by reference to Exhibit 4.10 to Ocean Energy, Inc.'s Form 10-Q filed May 17, 1999; File No. 001-08094](#)).
- 4.14 Second Supplemental Indenture, dated as of May 9, 2001, to Senior Indenture dated as of September 1, 1997, by and among Devon OEI Operating, L.L.C., its Subsidiary Guarantor, and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to the 7.50% Senior Notes due 2027 ([incorporated by reference to Exhibit 99.4 to Ocean Energy, Inc.'s Form 8-K filed May 14, 2001; File No. 033-06444](#)).
- 4.15 Third Supplemental Indenture, dated as of December 31, 2005, to Senior Indenture dated as of September 1, 1997, by and among Devon OEI Operating, L.L.C., as Issuer, Devon Energy Production Company, L.P., as Successor Guarantor, and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to the 7.50% Senior Notes due 2027 ([incorporated by reference to Exhibit 4.27 of Registrant's Form 10-K filed March 3, 2006; File No. 001-32318](#)).
- 4.16 Indenture, dated as of September 8, 2014, between WPX Energy, Inc. and The Bank of New York Mellon Trust Company, N.A., as Trustee ([incorporated herein by reference to Exhibit 4.1 to WPX Energy, Inc.'s Form 8-K filed September 8, 2014; File No. 001-35322](#)).
- 4.17 Fourth Supplemental Indenture, dated as of September 24, 2019, between WPX Energy, Inc. and The Bank of New York Mellon Trust Company, N.A. as Trustee, relating to the 5.250% Senior Notes due 2027 ([incorporated herein by reference to Exhibit 4.1 to WPX Energy, Inc.'s Form 8-K filed on September 24, 2019; File No. 001-35322](#)).
- 4.18 Fifth Supplemental Indenture, dated as of January 10, 2020, between WPX Energy, Inc. and The Bank of New York Mellon Trust Company, N.A. as Trustee, relating to the 4.500% Senior Notes due 2030 ([incorporated herein by reference to Exhibit 4.1 to WPX Energy, Inc.'s Form 8-K filed January 10, 2020; File No. 001-35322](#)).
- 4.19 Sixth Supplemental Indenture, dated as of June 17, 2020, between WPX Energy, Inc. and the Bank of New York Mellon Trust Company, N.A. as Trustee, relating to the 5.875% Senior Notes due 2028 ([incorporated herein by reference to Exhibit 4.1 to WPX Energy, Inc.'s Form 8-K filed June 17, 2020; File No. 001-35322](#)).
- 4.20 Supplemental Indenture No. 7, dated as of June 9, 2021, between WPX Energy, Inc. and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to the 5.250% Senior Notes due 2027, the 5.875% Senior Notes due 2028 and the 4.500% Senior Notes due 2030 ([incorporated by reference to Exhibit 4.5 to Registrant's Form 8-K filed June 9, 2021; File No. 001-32318](#)).
- 4.21 Indenture, dated as of August 28, 2024, by and between Registrant and U.S. Bank Trust Company, National Association ([incorporated by reference to Exhibit 4.1 to Registrant's Form 8-K filed August 28, 2024; File No. 001-32318](#)).
- 4.22 Supplemental Indenture No. 1, dated as of August 28, 2024, by and between Registrant and U.S. Bank Trust Company, National Association, relating to the 5.200% Senior Notes due 2034 ([incorporated by reference to Exhibit 4.2 to Registrant's Form 8-K filed August 28, 2024; File No. 001-32318](#)).
- 4.23 Supplemental Indenture No. 2, dated as of August 28, 2024, by and between Registrant and U.S. Bank Trust Company, National Association, relating to the 5.750% Senior Notes due 2054 ([incorporated by reference to Exhibit 4.3 to Registrant's Form 8-K filed August 28, 2024; File No. 001-32318](#)).
- 4.24 Registration Rights Agreement, dated as of September 27, 2024, by and among Registrant and the stockholders from time to time party thereto ([incorporated by reference to Exhibit 4.4 to Registrant's Form 10-Q filed November 6, 2024; File No. 001-32318](#)).

4.25	<u>Description of Securities Registered under Section 12 of the Securities Exchange Act of 1934.</u>
10.1	Amended and Restated Credit Agreement, dated as of March 24, 2023, among Registrant, 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 (<u>incorporated by reference to Exhibit 10.1 to Registrant's Form 8-K filed March 28, 2023; File No. 001-32318</u>).
10.2	Extension Agreement, dated as of March 25, 2024, to the Amended and Restated Credit Agreement, dated as of March 24, 2023, among Registrant, 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 (<u>incorporated by reference to Exhibit 10.1 to Registrant's Form 10-Q filed May 2, 2024; File No. 001-32318</u>).
10.3	Delayed Draw Term Loan Credit Agreement, dated August 12, 2024, by and among Registrant, as Borrower, each lender from time to time party thereto, and Bank of America, N.A., as Administrative Agent (<u>incorporated by reference to Exhibit 10.1 to Registrant's Form 8-K filed August 12, 2024; File No. 001-32318</u>).
10.4	Devon Energy Corporation 2022 Long-Term Incentive Plan (amended and restated effective as of June 4, 2024) (<u>incorporated by reference to Exhibit 10.1 to Registrant's Form 10-Q filed August 7, 2024; File No. 001-32318</u>). ^{**}
10.5	Devon Energy Corporation 2017 Long-Term Incentive Plan (<u>incorporated by reference to Exhibit 99.1 to Registrant's Form S-8 filed June 7, 2017; File No. 333-218561</u>). ^{**}
10.6	2021 Amendment (effective as of January 7, 2021) to the Devon Energy Corporation 2017 Long-Term Incentive Plan (<u>incorporated by reference to Exhibit 10.7 to the Company's Form 10-K filed February 17, 2021; File No. 001-32318</u>). ^{**}
10.7	WPX Energy, Inc. 2013 Incentive Plan, and amendments No. 1 and No. 2 thereto (<u>incorporated by reference to Exhibit 10.1 to WPX Energy, Inc.'s Form 8-K filed on February 19, 2018; File No. 001-35322</u>). ^{**}
10.8	Amendment No. 3 to the WPX Energy, Inc. 2013 Incentive Plan (<u>incorporated by reference to Appendix A to WPX Energy, Inc.'s definitive proxy statement on Schedule 14A filed March 29, 2018; File No. 001-35322</u>). ^{**}
10.9	Amendment No. 4 to the WPX Energy, Inc. 2013 Incentive Plan and Global Amendment to Restricted Stock Unit Agreements effective December 1, 2021 (<u>incorporated by reference to Exhibit 10.7 of Registrant's Form 10-K filed February 16, 2022; File No. 001-32318</u>). ^{**}
10.10	Devon Energy Corporation Non-Qualified Deferred Compensation Plan (amended and restated effective as of January 1, 2021) (<u>incorporated by reference to Exhibit 10.9 of Registrant's Form 10-K filed February 16, 2022; File No. 001-32318</u>). ^{**}
10.11	Amendment No. 1, effective November 29, 2023, to the Devon Energy Corporation Non-Qualified Deferred Compensation Plan (<u>incorporated by reference to Exhibit 10.9 of Registrant's Form 10-K filed February 28, 2024; File No. 001-32318</u>). ^{**}
10.12	Devon Energy Corporation Benefit Restoration Plan (amended and restated effective January 1, 2012) (<u>incorporated by reference to Exhibit 10.15 to Registrant's Form 10-K filed February 24, 2012; File No. 001-32318</u>). ^{**}
10.13	Amendment 2014-1, executed March 7, 2014, to the Devon Energy Corporation Benefit Restoration Plan (<u>incorporated by reference to Exhibit 10.6 to Registrant's Form 10-Q filed May 9, 2014; File No. 001-32318</u>). ^{**}

10.14	Amendment 2015-1, executed April 15, 2015, to the Devon Energy Corporation Benefit Restoration Plan (incorporated by reference to Exhibit 10.1 to Registrant's Form 10-Q filed May 6, 2015; File No. 001-32318).**
10.15	Amendment 2016-1, executed October 20, 2016, to the Devon Energy Corporation Benefit Restoration Plan (incorporated by reference to Exhibit 10.17 to Registrant's Form 10-K filed February 15, 2017; File No. 001-32318).**
10.16	Amendment 2020-1, executed December 23, 2020, to the Devon Energy Corporation Benefit Restoration Plan (incorporated by reference to Exhibit 10.20 to the Company's Form 10-K filed February 17, 2021; File No. 001-32318).**
10.17	Devon Energy Corporation Defined Contribution Restoration Plan (amended and restated effective as of January 1, 2021) (incorporated by reference to Exhibit 10.15 of Registrant's Form 10-K filed February 16, 2022; File No. 001-32318).**
10.18	Amendment No. 1, effective November 29, 2023, to the Devon Energy Corporation Defined Contribution Restoration Plan (incorporated by reference to Exhibit 10.16 of Registrant's Form 10-K filed February 28, 2024; File No. 001-32318).**
10.19	Devon Energy Corporation Supplemental Contribution Plan (amended and restated effective as of January 1, 2021) (incorporated by reference to Exhibit 10.16 of Registrant's Form 10-K filed February 16, 2022; File No. 001-32318).**
10.20	Amendment No. 1, effective November 29, 2023, to the Devon Energy Corporation Supplemental Contribution Plan (incorporated by reference to Exhibit 10.18 of Registrant's Form 10-K filed February 28, 2024; File No. 001-32318).**
10.21	Devon Energy Corporation Supplemental Executive Retirement Plan (amended and restated effective January 1, 2012) (incorporated by reference to Exhibit 10.18 to Registrant's Form 10-K filed February 24, 2012; File No. 001-32318).**
10.22	Amendment 2016-1, executed October 20, 2016, to the Devon Energy Corporation Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.25 to Registrant's Form 10-K filed February 15, 2017; File No. 001-32318).**
10.23	Amendment 2019-1, executed June 19, 2019, to the Devon Energy Corporation Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.3 to Registrant's Form 10-Q filed August 7, 2019; File No. 001-32318).**
10.24	Amendment 2020-1, executed December 23, 2020, to the Devon Energy Corporation Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.35 to Registrant's Form 10-K filed February 17, 2021; File No. 001-32318).**
10.25	Devon Energy Corporation Supplemental Retirement Income Plan (amended and restated effective January 1, 2012) (incorporated by reference to Exhibit 10.19 to Registrant's Form 10-K filed February 24, 2012; File No. 001-32318).**
10.26	Amendment 2014-1, executed March 7, 2014, to the Devon Energy Corporation Supplemental Retirement Income Plan (incorporated by reference to Exhibit 10.9 to Registrant's Form 10-Q filed May 9, 2014; File No. 001-32318).**
10.27	Amendment 2016-1, executed October 20, 2016, to the Devon Energy Corporation Supplemental Retirement Income Plan (incorporated by reference to Exhibit 10.28 to Registrant's Form 10-K filed February 15, 2017; File No. 001-32318).**

10.28	Amendment 2019-1, effective September 10, 2019, to the Devon Energy Corporation Supplemental Retirement Income Plan (incorporated by reference to Exhibit 10.2 to Registrant's Form 10-Q filed November 6, 2019; File No. 001-32318).**
10.29	Amendment 2020-1, executed December 23, 2020, to the Devon Energy Corporation Supplemental Retirement Income Plan (incorporated by reference to Exhibit 10.40 to the Company's Form 10-K filed February 17, 2021; File No. 001-32318).**
10.30	Devon Energy Corporation Incentive Savings Plan (amended and restated effective as of January 1, 2022) (incorporated by reference to Exhibit 10.26 of Registrant's Form 10-K filed February 16, 2022; File No. 001-32318).**
10.31	Amendment 2022-1, effective July 21, 2022, to the Devon Energy Corporation Incentive Savings Plan (incorporated by reference to Exhibit 10.27 to Registrant's Form 10-K filed February 15, 2023; File No. 001-32318).**
10.32	Amendment 2022-2, effective September 28, 2022, to the Devon Energy Corporation Incentive Savings Plan (incorporated by reference to Exhibit 10.28 to Registrant's Form 10-K filed February 15, 2023; File No. 001-32318).**
10.33	Form of Amended & Restated Employment Agreement by and between Registrant and certain executive officers.**
10.34	Form of Severance Agreement by and between Registrant and certain executive officers.**
10.35	WPX Energy Nonqualified Deferred Compensation Plan, effective January 1, 2013 (incorporated herein by reference to Exhibit 10.16 to WPX Energy, Inc.'s Form 10-K filed February 28, 2013; File No. 001-35322).**
10.36	First Amendment to the WPX Energy Nonqualified Deferred Compensation Plan, executed January 4, 2021 (incorporated by reference to Exhibit 10.37 of Registrant's Form 10-K filed February 16, 2022; File No. 001-32318).**
10.37	Second Amendment to the WPX Energy Nonqualified Deferred Compensation Plan, executed December 15, 2021 (incorporated by reference to Exhibit 10.38 of Registrant's Form 10-K filed February 16, 2022; File No. 001-32318).**
10.38	WPX Energy Board of Directors Nonqualified Deferred Compensation Plan, effective January 1, 2013 (incorporated herein by reference to Exhibit 10.17 to WPX Energy, Inc.'s Form 10-K filed February 28, 2013; File No. 001-35322).**
10.39	First Amendment to the WPX Energy Board of Directors Nonqualified Deferred Compensation Plan, executed December 9, 2021 (incorporated by reference to Exhibit 10.40 of Registrant's Form 10-K filed February 16, 2022; File No. 001-32318).**
10.40	WPX Energy Nonqualified Restoration Plan, effective January 1, 2015 (incorporated by reference to Exhibit 10.41 of Registrant's Form 10-K filed February 16, 2022; File No. 001-32318).**
10.41	First Amendment to the WPX Energy Nonqualified Restoration Plan, executed January 4, 2021 (incorporated by reference to Exhibit 10.42 of Registrant's Form 10-K filed February 16, 2022; File No. 001-32318).**
10.42	Second Amendment to the WPX Energy Nonqualified Restoration Plan, executed December 15, 2021 (incorporated by reference to Exhibit 10.43 of Registrant's Form 10-K filed February 16, 2022; File No. 001-32318).**

10.43	Form of Indemnity Agreement between Registrant and non-management directors (incorporated by reference to Exhibit 10.40 to Registrant's Form 10-K filed February 19, 2020; File No. 001-32318).**
10.44	2021 Form of Notice of Grant of Restricted Stock Award and Award Agreement under the 2017 Long-Term Incentive Plan between Devon Energy Corporation and certain officers for restricted stock awarded (incorporated by reference to Exhibit 10.1 of Registrant's Form 10-Q filed May 5, 2021; File No. 001-32318).**
10.45	2022 Form of Notice of Grant of Restricted Stock Award and Award Agreement under the 2017 Long-Term Incentive Plan between Devon Energy Corporation and certain officers for restricted stock awarded (incorporated by reference to Exhibit 10.1 of Registrant's Form 10-Q filed May 3, 2022; File No. 001-32318).**
10.46	2023 Form of Notice of Grant of Restricted Stock Award and Award Agreement under the 2022 Long-Term Incentive Plan between Devon Energy Corporation and certain officers for restricted stock awarded (incorporated by reference to Exhibit 10.2 of Registrant's Form 10-Q filed May 9, 2023; File No. 001-32318).**
10.47	2024 Form of Notice of Grant of Restricted Stock Award and Award Agreement under the 2022 Long-Term Incentive Plan between Devon Energy Corporation and certain officers for restricted stock awarded (incorporated by reference to Exhibit 10.2 of Registrant's Form 10-Q filed May 2, 2024; File No. 001-32318).**
10.48	2022 Form of Notice of Grant of Performance Share Unit Award and Award Agreement under the 2017 Long-Term Incentive Plan between Devon Energy Corporation and certain officers for performance based restricted share units awarded (incorporated by reference to Exhibit 10.2 of Registrant's Form 10-Q filed May 3, 2022; File No. 001-32318).**
10.49	2023 Form of Notice of Grant of Performance Share Unit Award and Award Agreement under the 2022 Long-Term Incentive Plan between Devon Energy Corporation and certain officers for performance based restricted share units awarded (incorporated by reference to Exhibit 10.3 to Registrant's Form 10-Q filed May 9, 2023; File No. 001-32318).**
10.50	2024 Form of Notice of Grant of Performance Share Unit Award and Award Agreement under the 2022 Long-Term Incentive Plan between Devon Energy Corporation and certain officers for performance based restricted share units awarded (incorporated by reference to Exhibit 10.3 to Registrant's Form 10-Q filed May 2, 2024; File No. 001-32318).**
10.51	2024 Form of Notice of Grant of Restricted Stock Award and Award Agreement under the 2022 Long-Term Incentive Plan between the Company and non-management directors for restricted stock awarded (incorporated by reference to Exhibit 10.2 of Registrant's Form 10-Q filed August 7, 2024; File No. 001-32318).**
10.52	2024 Form of Notice of Grant of Restricted Stock Unit Award and Award Agreement under the 2022 Long-Term Incentive Plan between the Company and non-management directors for restricted stock units awarded (incorporated by reference to Exhibit 10.3 to Registrant's Form 10-Q filed August 7, 2024; File No. 001-32318).**
10.53	Form of Restricted Stock Unit Award Agreement between WPX Energy, Inc. and non-employee directors (incorporated herein by reference to Exhibit 10.1 to WPX Energy, Inc.'s Form 8-K filed September 3, 2014; File No. 001-35322).**

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10.54	Form of Amended and Restated Restricted Stock Unit Award Agreement between WPX Energy, Inc. and non-employee directors (incorporated herein by reference to Exhibit 10.38 to WPX Energy, Inc.'s Form 10-Q filed August 6, 2019; File No. 001-35322).**
19	Insider Trading Policy.
21	List of Subsidiaries.
23.1	Consent of KPMG LLP.
23.2	Consent of DeGolyer and MacNaughton.
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.
97	Devon Energy Corporation Clawback Policy, adopted on November 29, 2023 (incorporated by reference to Exhibit 97 to Registrant's Form 10-K filed February 28, 2024; File No. 001-32318).
99	Report of DeGolyer and MacNaughton.
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).

* Portions of this exhibit have been omitted in accordance with Item 601(b)(2)(ii) of Regulation S-K.

** Indicates management contract or compensatory plan or arrangement.

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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

By: /s/ JEFFREY L. RITENOUR
Jeffrey L. Ritenour
*Executive Vice President and
Chief Financial Officer*

February 19, 2025

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<u>/s/ RICHARD E. MUNCRIEF</u> Richard E. Muncrief	President, Chief Executive Officer and Director (Principal executive officer)	February 19, 2025
<u>/s/ JEFFREY L. RITENOUR</u> Jeffrey L. Ritenour	Executive Vice President and Chief Financial Officer (Principal financial officer)	February 19, 2025
<u>/s/ JOHN B. SHERRER</u> John B. Sherrer	Vice President, Accounting and Controller (Principal accounting officer)	February 19, 2025
<u>/s/ JOHN E. BETHANCOURT</u> John E. Bethancourt	Chair and Director	February 19, 2025
<u>/s/ BARBARA M. BAUMANN</u> Barbara M. Baumann	Director	February 19, 2025
<u>/s/ ANN G. FOX</u> Ann G. Fox	Director	February 19, 2025
<u>/s/ GENNIFER F. KELLY</u> Gennifer F. Kelly	Director	February 19, 2025
<u>/s/ KELT KINDICK</u> Kelt Kindick	Director	February 19, 2025
<u>/s/ JOHN KRENICKI JR.</u> John Krenicki Jr.	Director	February 19, 2025
<u>/s/ KARL F. KURZ</u> Karl F. Kurz	Director	February 19, 2025
<u>/s/ MICHAEL N. MEARS</u> Michael N. Mears	Director	February 19, 2025
<u>/s/ ROBERT A. MOSBACHER, JR.</u> Robert A. Mosbacher, Jr.	Director	February 19, 2025
<u>/s/ VALERIE M. WILLIAMS</u> Valerie M. Williams	Director	February 19, 2025

**DESCRIPTION OF SECURITIES REGISTERED UNDER
SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**

As of February 5, 2025, we have one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended: our common stock, par value \$0.10 per share ("common stock"). The following summary of terms of our common stock is based upon our restated certificate of incorporation (the "Charter") and amended and restated bylaws (the "Bylaws") currently in effect under Delaware law. This summary is not complete and is subject to, and qualified in its entirety by reference to, the Charter and the Bylaws. For a complete description of the terms and provisions of the common stock, refer to the Charter and Bylaws, which are filed as Exhibits 3.1 and 3.2, respectively, to this Annual Report on Form 10-K. Throughout this exhibit, references to the "Company," "Devon," "we," "our," and "us" refer to Devon Energy Corporation. We encourage you to read these documents and the applicable portion of the General Corporation Law of the State of Delaware, as amended (the "DGCL"), carefully.

General

Devon's authorized capital stock consists of:

- 1.0 billion shares of common stock; and
- 4.5 million shares of preferred stock, par value \$1.00 per share ("preferred stock").

As of February 5, 2025, there were 648,554,252 shares of common stock outstanding and no shares of preferred stock outstanding.

Common Stock

Holders of common stock will be entitled to receive dividends out of legally available funds when and if declared by our board of directors. Subject to the rights of the holders of any outstanding shares of preferred stock, holders of shares of common stock will be entitled to cast one vote for each share held of record on all matters submitted to a vote of stockholders. They will not be entitled to cumulative voting rights for the election of directors. The shares of common stock have no preemptive, conversion or other rights to subscribe for or purchase any of our securities. Upon our liquidation or dissolution, the holders of shares of common stock are entitled to share ratably in any of our assets that remain after payment or provision for payment to creditors and holders of preferred stock.

Preferred Stock

The preferred stock may be issued in one or more series. Our board of directors may establish attributes of any series, including the designation and number of shares in the series, dividend rates (cumulative or noncumulative), voting rights, redemptions, conversion or preference rights, and any other rights and qualifications, preferences and limitations or restrictions on shares of a series. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control of Devon without any vote or action by the stockholders and may adversely affect the voting and other rights of the holders of shares of common stock. The specific terms of a particular series of preferred stock will be described in a certificate of designation relating to that series.

Subject to the Charter and to any limitations imposed by any then outstanding preferred stock, we may issue additional series of preferred stock, at any time or from time to time, with such powers, preferences, rights and qualifications, limitations or restrictions as our board of directors determines, and without further action of the stockholders, including holders of our then outstanding preferred stock, if any.

Certain Anti-takeover Matters

The Charter and Bylaws contain provisions that may make it more difficult for a potential acquirer to acquire us by means of a transaction that is not negotiated with our board of directors. These provisions and certain provisions of the DGCL could delay or prevent a merger or acquisition that our stockholders consider favorable. These provisions may also discourage acquisition proposals or have the effect of delaying or preventing a change in

control, which could harm our stock price. Following is a description of the anti-takeover effects of certain provisions of the Charter and Bylaws.

No cumulative voting. The DGCL provides that stockholders of a Delaware corporation are not entitled to the right to cumulate votes in the election of directors unless its certificate of incorporation provides otherwise. The Charter provides that cumulative voting is not permitted.

Calling of special meetings of stockholders. The Bylaws provide that special meetings of our stockholders may be called only by or at the direction of our board of directors, the chair of our board of directors, our president or chief executive officer or by our secretary upon an appropriately made written request of one or more record holders owning, and having held continuously for a period of at least one year prior to the date such request is delivered, an aggregate of not less than 25% of the voting power of all outstanding shares of our capital stock.

Advance notice requirements for stockholder proposals and director nominations. The Bylaws provide that stockholders seeking to nominate candidates for election as directors or to bring business before an annual meeting of stockholders or a stockholder requested special meeting of stockholders must provide timely notice of their proposal in writing to our corporate secretary.

Generally, to be timely, a stockholder's notice regarding an annual meeting of stockholders must be received at our principal executive offices not less than 90 days nor more than 120 days prior to the first anniversary of the previous year's annual meeting. The Bylaws also specify requirements as to the form and content of a stockholder's notice. These provisions may impede stockholders' ability to bring matters before an annual meeting of stockholders, a stockholder requested special meeting of stockholders or make nominations for directors.

No action by stockholder consent. The Charter provides that any action required or permitted to be taken by the stockholders of Devon must be effected at a duly called annual or special meeting of Devon's stockholders, and specifically denies to the stockholders the ability to consent in writing to the taking of any action.

Limitations on liability and indemnification of officers and directors. The DGCL authorizes corporations to limit or eliminate the personal liability of directors and officers to corporations and their stockholders for monetary damages for certain breaches of their fiduciary duties. The Charter provides that directors and officers shall not be liable to the corporation or our stockholders for monetary damages for breaches of their fiduciary duties, subject to the limitations set forth in the DGCL (including the exclusion of breaches of the duty of loyalty from the limitation of liability) as the same exists or may hereafter be amended.

The Charter and Bylaws require us to indemnify our directors, officers, employees and agents in certain circumstances and also authorize us to carry directors' and officers' insurance for the benefit of our directors, officers, employees and agents. We believe that these indemnification provisions and insurance are useful to attract and retain qualified directors and officers.

The limitation of liability and indemnification provisions in the Charter and Bylaws may discourage our stockholders from bringing lawsuits against directors for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. In addition, a stockholder's investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

Board authority to amend bylaws. Under the Charter and Bylaws, our board of directors has the authority to adopt, amend or repeal our bylaws without the approval of our stockholders. However, our stockholders also have the right, with the affirmative vote of the holders of at least a majority of the combined voting power of the then-outstanding shares of voting stock and without the approval of our board of directors, to adopt, amend or repeal our bylaws.

General Corporation Law of the State of Delaware. Devon is a Delaware corporation that is subject to Section 203 of the DGCL. Section 203 provides that, subject to certain exceptions specified therein, a Delaware

corporation shall not engage in certain "business combinations" with any "interested stockholder" for a three-year period following the time that the stockholder became an interested stockholder unless:

- prior to such time, the board of directors approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the corporation's voting stock outstanding at the time the transaction commenced, excluding certain shares; or
- at or subsequent to that time, the business combination is approved by the board of directors of the corporation and by the affirmative vote of holders of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

Generally, a "business combination" includes a merger, asset or stock sale or other transaction that results in a financial benefit to the interested stockholder. Subject to certain exceptions, an "interested stockholder" is a person who, together with that person's affiliates and associates, owns, or within the previous three years did own, 15% or more of our voting stock.

Under certain circumstances, Section 203 could make it more difficult for a person who would be an "interested stockholder" to effect a "business combination" with Devon. Section 203 of the DGCL may encourage any person interested in acquiring Devon to negotiate in advance with our board of directors because the stockholder approval requirement would be avoided if our board of directors approves either the business combination or the transaction that results in such person becoming an interested stockholder. Section 203 of the DGCL also may make it more difficult to effect transactions involving the Company that our stockholders may otherwise deem to be in their best interests.

Exclusive forum for certain lawsuits. The Bylaws designate the Court of Chancery in the state of Delaware and the federal district courts of the United States of America as the exclusive forums for certain claims involving the Company. This forum selection provision in the Bylaws may limit a stockholder's ability to bring a claim against us or our directors, officers or employees in a judicial forum that it finds favorable and otherwise may discourage lawsuits with respect to such claims.

Listing

Our common stock is listed and traded on the New York Stock Exchange under the symbol "DVN."

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare Trust Company, N.A. Its address is c/o Computershare Investor Services, 150 Royall St., Suite 101, Canton, MA 02021 or P.O. Box 43006, Providence, RI 02940-3006 and its telephone number is (877) 860-5820.

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Amended and Restated Employment Agreement (this "Agreement") is effective _____ (the "Effective Date") by and between Devon Energy Corporation (the "Company") and _____ (the "Executive"). This Agreement supersedes and replaces in its entirety that certain Employment Agreement dated _____ between the Company and the Executive.

WHEREAS, the parties desire to enter into this Agreement relating to the Company's employment of the Executive.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Term of Agreement; Defined Terms.

(a) Term of Agreement. This Agreement shall not have any specific duration and shall continue in full force and effect unless and until (i) the Executive's employment is terminated by either party in accordance with Section 3, and (ii) all obligations and liabilities of the parties arising in connection with such termination or otherwise accruing under this Agreement have been fully satisfied. Notwithstanding any contrary provision in this Agreement, nothing in this Agreement constitutes a guarantee of continued employment but instead provides for certain rights and benefits during the Executive's employment with the Company and if such employment terminates.

(b) Defined Terms. Capitalized terms used throughout this Agreement have the meaning ascribed to such terms in Exhibit "A" attached hereto.

2. Terms, Conditions, and Benefits of Employment.

(a) Position and Duties. The Executive shall serve as Executive Vice President – Exploration and Production of the Company or in such other substantially equivalent position(s) requested by the Board with the appropriate authority, duties, and responsibilities attendant to such position(s). The Executive shall devote his full working time, best efforts, abilities, knowledge, and experience to the Company's business and affairs as necessary to faithfully perform his duties, responsibilities, and authorities under this Agreement. The Executive may, without violating this Agreement, (i) serve on corporate, civic, charitable, or industry boards or committees, (ii) deliver lectures, fulfill speaking engagements, or teach at educational institutions, or (iii) manage personal investments, so long as such activities do not significantly interfere with the Executive's obligations under this Agreement; provided, however, that the Executive shall not serve on the board of any business, hold any other position with any business, or otherwise engage in any business activity, without the prior written consent of his Supervisor. If the Executive conducted any such activities as of the Effective Date, then the continuation of such activities (or similar activities for the same organization) after the Effective Date shall be permitted.

(b) Annual Base Salary. The Executive shall receive an Annual Base Salary, which may be increased from time to time in the Company's discretion but shall not be reduced unless the Company reduces the salaries of similarly situated executives, in which case the Annual Base Salary may be reduced by the same percentage and shall be restored to its prior level when, and to the same extent as, the Company restores the salaries of such similarly situated executives. Any increase in Annual Base Salary shall not limit or reduce any other obligation owed to the Executive under this Agreement.

(c)Annual Bonus. The Executive shall be eligible to participate in a program in which he may receive an Annual Bonus. If the Compensation Committee establishes a target for the Annual Bonus as a percentage of the Annual Base Salary, then such target shall not be less than the targets for similarly situated executives of the Company. Unless otherwise payable under Sections 4(b)(i) (B) or 4(c), the Executive must be actively employed for the entire year upon which the Annual Bonus is based to be eligible to receive such Annual Bonus.

(d)Incentive Awards. In the Compensation Committee's discretion, the Company may provide the Executive with annual equity grants, or cash awards in lieu of such grants, which shall be comparable to the grants or awards made to similarly situated executives of the Company.

(e)Disability. The Company shall provide the same disability insurance coverage benefits to the Executive as provided to similarly situated executives of the Company. If, during his employment with the Company, the Executive receives Short-Term Disability Payments, then the Company shall pay the Executive the difference between the Short-Term Disability Payments and the portion of his then-current Annual Base Salary the Company would have paid him while receiving Short-Term Disability Payments. If the Executive is Disabled during his employment with the Company and otherwise entitled to receive salary and bonus payments under this Agreement, then any such salary and bonus payments (or such payments in lieu of salary and bonus payments) shall be reduced by the amount of any Short-Term Disability Payments received by the Executive for the period of short-term disability and any benefits paid for the same period under the Company-provided disability insurance coverage.

(f) Expenses. The Company shall reimburse the Executive for all reasonable business-related expenses incurred and accounted for in accordance with its standard policies and procedures for expense reimbursements and deductibles under Section 162 of the Code.

(g)Other Employee Benefits. During the term of this Agreement, the Executive shall be entitled to participate in all employee benefit, welfare, and other plans, practices, policies, and programs applicable to similarly situated executives of the Company, subject to the terms of such plans, practices, policies, and programs as they may be amended from time to time. During any CIC Period, the Company shall continue to provide the Executive (and the Executive's dependents, if applicable) with the same level of health (including dental), disability, and life (including accidental death/dismemberment) insurance benefits as were provided to the Executive (and the Executive's dependents, if applicable) immediately before the Change in Control upon terms and conditions that are not materially less favorable to the Executive than as in effect immediately before the Change in Control with respect to each of such health, disability, and life insurance coverages. Beginning on a Change in Control and continuing at all times thereafter, the Company shall not modify the requirements for eligibility for coverage or the benefits under the Retiree Medical Benefit Plan to adversely affect the Executive's right to coverage or benefits for the Executive and the Executive's dependents, if applicable.

(h)Fringe Benefits. To the extent not otherwise covered under this Agreement, the Company shall provide the Executive with fringe benefits and perquisites to the same extent and on the same terms as those benefits are provided by the Company from time to time to similarly situated executives of the Company.

3.Termination of Employment; Suspensions; Change in Control.

(a)Termination Upon Death. The Executive's employment with the Company shall terminate immediately upon the Executive's death.

(b) Reassignment of Duties and Termination Due to the Executive Becoming Disabled.

(i) Reassignment. Whether or not the Executive is Disabled, the Company may reassign his duties during any time he has become physically or mentally incapable of performing his essential job functions with or without reasonable accommodation or job protection as required by law and no such reassignment shall be deemed Good Reason for the Executive to terminate his employment under Section 3(d).

(ii) Termination. If the Executive becomes Disabled, then the Company may give the Executive written notice of its intent to terminate his employment, in which case such employment shall terminate effective on the thirtieth (30th) day after receipt of such notice as long as the Executive has not been medically released and returned to full-time duty before such thirtieth (30th) day.

(c) Termination by the Company; Cause. The Company may terminate the Executive's employment with the Company at any time whether with or without Cause. If the Company terminates the Executive's employment for Cause, then such termination shall not be effective unless and until the Board (i) provides reasonable notice and an opportunity to the Executive and his counsel (if applicable) to be heard at a meeting called to discuss the Executive's employment and (ii) subsequently provides the Executive with a copy of a resolution duly adopted by at least a two-thirds (2/3) majority of the Board specifying that the Board has determined in good faith that Cause exists for terminating the Executive's employment.

(d) Termination by the Executive; Good Reason. The Executive may terminate his employment with the Company at any time whether with or without Good Reason. If the Executive believes Good Reason exists for terminating his employment, then he shall give the Company written notice of the acts or omissions constituting Good Reason within thirty (30) days after learning of such acts or omissions constituting Good Reason (the "Good Reason Notice"). No termination of employment for Good Reason shall be effective unless (i) within thirty (30) days after receiving the Good Reason Notice, the Company fails to either cure such acts or omissions or notify the Executive of the intended method of cure, and (ii) the Executive delivers a Notice of Termination to the Company and subsequently resigns within thirty (30) days after the Company's deadline in Section 3(d)(i) expires. Notwithstanding the previous sentence and at the Company's request, the Executive shall provide services consistent with his then-current authority, duties, and responsibilities for up to ninety (90) days after having provided the Good Reason Notice to the Company.

(e) Paid Suspensions. Notwithstanding any contrary provision in this Agreement, the Company may suspend the Executive with pay for up to thirty (30) days pending an investigation authorized by the Company or the Board, or pursued by, or at the request of, a governmental authority, to determine whether the Executive has engaged in acts or omissions constituting Cause. Any such paid suspension shall not constitute Good Reason for the Executive to terminate his employment under Section 3(d). The Executive shall cooperate with the Company in connection with any such investigation. If the Executive's employment is subsequently terminated for Cause in connection with such investigation, then the Executive shall repay any amounts paid by the Company to the Executive during such paid suspension.

(f) Effect of a Change in Control on Timing of Termination Date. If the Company terminates the Executive's employment other than for Cause or the Executive becoming Disabled and a Change in Control occurs following the Termination Date, then such Change in Control shall be deemed to have occurred immediately prior to the Termination Date if either (i) the Termination Date occurs following the

execution of an agreement that provides for a transaction or transactions that, if consummated, constitutes such Change in Control, or (ii) the Executive reasonably demonstrates that such termination was either (A) requested by a third party who had indicated an intention or taken steps reasonably calculated to effect the Change in Control or who effectuates such Change in Control, or (B) was otherwise in connection with, or in anticipation of, such Change in Control.

(g) Notice of Termination. Any termination of the Executive's employment by the Company or by the Executive shall be effective only when communicated by a Notice of Termination given to the other party in accordance with Section 15(d). In the event of a termination by the Executive for Good Reason, a Notice of Termination shall be effective only if given within the time limit established by Section 3(d).

(h) Effect of Termination and Duties Upon Termination. If, on the Termination Date, the Executive is a member of the board of directors (or any similar governing body) or an officer of the Company or any Affiliate, or holds any other position with the Company or an Affiliate, then the Executive shall resign and be deemed to have resigned from all such positions as of the Termination Date. Between the date a Notice of Termination is delivered and the Termination Date, the Executive shall continue to perform his duties under this Agreement and such services for the Company as are necessary and appropriate for a smooth transition to the Executive's replacement, if any. Notwithstanding the foregoing sentence, the Company may relieve the Executive from further duties under this Agreement after receiving a Notice of Termination; provided, however, that prior to the Termination Date, the Executive shall continue to be treated as a Company employee for other purposes and the Executive's rights to compensation or benefits shall not be reduced by reason of the relief. Upon the Termination Date, the Executive shall return to the Company any keys, credit cards, passes, confidential documents or material, or other property belonging to the Company, and all writings, files, records, correspondence, notebooks, notes, and other documents and things (including any copies thereof) containing any Confidential Information.

4.Obligations of the Company Upon Termination.

(a) Accrued Obligations. Upon any termination of the Executive's employment for any reason, the Company shall pay the Executive (i) his accrued Annual Base Salary and accrued, unused vacation through the Termination Date in a lump sum in cash within thirty (30) days after the Termination Date, and (ii) if the Executive is actively employed during the entire year upon which such Annual Bonus is based under Section 2(c) before the Termination Date, the Annual Bonus at the same time as such bonuses are paid to similarly situated executives of the Company but in no event later than two and one-half (2 ½) months after the end of the taxable year in which any substantial risk of forfeiture with respect to such bonus lapses (the payments in (i) and (ii) shall be referred to as the "Accrued Obligations").

(b) Good Reason; Other Than for Cause, Death, or Becoming Disabled. If (x) the Company terminates the Executive's employment other than for Cause, the Executive's death, or the Executive becoming Disabled, or (y) the Executive terminates his employment for Good Reason, then the Company shall, in addition to the payment of the Accrued Obligations, have the following obligations to the Executive:

(i) the Company shall pay the Executive within thirty (30) days after the Termination Date

(A) a lump sum in cash equal to three (3) times the sum of:

(1)the greater of (x) the Executive's then-current Annual Base Salary, or (y) the Executive's Annual Base Salary at any time during the two (2) years before the Termination Date; and

(2) the highest Annual Bonus received by the Executive within three (3) years before the Termination Date (or, if termination occurs during the CIC Period, the greater of (x) the highest Annual Bonus received by the Executive within three (3) years before the Termination Date, and (y) the highest Annual Bonus received by the Executive within three (3) years before the Change in Control); provided, however, if the Executive's employment began in the same calendar year as the termination of such employment, then the Annual Bonus amount used for calculating the lump sum payment due shall be determined by the Compensation Committee in its discretion; and

(B)any applicable Prorated Annual Bonus; and

(ii)the Company shall provide the Executive

(A)for the period allowed under Section 4980B of the Code, with the same level of health and dental insurance benefits for the Executive (and his dependents, if applicable) upon substantially similar terms and conditions (including contributions required by the Executive for such benefits) as existed immediately before the Termination Date (or, if more favorable to the Executive, as such benefits and terms and conditions existed immediately before the Change in Control, if applicable); provided, however, if the Executive is not eligible to continue participating in the Company plans providing such benefits (including the Retiree Medical Benefit Plan), then the Company shall otherwise provide such benefits on the same after-tax basis as if continued participation had been permitted. The Company's obligations under this subparagraph (A) shall apply against its coverage obligations under COBRA. Notwithstanding the foregoing, if the Executive becomes eligible to receive health and dental insurance benefits through subsequent employment, then the Executive shall ensure that a coordination of benefits occurs so that the medical and dental plan of the Executive's new employer shall be responsible for such medical and dental benefits that are available under the new employer's plans before any medical and dental benefits are provided pursuant to this subparagraph (A). This subparagraph (A) shall not limit the ability of the Company or an Affiliate to modify the terms of the Retiree Medical Benefit Plan for all participants who are similarly situated as the Executive, subject to the restrictions imposed by the plan;

(B) for three (3) years following the Termination Date, with the same level of life insurance benefits upon substantially similar terms and conditions (including contributions required by the Executive for such benefits) as existed immediately before the Termination Date (or, if more favorable to the Executive, as such benefits and terms and conditions existed immediately before the Change in Control); provided, however, if the Executive is not eligible to continue participating in the Company plans providing such life insurance benefits, then the Company shall otherwise provide such benefits on the same after-tax death benefit basis as if continued participation had been permitted; and

(C)within thirty (30) days after the Termination Date, with a payment in an amount equal to eighteen (18) times the monthly COBRA premium that applies to the Executive (and his dependents if such dependents are then covered by the Company's medical plans on the Termination Date); and

(iii) the Company shall pay, or reimburse the Executive, for a reasonable amount of outplacement services from a mutually agreeable service provider for twelve (12) months following the Termination Date. The amount of such outplacement services shall be commensurate with the Executive's title and position with the Company and other executives similarly situated in other companies within the

Company's peer industry group. Any reimbursement of such expenses shall be made by December 31 of the Executive's taxable year following the year the expenses were incurred; and

(iv) if the Termination Date occurs during the CIC Period, then the Executive shall be deemed, for purposes of the Retiree Medical Benefit Plan, (i) to have earned three (3) years of service in addition to the Executive's actual service at the Termination Date, and (ii) to be three (3) years older than his actual age on the Termination Date; provided, however, that the additional deemed service and age shall not be construed to reduce the Executive's right to benefits under the Retiree Medical Benefit Plan that may otherwise be reduced by reason of such additional service or age. This paragraph (v) shall not limit the ability of the Company or an Affiliate to modify the Retiree Medical Benefit Plan for all participants who are similarly situated as the Executive, subject to the restrictions imposed by the plan and Section 2(g).

(c)Death or Disabled. If the Executive's employment terminates due to death or because he is Disabled, then this Agreement shall terminate without further obligations to the Executive or his legal representatives, as applicable, under this Agreement, other than the obligation to pay, within thirty (30) days after the Termination Date, (i) the Accrued Obligations, and (ii) any applicable Prorated Annual Bonus.

(d)Cause; Other than for Good Reason. If the Executive's employment is terminated for Cause or the Executive terminates his employment without Good Reason, then this Agreement shall terminate without further obligations to the Executive under this Agreement other than for payment of the Accrued Obligations.

(e) Application of Section 409A of the Code. Notwithstanding the above paragraphs of this Section 4, if the Company determines that (i) the Executive is a "specified employee" within the meaning of Section 409A of the Code ("Section 409A") as of the date of his "separation from service" as defined by Section 409A ("Separation from Service"), and (ii) any amount of any payment to be made under this Section 4 is subject to Section 409A, then such amount shall not be paid to the Executive until six (6) months after the date of his Separation from Service (or, if earlier, the date of his death). In such case, the portion of the payment so delayed shall be paid in a single lump sum in cash on the first (1st) day of the seventh (7th) month following the Executive's Separation from Service (or, if earlier, upon his death).

(f)General Release. The Company's obligation to make the payments described under Section 4(b) shall be conditioned on the Executive signing and not revoking the general form of release attached as Exhibit "B" or such other form acceptable to the Company within the time periods provided in such release. The Company shall not be required to make any payment under Section 4(b) until the period for the Executive to revoke the release has expired.

5. Non-Exclusivity of Rights. Except as specifically provided in Sections 4(b)(ii)(A) and 4(b)(iv), nothing in this Agreement shall prevent or limit the Executive's right to participate in any plan, program, policy, or practice provided by the Company or any Affiliate and for which the Executive may qualify, nor shall anything in this Agreement limit or otherwise affect such rights as the Executive may have under any other contract or agreement with the Company or any Affiliate. Amounts that are vested benefits or that the Executive is otherwise entitled to receive under any plan, policy, practice, or program of, or any contract or agreement with, the Company or any Affiliate at or after the Termination Date shall be payable in accordance with such plan, policy, practice, program, contract, or agreement, except as explicitly modified by this Agreement; provided, however, that the Executive shall not be eligible for severance

benefits under any other severance program, policy, practice, or plan of the Company or any Affiliate providing benefits upon involuntary termination of employment.

6. Full Settlement. The Company's payment and other obligations under this Agreement shall not be affected by any set-off, counterclaim, recoupment, defense, or other claim, right, or action against the Executive or others. The Executive shall have no obligation to seek employment or otherwise mitigate his damages under this Agreement and amounts payable to the Executive under this Agreement shall not be reduced whether or not the Executive obtains other employment, except as provided in Section 4(b)(ii) of this Agreement.

7. Section 4999 of the Code Excise Tax; Cap on Payments.

(a) Cap on Payments. If any payment, benefit or distribution by the Company, any Affiliate or a trust established by the Company or any Affiliate to or for the benefit of the Executive (whether pursuant to this Agreement or otherwise) (each, a "Payment" or, collectively, the "Payments") is subject to an excise tax imposed by the Code, including pursuant to Section 4999 of the Code, or the Executive incurs any interest or penalties with respect to such an excise tax (such excise tax and any such interest and penalties shall be referred to as the "Excise Tax"), the Payments under Section 4 of this Agreement (the "Agreement Payments") shall be reduced (but not below zero) to an amount that maximizes the aggregate present value (determined in accordance with Section 280G(d)(4) of the Code) of the Payments without causing any Payment to be subject to the limitation of deduction under Section 280G of the Code or the imposition of any Excise Tax, with such reduction being made (i) on a nondiscretionary basis so as to minimize the reduction in the economic value to the Executive, (ii) in a manner consistent with the requirements of Section 409A, and (iii) on a pro-rata basis where more than one Agreement Payment has the same present value for this purpose and they are payable at different times; provided, however, if the net amount retained by the Executive from all the Payments after the reductions described above in this Section 7(a) would be less than the net amount retained by the Executive from all the Payments after the Executive's payment of any Excise Tax, the Agreement Payments shall not be reduced as set forth in this Section 7(a).

(b) Determinations. All determinations to be made under this Section 7 shall be made by a nationally recognized certified public accounting firm designated by the Company immediately prior to the Change in Control (the "Accounting Firm"). The Accounting Firm shall provide its determinations and any supporting calculations to the Company and the Executive within ten (10) days of the termination date or Change in Control, as applicable. Any such determination by the Accounting Firm shall be binding upon the Company and the Executive. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this Section 7 shall be borne solely by the Company.

8. Confidential Information and Non-Solicitation.

(a) Confidential Information. Given his position and employment with the Company, the Executive acknowledges that he will be using, acquiring, and adding to Confidential Information of a special and unique nature and value to the Company and its strategic plan and financial operations. The Executive further acknowledges that all Confidential Information belongs exclusively to the Company, is material and proprietary, and is critical to the Company's success. Accordingly, the Executive shall use Confidential Information only to the Company's benefit and shall not at any time during or after his employment with the Company directly or indirectly disclose any Confidential Information to any person

or use any Confidential Information for the Executive's own benefit, for the benefit of others, or to the Company's detriment,.

(b)Legally Required Disclosure. If any court or agency requests the Executive to disclose Confidential Information, then the Executive shall promptly notify the Company and take reasonable steps to prevent such disclosure until the Company receives such notice and has an opportunity to respond to such court or agency. If the Executive obtains information that may be subject to the attorney-client privilege of the Company or any Affiliate, then the Executive shall take reasonable steps to maintain the confidentiality of such information and to preserve such privilege. Notwithstanding the foregoing provisions in this subsection (b), no such actions by the Executive shall be required with respect to any disclosures to the Securities and Exchange Commission that are protected under the whistleblower protections under Rule 21-F(a) of the Securities Exchange Act of 1934 and/or the rules of any other federal or state agencies relating to whistleblower protections. This Agreement provides notice to the Executive that federal law provides criminal and civil immunity to federal and state claims for trade secret misappropriation to individuals who disclose a trade secret to their attorney, a court, or a government official in certain, confidential circumstances that are set forth at 18 U.S.C. §§ 1833(b)(1) and 1833(b)(2), related to the reporting or investigation of a suspected violation of the law, or in connection with a lawsuit for retaliation for reporting a suspected violation of the law.

(c)Exceptions. Confidential Information shall not include knowledge that was acquired during the course of the Executive's employment under this Agreement that is generally known to persons of the Executive's experience in other companies in the same industry.

(d)Legal Proceedings. This Section 8 shall not unreasonably restrict the Executive's ability to disclose Confidential Information in any legal proceeding involving any claim for breach or enforcement of this Agreement. If the parties dispute whether information may be disclosed in accordance with this Section 8(d), then the matter shall be considered an Employment Matter and decided in accordance with Section 10.

(e)Other Obligations. This Agreement supplements, rather than supplants, the Executive's obligations under any Company policy relating to confidential information and any agreement of the Executive relating to confidentiality, inventions, copyrightable material, business and/or technical information, trade secrets, solicitation of employees, interference with business relationships, competition, and other similar matters that protect the business and operations of the Company or its Affiliates.

(f) Non-Solicitation. During his employment with the Company and for thirty-six (36) months following the date such employment terminates, regardless of the reason for such termination, the Executive shall not directly or indirectly hire, employ, solicit for employment, attempt to solicit for employment, or communicate with about changing employment, any person who was an employee of the Company or its Affiliate within six (6) months of such hiring, employing, soliciting, or communicating (the "Non-Solicitation Obligation"); provided, however, that the Non-Solicitation Obligation shall be modified as follows:

(i) if the Termination Date occurs during the CIC Period, then the Non-Solicitation Obligation shall expire on the Termination Date; and

(ii) if the Executive terminates his employment with the Company without Good Reason, then the Non-Solicitation Obligation shall expire twelve (12) months following the Termination Date.

(g) Remedies. The Executive acknowledges and agrees that the Company will have no adequate remedy at law and could be irreparably harmed if the Executive breaches or threatens to breach his obligations under this Section 8. The Company shall be entitled to equitable and/or injunctive relief to prevent any such breach or threatened breach and to specific performance in addition to any other available legal or equitable remedies. The Executive shall not, in any equity proceeding relating to the enforcement of this Section 8, raise the defense that the Company has an adequate remedy at law.

(h) Survival. The Executive's obligations under this Section 8 shall survive any termination of the Executive's employment or of this Agreement.

9. Assignment; Successors.

(a) Assignment. The Company's rights and obligations under this Agreement may not be assigned to any entity other than an Affiliate without the Executive's consent. The Executive's duties, responsibilities, authorities, compensation, and benefits are personal to the Executive and may not be assigned to any person or entity without written consent from the Company other than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) Assumption. The Company shall require any successor or assignee (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession or assignment had taken place.

10. Dispute Resolution and Guarantees of Payment.

(a) Mandatory Arbitration. Subject to Section 10(b), any Employment Matter shall be finally settled by arbitration in Oklahoma City, Oklahoma administered by the AAA under its Employment Arbitration Rules then in effect; provided, however, that the AAA's Employment Arbitration Rules shall be modified as follows: (i) each arbitrator shall agree to treat as confidential evidence and other information presented, and (ii) there shall be no authority to award punitive damages or liquidated or indirect damages unless such damages could be awarded by a court of competent jurisdiction. The decision of the arbitrator(s) shall be enforceable in any court of competent jurisdiction.

(b) Injunctions and Enforcement of Arbitration Awards. Either party may bring an action or special proceeding in a state or federal court of competent jurisdiction in Oklahoma City, Oklahoma to enforce any arbitration award under Section 10(a). The Company also may bring such an action or proceeding, in addition to its rights under Section 10(a) and whether or not an arbitration proceeding has been or is ever initiated, to temporarily, preliminarily, or permanently enforce Sections 8 or 11. The Executive agrees that (i) violating Sections 8 or 11 would damage the Company in ways that cannot be measured or repaired, (ii) the Company shall be entitled to an injunction, restraining order, or other equitable relief restraining any actual or threatened violation of Sections 8 or 11, (iii) the Company shall not be required to post a bond or prove actual damages when seeking such an injunction, restraining order, or other equitable relief, and (iv) remedies at law for such violations would be inadequate.

(c)Waiver of Jury Trial. To the extent permitted by law, the parties waive any and all rights to a jury trial with respect to any Employment Matter.

(d)Attorney Fees.

(i)If (A) a claim for arbitration or a lawsuit in connection with an Employment Matter (an "Employment Matter Claim") is filed by either of the parties, and (B) the Executive is ultimately successful in respect of one or more material claims or defenses brought, raised or pursued in connection with such Employment Matter Claim, then the Company shall reimburse the Executive for all legal fees and expenses reasonably incurred in connection with such Employment Matter Claim, provided that such legal fees are reasonable and are calculated on an hourly rather than a contingency fee basis, as well as all costs and expenses reasonably incurred in connection with pursuing or defending any such Employment Matter Claim. Except as provided in Section 10(d)(ii) below, the Company shall make such reimbursement to the Executive as soon as practicable following final resolution of the Employment Matter Claim, but no later than December 31 of the year immediately following the year of such resolution, provided that the Company receives appropriate documentation of such attorneys' fees, costs, and expenses, which shall be provided by the Executive no later than the later of (x) December 31 of the year in which resolution occurs, or (y) sixty (60) days following the resolution of the Employment Matter Claim.

(ii)If an Employment Matter Claim is filed by either of the parties during the CIC Period, or (B) an Employment Matter Claim has been filed prior to a Change in Control but has not been resolved as of the effective date of a Change in Control, then the Executive may submit his request for reimbursement of attorneys' fees, costs and expenses on a monthly basis during the pendency of such Employment Matter Claim. Within sixty (60) days following the Company's receipt of each such monthly request and appropriate documentation supporting such request for reimbursement of attorneys' fees, costs and expenses, the Company shall reimburse the Executive (or pay directly to the Executive's attorney) the Executive's attorneys' fees, costs and expenses that the Company is obligated, pursuant to Section 10(d)(i) above, to reimburse with respect to such Employment Matter Claim. In the event the Executive ultimately fails to be successful with respect to at least one of the Executive's material claims or defenses brought, raised or pursued in connection with such contest or dispute, the Executive shall repay the Company the amount of any such reimbursement received in connection with such dispute in accordance with this Section 10(d) (without interest) as soon as practicable following the final resolution of such matter.

(e)Secondary Liability for Payment. If any Affiliate is not otherwise obligated to provide benefits to the Executive by this Agreement, then the Company shall take, and cause each such Affiliate (the "Guarantors") to take, such actions as are necessary to cause the Guarantors to jointly and severally guarantee the payment of benefits otherwise due to the Executive under this Agreement if the Company fails to pay such benefit within thirty (30) days of the due date for such payment; provided, however, that no entity organized under the laws of any jurisdiction outside the United States shall have an obligation to enter into such guarantee. Each of the Guarantors shall be subrogated to the Executive's rights under this Agreement to the extent of any payments by each such Guarantor to or on account of the Executive under this Section 10(e).

11. Non-Disparagement. The Executive shall not make any negative or disparaging comments regarding the Company or its Representatives or its or their respective performance, operations, or business practices, or otherwise take any action that could reasonably be expected to adversely affect the Company or such Representatives or their personal or professional reputations. The Executive may truthfully respond to inquiries by government agencies or to inquiries by any person through a subpoena

or other valid judicial process without violating this Section 11, provided that the Executive delivers written notice of such required disclosure to the Company promptly before making such disclosure, unless such notice to the Company is prohibited by applicable law, court order, subpoena, process, or governmental decree.

12. Indemnification and Insurance.

(a) Indemnity. The Company shall, to the maximum extent permitted by law, defend, indemnify, and hold harmless the Executive and the Executive's heirs, estate, executors, and administrators against any costs, losses, claims, suits, proceedings, damages, or liabilities to which they may become subject to arising from, based on, or relating to the Executive's employment by the Company (and any predecessor of the Company), or the Executive's service as an officer or member of the board of directors (or any similar governing body) of the Company (or any predecessor of the Company) or any Affiliate, including without limitation reimbursement for any legal or other expenses reasonably incurred by the Executive in connection with investigation and defending against any such costs, losses, claims, suits, proceedings, damages, or liabilities.

(b) Insurance. The Company shall maintain directors and officers liability insurance in commercially reasonable amounts (as reasonably determined by the Board), and the Executive shall be covered under such insurance to the same extent as other similarly situated executives of the Company; provided, however, that the Company shall not be required to maintain such insurance coverage if the Board determines that it is unavailable at reasonable cost, provided that the Executive is given written notice of any such determination promptly after it is made.

(c) Gross-Up. If the value of any benefits or payment provided under Section 12(a) is subject to income taxes, then the Company shall make an additional payment (a "Gross-Up Payment") to the Executive, by December 31 of the year next following the Executive's taxable year in which the income taxes were incurred, in an amount equal to 75% of the federal, state, and local income taxes imposed upon such benefits or payment. All determinations to be made under this Section 12(c) (including whether and when a Gross-Up Payment is required) shall be (i) made within thirty (30) days of receipt by the Company of the Executive's request for the Gross-Up Payment, (ii) made by a nationally recognized certified public accounting firm designated by the Company, and (iii) binding upon the Company and the Executive. All of the fees and expenses of the accounting firm in performing such determinations shall be borne solely by the Company.

13. Executive to Provide Assistance with Claims. During his employment with the Company and following the termination of such employment, regardless of the reason for such termination, the Executive shall assist the Company in defending any claims that may be made against the Company, and shall assist the Company in prosecuting any claims that may be made by the Company, to the extent that such claims may relate to the Executive's services for the Company. The Executive shall promptly inform the Company if he learns of any lawsuits involving such claims that may be filed against the Company. The Company shall reimburse the Executive for all reasonable out-of-pocket expenses associated with such assistance, including travel expenses, incurred and accounted for in accordance with its standard policies and procedures for expense reimbursements and deductibles under Section 162 of the Code. For periods after the Termination Date, the Company shall provide reasonable compensation to the Executive for such assistance at a rate to be determined by the Company in its discretion. The Executive shall promptly inform the Company if asked to assist in any investigation of the Company that may relate to the Executive's services for the Company, regardless of whether a lawsuit has then been filed against the Company with

respect to such investigation. For purposes of this Section 13, the term "Company" shall include the Company and its Affiliates.

14. Entire Agreement. Except as provided in Section 8(e), this Agreement constitutes the entire agreement among the parties with respect to its subject matters and supersedes any and all prior or contemporaneous oral and written agreements and understandings with respect to such subject matters, including without limit all prior agreements relating to employment, severance, or change in control; provided, however, that this Agreement shall not adversely affect the Executive's rights under the terms of any option on stock of the Company or any other award based on the stock of the Company.

15. Miscellaneous.

(a) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Oklahoma, without reference to its conflict-of-laws principles.

(b) Captions. The captions of this Agreement are not part of this Agreement and shall have no force or effect.

(c) Amendment. This Agreement may not be amended or modified except by a written agreement executed by the parties or their respective successors and legal representatives.

(d) Notices. All notices and other communications under this Agreement shall be in writing and sent to the other party by either hand delivery, pre-paid overnight carrier, or registered or certified U.S. mail (return receipt requested) postage prepaid, addressed as follows:

If to the Executive:

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

If to the Company:

Devon Energy Corporation
C/O Executive Vice President - Human Resources
333 West Sheridan Avenue
Oklahoma City, Oklahoma 73102-5015

With a copy to:

Devon Energy Corporation
C/O Executive Vice President & General Counsel
333 West Sheridan Avenue
Oklahoma City, Oklahoma 73102-5015

or to such other address as either party shall have furnished to the other in writing. Such notice shall be deemed given (i) in the case of hand delivery, the day of delivery; (ii) in the case of overnight delivery, the next business day or the day designated for delivery; and (iii) in the case of certified or registered U.S.

mail, five (5) days after deposit in the U.S. mail; provided, however, that in no event shall any such notices be deemed to be given later than the date they are actually received.

(e)Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and this Agreement shall be construed as if such invalid or unenforceable provisions were omitted (but only to the extent such provision cannot be appropriately reformed or modified). If any such provision may be made enforceable by limitation, then such provision shall be deemed to be so limited and shall be enforceable to the maximum extent permitted by applicable law.

(f)Withholdings. The Company may withhold from any amounts payable under this Agreement all amounts authorized by the Executive or required to be withheld under any applicable federal, state, local, or foreign law or regulation.

(g)Waiver. The waiver by either party of a breach of any term or provision of this Agreement shall not operate or be construed as a waiver of a subsequent breach of the same term or provision by either party or of the breach of any other term or provision of this Agreement.

(h)Representations and Warranties. The Executive represents and warrants that (i) he is not, and shall not become, a party to any agreement, contract, arrangement, or understanding, whether of employment or otherwise, that would in any way restrict or prohibit him from undertaking or performing the duties required by this Agreement or that would in any way restrict or prohibit his ability to be employed by the Company in accordance with this Agreement; (ii) his employment by the Company does not and shall not violate the terms of any policy of, or any agreement with, any prior employer regarding confidentiality or competition; and (iii) his position with the Company shall not require him to improperly use any trade secrets or confidential information of any prior employer or any other person or entity for whom he has performed services.

(i)Section 409A Compliance. This Agreement is intended to comply with Section 409A and its corresponding regulations, or an exemption therefrom, and payments may only be made under this Agreement upon an event and in a manner permitted by Section 409A, to the extent applicable. All payments to be made upon a termination of employment under this Agreement may only be made upon a Separation from Service under Section 409A. For purposes of Section 409A, the right to a series of payments under this Agreement shall be treated as a right to a series of separate payments. In no event may the Executive, directly or indirectly, designate the calendar year of a payment, including as a result of the timing of the Executive's execution of the Release. Notwithstanding anything to the contrary herein, if a payment that is subject to execution of the Release could be made in more than one taxable year, payment shall be made in the later taxable year.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Company and the Executive have executed this Amended and Restated Employment Agreement as of the Effective Date.

Devon Energy Corporation

By:
Its:

Exhibit A

Definitions

Definitions. The following terms, when used throughout this Agreement, shall have the following meanings:

1. "AAA" means the American Arbitration Association.
2. "Accounting Firm" has the meaning ascribed to such term in Section 7(b).
3. "Act" means the Securities Exchange Act of 1934, as amended from time to time.
4. "Accrued Obligations" has the meaning ascribed to such term in Section 4(a).
5. "Affiliate" means, with respect to the Company, any person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the Company; provided, however, that a natural person shall not be considered an Affiliate.
6. "Agreement" has the meaning set forth in the preamble.
7. "Agreement Payments" has the meaning ascribed to such term in Section 7(a).
8. "Annual Base Salary" means the annual base salary of the Executive as in effect from time to time.
9. "Annual Bonus" means, with respect to any given year, the annual bonus payable to the Executive with respect to that year, as determined by the Compensation Committee in its discretion.
10. "Board" means, at any given time, the Company's Board of Directors at that time.
11. "Cause" means any of the following:
 - (a) the willful failure by the Executive to substantially perform the Executive's duties for the Company or an Affiliate (other than due to physical or mental incapacity) within thirty (30) days after receiving a written demand for substantial performance from the Supervisor, the CEO, or the Board;
 - (b) the willful engaging by the Executive in illegal or dishonest conduct or gross misconduct that is materially and demonstrably injurious to the Company or an Affiliate; or
 - (c) the conviction of the Executive of a felony or any crime of moral turpitude, a guilty or nolo contendere plea by the Executive with respect to a felony or any crime of moral turpitude, or the deferred adjudication or unadjudicated probation of the Executive with respect to a felony or any crime of moral turpitude;provided, however, that (x) an act or omission by the Executive shall be considered "willful" only if it was not in good faith and was without reasonable belief that it was in the Company's best interests, and (y) any act or omission by the Executive based upon authority granted by resolution duly adopted by the Board, the instructions of the Supervisor, or the advice of counsel for the Company shall be conclusively presumed to be in good faith and in the Company's best interests.

12. "CEO" means, at any given time, the Chief Executive Officer of the Company at that time.

13. "Change in Control" 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 defined in Rule 13d-3 under the Act), directly or indirectly, of Company securities representing 30% or more of either (x) the 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 election of directors (each, "Company Securities"); provided, however, that the event described in this paragraph (b) shall not be deemed to be a Change in Control 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) 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"), or the sale or other disposition of all or substantially all of the Company's assets to an entity that is not an Affiliate (a "Sale"), unless:

(i) the holders of the Company's shares of common stock either receive in such Reorganization or Sale, or hold immediately following the consummation of the Reorganization or Sale, more than 50% of each of the outstanding common stock and 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 connection with a Sale (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

(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 approve a plan of complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, a Change in Control 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 shall then occur. In addition, if a Change in Control occurs pursuant to paragraph 12(b) above, then no additional Change in Control shall be deemed to occur pursuant to paragraph 12(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).

14. "CIC Period" means the two-year period following a Change in Control.

15. "COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1986, as amended from time to time.

16. "Code" means Internal Revenue Code of 1986, as amended from time to time.

17. "Company" means the Devon Energy Corporation, as set forth in the preamble to this Agreement, and any successor to or assignee of its business and/or assets that assumes and agrees to perform this Agreement by operation of law or otherwise.

18. "Compensation Committee" means, at any given time, the Compensation Committee of the Board at that time.

19. "Confidential Information" means non-public information (including, without limitation, information regarding litigation and pending litigation) concerning the Company and its Affiliates that was acquired by or disclosed to the Executive during his employment with the Company and following the Termination Date.

20. "Disabled" means, with respect to the Executive, that (a) he has received disability payments under the Company's long-term disability plan for a period of three (3) months or more, or (b) based upon the written report (prepared after a complete physical examination of the Executive) of a mutually agreeable qualified physician designated by the Company and the Executive or his representative, the Compensation Committee determines, in accordance with Section 409A of the Code, that the Executive has become physically or mentally incapable of performing his essential job functions with or without reasonable accommodation or job protection as required by law for a continuous period expected to last for a continuous period of not less than twelve (12) months.

21. "Effective Date" has the meaning set forth in the preamble to this Agreement.

22. "Employment Matter" means any dispute, controversy, or claim between the parties arising out of, relating to, or concerning this Agreement, the Executive's employment with the Company, or the termination of that employment.
23. "Employment Matter Claim" has the meaning ascribed to such term in Section 10(d)(i).
24. "Excise Tax" has the meaning ascribed to such term in Section 7(a).
25. "Executive" has the meaning set forth in the preamble to this Agreement.
26. "Good Reason" means any of the following events, unless the Executive has consented in writing to such events:
- (a) the assignment of any duties materially inconsistent with the Executive's position (including status, offices, titles, and reporting requirements), authority, duties, or responsibilities under this Agreement, other than an isolated, insubstantial, or inadvertent action not taken in bad faith and which the Company remedies promptly after receipt of notice from the Executive;
 - (b) any material failure by the Company to comply with any provision of this Agreement, other than an isolated, insubstantial, or inadvertent failure not occurring in bad faith and which the Company remedies promptly after receipt of notice from the Executive;
 - (c) any failure by the Company to comply with and satisfy Section 9(c); or
 - (d) any relocation of the Executive's principal office to a location more than fifty (50) miles from the Executive's principal office prior to such relocation.
27. "Good Reason Notice" has the meaning ascribed to such term in Section 3(d).
28. "Gross-Up Payment" has the meaning ascribed to such term in Section 12(c).
29. "Guarantors" has the meaning ascribed to such term in Section 10(e).
30. "Incumbent Directors" means the members of the Board on the Effective Date; provided, however, that (x) 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 (y) no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest (as described in Rule 14a-11 under the Act) or other actual or threatened solicitation of proxies or consents by or on behalf of any person (as such term is used in Sections 13(d)(3) and 14(d)(2) of the Act) other than the Board, including by reason of any agreement intended to avoid or settle any such election contest or solicitation of proxies or consents, shall be deemed an Incumbent Director.
31. "Non-Solicitation Obligation" has the meaning ascribed to such term in Section 8(f).
32. "Notice of Termination" means a written notice that (i) indicates the specific termination provision of Section 3 that is being relied upon, (ii) to the extent applicable, reasonably describes the facts

and circumstances claimed to provide a basis for termination under the provision so indicated, and (iii) specifies the Termination Date; provided, however, that the failure to describe in the Notice of Termination any fact or circumstance constituting Good Reason or Cause shall not waive any right of either party under this Agreement or preclude either party from asserting such fact or circumstance in enforcing rights under this Agreement.

33. "Payment" has the meaning ascribed to such term in Section 7(a).

34. A "person" shall have the meaning ascribed by Section 3(a)(9) of the Act and shall also mean a natural person, company, government (and any political subdivision, agency, or instrumentality of a government), corporation, partnership, limited liability company, trust, unincorporated organization, or other entity. When two or more persons act as a partnership, limited partnership, syndicate, or other group for the purposes of acquiring, holding, or disposing Company Securities, such partnership, limited partnership, syndicate, or other group shall be deemed a "person" for purposes of this Agreement.

35. "Prorated Annual Bonus" means a prorated amount of an Annual Bonus payable under Sections 4(b)(i)(B) or 4(c). If the Executive's employment began in a calendar year before the calendar year in which the Termination Date occurs, the Prorated Annual Bonus shall be calculated based on the prior year's Annual Bonus (if any) times the number of days worked in the year in which the Termination Date occurs divided by three hundred sixty five (365). If the Executive's employment began in the calendar year in which the Termination Date occurs, then the Prorated Annual Bonus shall be determined by the Compensation Committee in its discretion.

36. "Representatives" means, with respect to the Company, its Affiliates and any of their respective past or present officers, directors, stockholders, partners, members, managers, agents, and employees.

37. "Retiree Medical Benefit Plan" means any retiree medical benefit plan applicable to the Executive or that would be applicable to the Executive if his employment then terminated and he satisfied the applicable age and service requirements.

38. "Section 409A" has the meaning ascribed to such term in Section 4(e).

39. "Separation from Service" has the meaning ascribed to such term in Section 4(e).

40. "Short-Term Disability Payments" means disability payments under the Company's short-term disability policy or plan that are less than 100% of the then-current Annual Base Salary.

41. "Supervisor" means, with respect to the Executive, the person to whom the Executive reports, as determined by the CEO or the CEO's designee from time to time.

42. "Termination Date" means the Executive's last day of employment by the Company or an Affiliate (including any successor to the Company or such Affiliate as determined in accordance with Section 9).

EXHIBIT B

GENERAL RELEASE

NOTICE

Devon Energy Corporation (the "Company") is an equal opportunity employer. Various laws prohibit employment discrimination based on sex, race, color, national origin, religion, age, disability, eligibility for covered employee benefits, veteran status, and other legally protected characteristics. You may also have rights under other federal, state, and/or municipal statutes, orders, or regulations pertaining to labor, employment, and/or employee benefits. These laws are enforced through the United States Department of Labor ("DOL"), the Equal Employment Opportunity Commission ("EEOC"), and various other federal, state, and municipal labor departments, fair employment boards, human rights commissions, similar agencies, and courts.

This General Release is being provided to you in connection with the Amended and Restated Employment Agreement previously entered between you and the Company (the "Employment Agreement"). You have at least forty-five (45) days from the date you receive this General Release, if you want it, to consider whether you wish to sign this General Release and receive the payments and benefits (the "Severance Benefits") available under the Employment Agreement for doing so. You have at least until the close of business forty-five (45) days from the date you receive this General Release to make your decision. You may not, however, sign this General Release until, at the earliest, your last effective date of employment.

BEFORE SIGNING THIS GENERAL RELEASE YOU SHOULD REVIEW IT CAREFULLY. YOU ALSO HAVE THE RIGHT TO CONSULT WITH AN ATTORNEY OF YOUR CHOICE. THE COMPANY HEREBY ADVISES YOU TO CONSULT WITH AN ATTORNEY.

You may revoke this General Release within seven (7) days after you sign it and it shall not become effective or enforceable until that revocation period has expired. If you do not timely sign and return this General Release, or if you exercise your right to revoke the General Release after signing it, then you will not be eligible to receive the Severance Benefits. Any revocation must be in writing and must be received by the Company within the seven-day period following your execution of this General Release.

GENERAL RELEASE

In consideration of the Severance Benefits offered to me by the Company under the Employment Agreement, I hereby (i) release and discharge the Company and its predecessors, successors, affiliates, parent, subsidiaries, and partners and each of those entities' current and former employees, officers, directors, and agents (together, the "Released Parties") from all claims, liabilities, demands, and causes of action, known or unknown, fixed or contingent, that I may have or claim to have against them, including without limit any claims that result from or arise out of my past employment with the Company, the severance of that relationship and/or otherwise, or any contract or agreement with or relating to the Released Parties, and (ii) waive any and all rights I may have with respect to and promise not to file a lawsuit to assert any such claims.

This General Release includes, but is not limited to, claims arising under the Age Discrimination in Employment Act ("ADEA") and any other federal, state, and/or municipal statutes, orders, or regulations

pertaining to labor, employment, and/or employee benefits. This General Release also applies without limitation to any claims or rights I may have growing out of any legal or equitable restrictions on the rights of the Released Parties not to continue an employment relationship with their employees, including any express or implied employment or other contracts, and to any claims I may have against the Released Parties for fraudulent inducement or misrepresentation, defamation, wrongful termination, or other torts or retaliation claims in connection with workers' compensation, any legally protected activity, or alleged whistleblower status (to the fullest extent those claims may be released under applicable law), or on any other basis whatsoever.

It is specifically agreed, however, that this General Release does not have any effect on any rights or claims I may have against the Company that arise after the date I execute this General Release, or on any vested rights I may have under any of the Company's qualified benefit plans or arrangements as of or after my last day of employment with the Company, or on any of the Company's obligations under the Employment Agreement.

REPORTS TO GOVERNMENT ENTITIES

I understand that nothing in the Employment Agreement, including the limit on Disclosures or General Release clauses, restricts or prohibits me from initiating communications directly with, responding to any inquiries from, providing testimony before, providing confidential information to, reporting possible violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including the U.S. Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General (collectively, the "Regulators"), or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation. However, to the maximum extent permitted by law, I am waiving my right to receive any individual monetary relief from the Company or any others covered by the General Release clause resulting from such claims or conduct, regardless of whether I or another party has filed them, and in the event I obtain such monetary relief the Company will be entitled to an offset for the payments made pursuant to the Employment Agreement and this General Release. Notwithstanding the foregoing, I shall be permitted to receive such monetary relief to the extent such receipt is protected under the whistleblower protections of Rule 21-F(a) of the Securities Exchange Act of 1934 and/or the rules of any other federal or state agencies relating to whistleblower protections. The Employment Agreement and this General Release do not limit my right to receive an award from any Regulator that provides awards for providing information relating to a potential violation of law. I understand that I do not need the prior authorization of the Company to engage in conduct protected by this paragraph, and that I do not need to notify the Company that I have engaged in such conduct.

I agree that this General Release represents notice that federal law provides criminal and civil immunity to federal and state claims for trade secret misappropriation to individuals who disclose a trade secret to their attorney, a court, or a government official in certain, confidential circumstances that are set forth at 18 U.S.C. §§ 1833(b)(1) and 1833(b)(2), related to the reporting or investigation of a suspected violation of the law, or in connection with a lawsuit for retaliation for reporting a suspected violation of the law.

MISCELLANEOUS

By signing this General Release, I shall, and hereby do, resign from any corporate, board, and other offices and positions I may hold with the Company and its affiliates as of the date my employment with the Company terminated.

I agree that (i) none of the Released Parties shall have any obligation to employ or to hire or rehire me, to consider me for hire, or to deal with me in any respect with regard to potential future employment; (ii) I shall not ever apply for or otherwise seek employment with any of the Released Parties at any time in the future; and (iii) my forbearance to seek future employment as just stated shall be construed as being purely contractual and in no way involuntary, discriminatory, or retaliatory.

I agree not to disclose or cause to be disclosed the terms of the Employment Agreement or this General Release to any person (other than my spouse or domestic/civil union partner, attorney and tax advisor), except pursuant to a lawful subpoena, as set forth in the Reports to Government Entities section above or as otherwise permitted by law. I understand that this provision is not intended to restrict my legal right to discuss the terms and conditions of my employment.

I agree that nothing in this General Release is an admission of any wrongdoing, liability or unlawful activity by me or by the Company.

I have carefully reviewed and fully understand all the provisions of the Employment Agreement and General Release, including the foregoing Notice. I have not relied on any representation or statement, oral or written, relating to the Employment Agreement or this General Release by the Released Parties that are not set forth in those documents.

The Employment Agreement and this General Release, including the foregoing Notice, set forth the entire agreement between me and the Company with respect to payments and benefits payable to me due to the termination of my employment with the Company, and supersede all prior agreements and understandings, written and oral, between the parties with respect to such subject matters. I understand that my receipt and retention of the Severance Benefits are contingent not only on my execution and non-revocation of this General Release, but also on my continued compliance with my other obligations under the Employment Agreement. I acknowledge that the Company has given me at least forty-five (45) days to consider whether I wish to accept or reject the Severance Benefits I am otherwise eligible to receive under the Employment Agreement in exchange for signing and not revoking this General Release. I further acknowledge and understand that I shall have the right, within seven (7) days of signing this General Release, to revoke this General Release. I hereby represent and state that I fully understand the effects and consequences of the Employment Agreement and the General Release prior to signing those documents.

This General Release and the Company's obligation to provide the Severance Benefits under the Employment Agreement shall be interpreted and construed to comply with Section 409A of the Internal Revenue Code (the "Code"). The parties agree to cooperate and work together in good faith to take all actions reasonably necessary to effectuate the intent of this paragraph. Notwithstanding the preceding sentence, I understand and acknowledge that I shall be solely responsible for any risk that the tax treatment of all or part of the Severance Benefits may be affected by Section 409A of the Code and impose significant adverse tax consequences on me, including accelerated taxation, a 20% additional tax, and interest. Because of the potential tax consequences, I understand that I have the right, and am

encouraged by this paragraph, to consult with a tax advisor of my choice before signing this General Release.

This General Release shall be governed by the laws of the State of Oklahoma, without regard to any conflict-of-laws principles, and shall not be modified unless in a writing signed by both of the parties.

Dated this day of , 20__.

(Do Not Sign Before Termination Date) [Name]

SEVERANCE AGREEMENT

This Severance Agreement (this "Agreement") is effective [INSERT DATE], (the "Effective Date"), by and between Devon Energy Corporation (the "Company") and _____ (the "Employee").

WHEREAS, the parties desire to enter into this Agreement relating to the Company's employment of the Employee;

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES HEREINAFTER SET FORTH AND INTENDING TO BE LEGALLY BOUND HEREBY, THE COMPANY AND EMPLOYEE DO HEREBY AGREE AS FOLLOWS:

1.Term of Agreement. This Agreement shall not have any specific duration and shall continue in full force and effect unless and until (a) the Employee's employment is terminated by either party in accordance with Section 3, and (b) all obligations and liabilities of the parties arising in connection with such termination or otherwise accruing under this Agreement have been fully satisfied. Notwithstanding any contrary provision in this Agreement, nothing in this Agreement constitutes a guarantee of continued employment but instead provides for certain rights and benefits during the Employee's employment with the Company and if such employment terminates.

2.Rights and Benefits. Beginning on a Change in Control and continuing at all times thereafter, the Company shall not modify the requirements for eligibility for coverage or the benefits under the Retiree Medical Benefit Plan to adversely affect the Employee's right to coverage or benefits for the Employee and the Employee's dependents, if applicable.

3.Termination of Employment; Suspensions; Change in Control.

(a)Termination Upon Death. The Employee's employment with the Company shall terminate immediately upon the Employee's death.

(b)Reassignment of Duties and Termination Due to the Employee Becoming Disabled.

(i)Reassignment. Whether or not the Employee is Disabled, the Company may reassign his or her duties during any time he or she has become physically or mentally incapable of performing his or her essential job functions with or without reasonable accommodation or job protection as required by law and no such reassignment shall be deemed Good Reason for the Employee to terminate his or her employment under Section 3(d).

(ii)Termination. If the Employee becomes Disabled, then the Company may give the Employee written notice of its intent to terminate his or her employment, in which case such employment shall terminate effective on the thirtieth (30th) day after receipt of such notice as long as the Employee has not been medically released and returned to full-time duty before such thirtieth (30th) day.

(c)Termination by the Company; Cause. The Company may terminate the Employee's employment with the Company at any time, with or without Cause.

(d)Termination by the Employee; Good Reason. The Employee may terminate his or her employment with the Company at any time whether with or without Good Reason. If the Employee believes Good Reason exists for terminating his or her employment, then he or she shall give the Company written notice of the acts, or omissions constituting Good Reason within thirty (30) days after

learning of such acts or omissions constituting Good Reason (the "Good Reason Notice"). No termination of employment for Good Reason shall be effective unless (i) within thirty (30) days after receiving the Good Reason Notice, the Company fails to either cure such acts or omissions or notify the Employee of the intended method of cure, and (ii) the Employee delivers a Notice of Termination to the Company and subsequently resigns within thirty (30) days after the Company's deadline in Section 3(d)(i) expires. Notwithstanding the previous sentence and at the Company's request, the Employee may agree to provide services consistent with his or her then-current authority, duties, and responsibilities for up to ninety (90) days after having provided the Good Reason Notice to the Company.

(e)Paid Suspensions. Notwithstanding any contrary provision in this Agreement, the Company may suspend the Employee with pay for up to thirty (30) days pending an investigation authorized by the Company or the Board, or pursued by, or at the request of, a governmental authority to determine whether the Employee has engaged in acts or omissions constituting Cause. Any such paid suspension shall not constitute Good Reason for the Employee to terminate his or her employment under Section 3(d). The Employee shall cooperate with the Company in connection with any such investigation. If the Employee's employment is subsequently terminated for Cause in connection with such investigation, then the Employee shall repay any amounts paid by the Company to the Employee during such paid suspension.

(f)Effect of a Change in Control on Timing of Termination Date. If the Company terminates the Employee's employment other than for Cause or the Employee becomes Disabled and a Change in Control occurs following the Termination Date, then such Change in Control shall be deemed to have occurred immediately prior to the Termination Date if either (i) the Termination Date occurs following the execution of an agreement that provides for a transaction or transactions that, if consummated, constitutes such Change in Control, or (ii) the Employee reasonably demonstrates that such termination was either (A) requested by a third party who had indicated an intention or taken steps reasonably calculated to effect the Change in Control or who effectuates such Change in Control, or (B) was otherwise in connection with, or in anticipation of, such Change in Control.

(g)Notice of Termination. Any termination of the Employee's employment by the Company or by the Employee shall be effective only when communicated by a Notice of Termination given to the other party in accordance with Section 15(d). In the event of a termination by the Employee for Good Reason, a Notice of Termination shall be effective only if given within the time limit established by Section 3(d).

(h)Effect of Termination and Duties Upon Termination. If, on the Termination Date, the Employee is a member of the board of directors (or any similar governing body) or an officer of the Company or any Affiliate, or holds any other position with the Company or an Affiliate, then the Employee shall resign and be deemed to have resigned from all such positions as of the Termination Date. Between the date a Notice of Termination is delivered and the Termination Date, the Employee shall continue to perform his or her regular job duties and such services for the Company as are necessary and appropriate for a smooth transition to the Employee's replacement, if any. Notwithstanding the foregoing sentence, the Company may relieve the Employee from further duties after receiving a Notice of Termination; provided, however, that prior to the Termination Date, the Employee shall continue to be treated as a Company employee for other purposes and the Employee's rights to compensation or benefits shall not be reduced by reason of the relief. Upon the Termination Date, the Employee shall return to the Company any keys, credit cards, passes, confidential documents or material, or other property belonging to the Company, and all writings, files, records, correspondence,

notebooks, notes, and other documents and things (including any copies thereof) containing any Confidential Information.

4. Obligations of the Company Upon Termination.

(a)Accrued Obligations. Upon any termination of the Employee's employment for any reason, the Company shall pay the Employee (i) his or her accrued Annual Base Salary and accrued, unused vacation through the Termination Date in a lump sum in cash within thirty (30) days after the Termination Date, and (ii) if the Employee is actively employed during the entire year upon which such Annual Bonus is based before the Termination Date, the Annual Bonus at the same time as such bonuses are paid to similarly situated employees of the Company but in no event later than two and one-half (2 1/2) months after the end of the taxable year in which any substantial risk of forfeiture with respect to such bonus lapses (the payments in (i) and (ii) shall be referred to as the "Accrued Obligations").

(b)Good Reason; Other Than for Cause, Death, or Becoming Disabled. If (x) the Company terminates the Employee's employment other than for Cause, the Employee's death, or the Employee becoming Disabled, or (y) the Employee terminates his or her employment for Good Reason, then the Company shall, in addition to the payment of the Accrued Obligations, have the following obligations to the Employee:

(i)the Company shall pay the Employee within thirty (30) days after the Termination Date

(A)a lump sum in cash equal to two (2) times the sum of:

(1)the greater of (x) the Employee's then-current Annual Base Salary, or (y) the Employee's Annual Base Salary at any time during the two (2) years before the Termination Date; and

(2)the highest Annual Bonus received by the Employee within three (3) years before the Termination Date (or, if termination occurs during the CIC Period, the greater of (x) the highest Annual Bonus received by the Employee within three (3) years before the Termination Date, and (y) the highest Annual Bonus received by the Employee within three (3) years before the Change in Control); provided, however, if the Employee's employment began in the same calendar year as the termination of such employment, then the Annual Bonus amount used for calculating the lump sum payment due shall be determined by the Compensation Committee in its discretion; and

(B)any applicable Prorated Annual Bonus; and

(ii)the Company shall pay, or reimburse the Employee, for a reasonable amount of outplacement services from a mutually agreeable service provider for twelve (12) months following the Termination Date. The amount of such outplacement services shall be commensurate with the Employee's title and position with the Company and other employees similarly situated in other companies within the Company's peer industry group. Any reimbursement of such expenses shall be made by December 31 of the Employee's taxable year following the year the expenses were incurred; and

(c)Death or Disabled. If the Employee's employment terminates due to death or because he or she is Disabled, then this Agreement shall terminate without further obligations to the Employee or

his or her legal representatives, as applicable, under this Agreement, other than the obligation to pay, within thirty (30) days after the Termination Date, (i) the Accrued Obligations, and (ii) any applicable Prorated Annual Bonus.

(d)Cause; Other than for Good Reason. If the Employee's employment is terminated for Cause or the Employee terminates his or her employment without Good Reason, then this Agreement shall terminate without further obligations to the Employee under this Agreement other than for payment of the Accrued Obligations.

(e)Application of Section 409A of the Code. Notwithstanding the above paragraphs of this Section 4, if the Company determines that (i) the Employee is a "specified employee" within the meaning of Section 409A of the Code ("Section 409A") as of the date of his or her "separation from service" as defined by Section 409A ("Separation from Service"), and (ii) any amount of any payment to be made under this Section 4 is subject to Section 409A, then such amount shall not be paid to the Employee until six (6) months after the date of his or her Separation from Service (or, if earlier, the date of his or her death). In such case, the portion of the payment so delayed shall be paid in a single lump sum in cash on the first (1st) day of the seventh (7th) month following the Employee's Separation from Service (or, if earlier, upon his or her death).

(f)General Release. The Company's obligation to make the payments described under Section 4(b) shall be conditioned on the Employee signing and not revoking the general form of release attached as Exhibit "B" or such other form acceptable to the Company within the time periods provided in such release. The Company shall not be required to make any payment under Section 4(b) until the period for the Employee to revoke the release has expired.

5.Non-Exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Employee's right to participate in any plan, program, policy, or practice provided by the Company or any Affiliate and for which the Employee may qualify, nor shall anything in this Agreement limit or otherwise affect such rights as the Employee may have under any other contract or agreement with the Company or any Affiliate. Amounts that are vested benefits or that the Employee is otherwise entitled to receive under any plan, policy, practice, or program of, or any contract or agreement with, the Company or any Affiliate at or after the Termination Date shall be payable in accordance with such plan, policy, practice, program, contract, or agreement, except as explicitly modified by this Agreement; provided, however, that the Employee shall not be eligible for severance benefits under any other severance program, policy, practice, or plan of the Company or any Affiliate providing benefits upon involuntary termination of employment.

6.Full Settlement. The Company's payment and other obligations under this Agreement shall not be affected by any set-off, counterclaim, recoupment, defense, or other claim, right, or action against the Employee or others. The Employee shall have no obligation to seek employment or otherwise mitigate his or her damages under this Agreement and amounts payable to the Employee under this Agreement shall not be reduced whether or not the Employee obtains other employment.

7.Section 4999 of the Code Excise Tax; Cap on Payments

(a) Cap on Payments. If any payment, benefit, or distribution by the Company, any Affiliate, or a trust established by the Company or any Affiliate to or for the benefit of the Employee (whether pursuant to this Agreement or otherwise) (each, a "Payment" or, collectively, the "Payments") is subject to an excise tax imposed by the Code, including pursuant to Section 4999 of the Code, or the Employee incurs any interest or penalties with respect to such an excise tax (such excise tax and any such interest

and penalties shall be referred to as the "Excise Tax"), the Payments under Section 4 of this Agreement (the "Agreement Payments") shall be reduced (but not below zero) to an amount that maximizes the aggregate present value (determined in accordance with Section 280G(d)(4) of the Code) of the Payments without causing any Payment to be subject to the limitation of deduction under Section 280G of the Code or the imposition of any Excise Tax, with such reduction being made (i) on a nondiscretionary basis so as to minimize the reduction in the economic value to the Employee, (ii) in a manner consistent with the requirements of Section 409A, and (iii) on a pro-rata basis where more than one Agreement Payment has the same present value for this purpose and they are payable at different times; provided, however, if the net amount retained by the Employee from all the Payments after the reductions described above in this Section 7(a) would be less than the net amount retained by the Employee from all the Payments after the Employee's payment of any Excise Tax, the Agreement Payments shall not be reduced as set forth in this Section 7(a).

(b) Determinations. All determinations to be made under this Section 7 shall be made by a nationally recognized certified public accounting firm designated by the Company immediately prior to the Change in Control (the "Accounting Firm"). The Accounting Firm shall provide its determinations and any supporting calculations to the Company and the Employee within ten (10) days of the termination date or Change in Control, as applicable. Any such determination by the Accounting Firm shall be binding upon the Company and the Employee. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this Section 7 shall be borne solely by the Company.

8. Confidential Information and Non-Solicitation.

(a) Confidential Information. Given his or her position and employment with the Company, the Employee acknowledges that he or she will be using, acquiring, and adding to Confidential Information of a special and unique nature and value to the Company and its strategic plan and financial operations. The Employee further acknowledges that all Confidential Information belongs exclusively to the Company, is material and proprietary, and is critical to the Company's success. Accordingly, the Employee shall use Confidential Information only to the Company's benefit and, except as permitted by Section 8(b), shall not at any time during or after his or her employment with the Company directly or indirectly disclose any Confidential Information to any person or use any Confidential Information for the Employee's own benefit, for the benefit of others, or to the Company's detriment.

The Employee also shall not disclose or cause to be disclosed the terms of this Agreement to any person (other than the Employee's spouse or domestic/civil union partner, attorney and tax advisor), except pursuant to a lawful subpoena, as set forth in the Reports to Government Entities clause below or as otherwise permitted by law. This provision is not intended to restrict the Employee's legal right to discuss the terms and conditions of his or her employment.

(b) Legally Required Disclosures. Nothing in this Agreement, including the other subsections of Section 8, Section 11, or the attached General Release, restricts or prohibits the Employee from initiating communications directly with, responding to any inquiries from, providing testimony before, providing confidential information to, reporting possible violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including the U.S. Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation. The Employee does not need the prior

authorization of the Company to engage in conduct protected by this subsection, and the Employee does not need to notify the Company that the Employee has engaged in such conduct.

This Agreement provides notice to the Employee that federal law provides criminal and civil immunity to federal and state claims for trade secret misappropriation to individuals who disclose a trade secret to their attorney, a court, or a government official in certain, confidential circumstances that are set forth at 18 U.S.C. §§ 1833(b)(1) and 1833(b)(2), related to the reporting or investigation of a suspected violation of the law, or in connection with a lawsuit for retaliation for reporting a suspected violation of the law.

(c)Exceptions. Confidential Information shall not include knowledge that was acquired during the course of the Employee's employment under this Agreement that is generally known to persons of the Employee's experience in other companies in the same industry.

(d) Legal Proceedings. This Section 8 shall not unreasonably restrict the Employee's ability to disclose Confidential Information in any legal proceeding involving any claim for breach or enforcement of this Agreement. If the parties dispute whether information may be disclosed in accordance with this Section 8(d), then the matter shall be considered an Employment Matter and decided in accordance with Section 10.

(e)Other Obligations. This Agreement supplements, rather than supplants, the Employee's obligations under any Company policy relating to confidential information and any agreement of the Employee relating to confidentiality, inventions, copyrightable material, business and/or technical information, trade secrets, solicitation of employees, interference with business relationships, competition, and other similar matters that protect the business and operations of the Company or its Affiliates.

(f) Non-Solicitation. During his employment with the Company and for thirty-six (36) months following the date such employment terminates, regardless of the reason for such termination, to the maximum extent permissible under applicable law the Employee shall not directly or indirectly hire, employ, solicit for employment, attempt to solicit for employment, or communicate with about changing employment (the "Prohibited Actions"), (i) any person who is an employee of the Company or its Affiliate or (ii) any person who was an employee of the Company or its Affiliate unless such person ceased such employment more than six (6) months prior to such Prohibited Actions (the "Non-Solicitation Obligation"); provided, however, that the Non-Solicitation Obligation shall be modified as follows:

(i)if the Termination Date occurs during the CIC Period, then the Non-Solicitation Obligation shall expire on the Termination Date; and

(ii) if the Employee terminates his or her employment with the Company without Good Reason, then the Non-Solicitation Obligation shall expire twelve (12) months following the Termination Date.

(g)Remedies. The Employee acknowledges and agrees that the Company will have no adequate remedy at law and could be irreparably harmed if the Employee breaches or threatens to breach his or her obligations under this Section 8. The Company shall be entitled to equitable and/or injunctive relief to prevent any such breach or threatened breach and to specific performance in addition to any other available legal or equitable remedies. The Employee shall not, in any equity proceeding relating to the enforcement of this Section 8, raise the defense that the Company has an adequate remedy at law.

(h) Survival. The Employee's rights and obligations under this Section 8 shall survive any termination of the Employee's employment or of this Agreement.

9. Assignment; Successors.

(a) Assignment. The Company's rights and obligations under this Agreement may not be assigned to any entity other than an Affiliate without the Employee's consent. The Employee's duties, responsibilities, authorities, compensation, and benefits are personal to the Employee and may not be assigned to any person or entity without written consent from the Company other than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal representatives.

(b) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) Assumption. The Company shall require any successor or assignee (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

10. Dispute Resolution and Guarantees of Payment.

(a) Mandatory Arbitration. Subject to Section 10(b), any Employment Matter shall be finally settled by arbitration in Oklahoma City, Oklahoma administered by the AAA under its Employment Arbitration Rules then in effect; provided, however, that the AAA's Employment Arbitration Rules shall be modified as follows: (i) each arbitrator shall agree to treat as confidential evidence and other information presented, and (ii) there shall be no authority to award punitive damages or liquidated or indirect damages unless such damages could be awarded by a court of competent jurisdiction. The decision of the arbitrator(s) shall be enforceable in any court of competent jurisdiction. Notwithstanding the above, the parties agree that the following disputes and claims are not covered by this Section 10 and, therefore, shall be resolved in any appropriate forum as required by the laws then in effect:

- claims for workers' compensation benefits, unemployment insurance, or state or federal disability insurance;
- claims for benefits under a plan that is governed by Employee Retirement Income Security Act of 1974 ("ERISA"); and
- any other dispute or claim that has been expressly excluded from arbitration by statute.

Nothing in this Agreement should be interpreted as restricting or prohibiting the Employee from filing a charge or complaint with the U.S. Equal Employment Opportunity Commission, the National Labor Relations Board, the Department of Labor, the Occupational Safety and Health Commission, or any other federal, state, or local administrative agency charged with investigating and/or prosecuting complaints under any applicable federal, state or municipal law or regulation (except that the parties acknowledge that the Employee may not recover any monetary benefits in connection with any such claim, charge or proceeding). A federal, state, or local agency would also be entitled to investigate the charge in accordance with applicable law. However, any dispute or claim that is covered by this Section 10 but not resolved through the federal, state, or local agency proceedings must be submitted to arbitration in accordance with this Section 10.

(b)Injunctions and Enforcement of Arbitration Awards. Either party may bring an action or special proceeding in a state or federal court of competent jurisdiction in Oklahoma City, Oklahoma to enforce any arbitration award under Section 10(a). The Company also may bring such an action or proceeding, in addition to its rights under Section 10(a) and whether or not an arbitration proceeding has been or is ever initiated, to temporarily, preliminarily, or permanently enforce Sections 8 or 11. The Employee agrees that (i) violating Sections 8 or 11 would damage the Company in ways that cannot be measured or repaired, (ii) the Company shall be entitled to an injunction, restraining order, or other equitable relief restraining any actual or threatened violation of Sections 8 or 11, (iii) the Company shall not be required to post a bond or prove actual damages when seeking such an injunction, restraining order, or other equitable relief, and (iv) remedies at law for such violations would be inadequate.

(c)Waiver of Jury Trial. To the extent permitted by law, the parties waive any and all rights to a jury trial with respect to any Employment Matter.

(d)Attorney Fees.

(i)If (A) a claim for arbitration or a lawsuit in connection with an Employment Matter (an "Employment Matter Claim") is filed by either of the parties, and (B) the Employee is ultimately successful in respect of one or more material claims or defenses brought, raised or pursued in connection with such Employment Matter Claim, then the Company shall reimburse the Employee for all legal fees and expenses reasonably incurred in connection with such Employment Matter Claim, provided that such legal fees are reasonable and are calculated on an hourly rather than a contingency fee basis, as well as all costs and expenses reasonably incurred in connection with pursuing or defending any such Employment Matter Claim. Except as provided in Section 10(d)(ii) below, the Company shall make such reimbursement to the Employee as soon as practicable following final resolution of the Employment Matter Claim, but no later than December 31 of the year immediately following the year of such resolution, provided that the Company receives appropriate documentation of such attorneys' fees, costs, and expenses, which shall be provided by the Employee no later than the later of (x) December 31 of the year in which resolution occurs, or (y) sixty (60) days following the resolution of the Employment Matter Claim.

(ii)If an Employment Matter Claim is filed by either of the parties during the CIC Period, or an Employment Matter Claim has been filed prior to a Change in Control but has not been resolved as of the effective date of a Change in Control, then the Employee may submit his or her request for reimbursement of attorneys' fees, costs and expenses on a monthly basis during the pendency of such Employment Matter Claim. Within sixty (60) days following the Company's receipt of each such monthly request and appropriate documentation supporting such request for reimbursement of attorneys' fees, costs and expenses, the Company shall reimburse the Employee (or pay directly to the Employee's attorney) the Employee's attorneys' fees, costs and expenses that the Company is obligated, pursuant to Section 10(d)(i) above, to reimburse with respect to such Employment Matter Claim. In the event the Employee ultimately fails to be successful with respect to at least one of the Employee's material claims or defenses brought, raised or pursued in connection with such contest or dispute, the Employee shall repay the Company the amount of any such reimbursement received in connection with such dispute in accordance with this Section 10(d) (without interest) as soon as practicable following the final resolution of such matter.

(iii)Secondary Liability for Payment. If any Affiliate is not otherwise obligated to provide benefits to the Employee by this Agreement, then the Company shall take, and cause each such Affiliate (the "Guarantors") to take, such actions as are necessary to cause the Guarantors to jointly and

severally guarantee the payment of benefits otherwise due to the Employee under this Agreement if the Company fails to pay such benefit within thirty (30) days of the due date for such payment; provided, however, that no entity organized under the laws of any jurisdiction outside the United States shall have an obligation to enter into such guarantee. Each of the Guarantors shall be subrogated to the Employee's rights under this Agreement to the extent of any payments by each such Guarantor to or on account of the Employee under this Section 10(d).

(e)Time to File Claims. Any demand for arbitration by either the Employee or the Company shall be filed within the statute of limitation that is applicable to the claim(s) upon which arbitration is sought or required. Any failure to demand arbitration within this time frame and according to these rules shall constitute a waiver of all rights to raise any claims in any forum arising out of any dispute that was subject to arbitration.

(f)Class, Collective or Representative Action Waiver. To the maximum extent permitted by law, no claims may be brought or maintained on a class, collective or representative basis either in Court or in arbitration, notwithstanding the rules of the arbitral body. To the maximum extent permitted by law, the Parties expressly waive any right with respect to any covered claims to submit, initiate, or participate as a plaintiff, claimant or member in a class action or collective action, regardless of whether the action is filed in arbitration or in court.

Any issue concerning the validity of this class action, collective or representative action waiver, and whether an action may proceed as a class, collective or representative action must be decided by a Court and an arbitrator shall not have authority to consider the issue of the validity of this waiver or whether the action may proceed as a class, collective or representative action. If for any reason this class, collective or representative action waiver is found to be unenforceable, the class, collective or representative claim may only be heard in court and may not be arbitrated. No arbitration award or decision will have any preclusive effect as to issues or claims in any dispute with anyone who is not a named party to the arbitration.

11.Non-Disparagement. Except as provided in Section 8(b) above, the Employee shall not make any negative or disparaging comments regarding the Company or its Representatives or its or their respective performance, operations, or business practices, or otherwise take any action that could reasonably be expected to adversely affect the Company or such Representatives or their personal or professional reputations. The Employee may truthfully respond to inquiries by the Regulators, government agencies or to inquiries by any person through a subpoena or other valid judicial process without violating this Section 11, provided that the Employee delivers written notice of such required disclosure to the Company promptly before making such disclosure, unless such notice to the Company is prohibited by applicable law, court order, subpoena, process, or governmental decree or such inquiries arise pursuant to Section 8(b) above.

12.Indemnification and Insurance.

(a)Indemnity. The Company shall, to the maximum extent permitted by law, defend, indemnify, and hold harmless the Employee and the Employee's heirs, estate, executors, and administrators against any costs, losses, claims, suits, proceedings, damages, or liabilities to which they may become subject to arising from, based on, or relating to the Employee's employment by the Company (and any predecessor of the Company), or the Employee's service as an officer or member of the board of directors (or any similar governing body) of the Company (or any predecessor of the Company) or any Affiliate, including without limitation reimbursement for any legal or other expenses

reasonably incurred by the Employee in connection with investigation and defending against any such costs, losses, claims, suits, proceedings, damages, or liabilities.

(b)Insurance. The Company shall maintain directors and officers liability insurance in commercially reasonable amounts (as reasonably determined by the Board), and the Employee shall be covered under such insurance to the same extent as other similarly situated employees of the Company; provided, however, that the Company shall not be required to maintain such insurance coverage if the Board determines that it is unavailable at reasonable cost, provided that the Employee is given written notice of any such determination promptly after it is made.

(c)Indemnity Payment. If the value of any benefits or payment provided under Section 12(a) is subject to income taxes, then the Company shall make an additional payment (an "Indemnity Payment") to the Employee, by December 31 of the year next following the Employee's taxable year in which the income taxes were incurred, in an amount equal to 75% of the federal, state, and local income taxes imposed upon such benefits or payment. All determinations to be made under this Section 12(c) (including whether and when an Indemnity Payment is required) shall be (i) made within thirty (30) days of receipt by the Company of the Employee's request for the Indemnity Payment, (ii) made by a nationally recognized certified public accounting firm designated by the Company, and (iii) binding upon the Company and the Employee. All of the fees and expenses of the accounting firm in performing such determinations shall be borne solely by the Company.

13.Employee to Provide Assistance with Claims. During his or her employment with the Company and following the termination of such employment, regardless of the reason for such termination, the Employee shall assist the Company in defending any claims that may be made against the Company, and shall assist the Company in prosecuting any claims that may be made by the Company, to the extent that such claims may relate to the Employee's services for the Company. The Employee shall promptly inform the Company if he or she learns of any lawsuits involving such claims that may be filed against the Company. The Company shall reimburse the Employee for all reasonable out-of-pocket expenses associated with such assistance, including travel expenses, incurred and accounted for in accordance with its standard policies and procedures for expense reimbursements and deductibles under Section 162(m) of the Code. For periods after the Termination Date, the Company shall provide reasonable compensation to the Employee for such assistance at a rate to be determined by the Company in its discretion. Except as provided in Section 8(b), the Employee shall promptly inform the Company if asked to assist in any investigation of the Company that may relate to the Employee's services for the Company, regardless of whether a lawsuit has then been filed against the Company with respect to such investigation. For purposes of this Section 13, the term "Company" shall include the Company and its Affiliates.

14.Entire Agreement. Except as provided in Section 8(e), this Agreement constitutes the entire agreement among the parties with respect to its subject matters and supersedes any and all prior or contemporaneous oral and written agreements and understandings with respect to such subject matters, including without limit all prior agreements relating to employment, severance, or change in control; provided, however, that this Agreement shall not adversely affect the Employee's rights under the terms of any option on stock of the Company or any other award based on the stock of the Company.

15.Miscellaneous.

(a) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Oklahoma, without reference to its conflict-of-laws principles.

(b)Captions. The captions of this Agreement are not part of this Agreement and shall have no force or effect.

(c)Amendment. This Agreement may not be amended or modified except by a written agreement executed by the parties or their respective successors and legal representatives.

(d)Notices. All notices and other communications under this Agreement shall be in writing and sent to the other party by either hand delivery, pre-paid overnight carrier, or registered or certified U.S. mail (return receipt requested) postage prepaid, addressed as follows:

If to the Employee:

[Employee Name]
Devon Energy Corporation
333 West Sheridan Avenue
Oklahoma City, Oklahoma 73102-5015

If to the Company:

Devon Energy Corporation
C/O Executive Vice President Human Resources
333 West Sheridan Avenue
Oklahoma City, Oklahoma 73102-5015

With a copy to:

Devon Energy Corporation
C/O Executive Vice President & General Counsel 333 West Sheridan
Avenue
Oklahoma City, Oklahoma 73102-5015

or to such other address as either party shall have furnished to the other in writing. Such notice shall be deemed given (i) in the case of hand delivery, the day of delivery; (ii) in the case of overnight delivery, the next business day or the day designated for delivery; and (iii) in the case of certified or registered U.S. mail, five (5) days after deposit in the U.S. mail; provided, however, that in no event shall any such notices be deemed to be given later than the date they are actually received.

(e) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and this Agreement shall be construed as if such invalid or unenforceable provisions were omitted (but only to the extent such provision cannot be appropriately reformed or modified). If any such provision may be made enforceable by limitation, then such provision shall be deemed to be so limited and shall be enforceable to the maximum extent permitted by applicable law.

(f)Withholdings. The Company may withhold from any amounts payable under this Agreement all amounts authorized by the Employee or required to be withheld under any applicable federal, state, local, or foreign law or regulation.

(g) Waiver. The waiver by either party of a breach of any term or provision of this Agreement shall not operate or be construed as a waiver of a subsequent breach of the same term or provision by either party or of the breach of any other term or provision of this Agreement.

(h) Representations and Warranties. The Employee represents and warrants that (i) he or she is not, and shall not become, a party to any agreement, contract, arrangement, or understanding, whether of employment or otherwise, that would in any way restrict or prohibit him or her from undertaking or performing the duties required by his or her employment with the Company or that would in any way restrict or prohibit his or her ability to be employed by the Company; (ii) his or her employment by the Company does not and shall not violate the terms of any policy of, or any agreement with, any prior employer regarding confidentiality or competition; and (iii) his or her position with the Company shall not require him or her to improperly use any trade secrets or confidential information of any prior employer or any other person or entity for whom he or she has performed services.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Company and the Employee have executed this Severance Agreement as of the Effective Date.

[Employee Name]

Devon Energy Corporation

By: [Name]

Its: [Title]

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Exhibit A

Definitions

Definitions. The following terms, when used throughout this Agreement, shall have the following meanings:

1. "AAA" means the American Arbitration Association.
2. "Accounting Firm" has the meaning ascribed to such term in Section 7(b).
3. "Accrued Obligations" has the meaning ascribed to such term in Section 4(a).
4. "Act" means the Securities Exchange Act of 1934, as amended from time to time.
5. "Affiliate" means, with respect to the Company, any person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the Company; provided, however, that a natural person shall not be considered an Affiliate.
6. "Agreement" has the meaning set forth in the preamble.
7. "Agreement Payments" has the meaning set forth in Section 7(a).
8. "Annual Base Salary" means the annual base salary of the Employee as in effect from time to time.
9. "Annual Bonus" means, with respect to any given year, the annual bonus payable to the Employee with respect to that year, as determined by the Compensation Committee in its discretion.
10. "Board" means, at any given time, the Company's Board of Directors at that time.
11. "Cause":
 - (a) other than during the CIC Period, Cause means any of the following:
 - i. the material failure by the Employee to adequately perform the Employee's duties or exhibit leadership skills for the Company or an Affiliate to the reasonable satisfaction of the Supervisor, the CEO, or the Board (other than due to physical or mental incapacity) within thirty (30) days after receiving a written demand for performance from the Supervisor, the CEO, or the Board;
 - ii. any material violation of the insider trading policies, employment policies, or the Code of Conduct of the Company or an Affiliate;
 - iii. the willful engaging by the Employee in illegal or dishonest conduct or gross misconduct that is materially and demonstrably injurious to the Company or an Affiliate; or
 - iv. the conviction of the Employee of a felony or any crime of moral turpitude, a guilty or nolo contendere plea by the Employee with respect to a felony or any crime of

moral turpitude, or the deferred adjudication or unadjudicated probation of the Employee with respect to a felony or any crime of moral turpitude;

provided, however, that (x) an act or omission by the Employee shall be considered "willful" only if it was not in good faith and was without reasonable belief that it was in the Company's best interests, and (y) any act or omission by the Employee based upon authority granted by resolution duly adopted by the Board, the instructions of the Supervisor, or the advice of counsel for the Company shall be conclusively presumed to be in good faith and in the Company's best interests.

(b) during the CIC Period, Cause means any of the following:

i. the willful failure by the Employee to substantially perform the Employee's duties for the Company or an Affiliate (other than due to physical or mental incapacity) within thirty (30) days after receiving a written demand for substantial performance from the Supervisor, the CEO, or the Board;

ii. the willful engaging by the Employee in illegal or dishonest conduct or gross misconduct that is materially and demonstrably injurious to the Company or an Affiliate; or

iii. the conviction of the Employee of a felony or any crime of moral turpitude, a guilty or nolo contendere plea by the Employee with respect to a felony or any crime of moral turpitude, or the deferred adjudication or unadjudicated probation of the Employee with respect to a felony or any crime of moral turpitude;

provided, however, that (x) an act or omission by the Employee shall be considered "willful" only if it was not in good faith and was without reasonable belief that it was in the Company's best interests, and (y) any act or omission by the Employee based upon authority granted by resolution duly adopted by the Board, the instructions of the Supervisor, or the advice of counsel for the Company shall be conclusively presumed to be in good faith and in the Company's best interests.

12. "CEO" means, at any given time, the Chief Executive Officer of the Company at that time.

13. "Change in Control" 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 defined in Rule 13d-3 under the Act), directly or indirectly, of Company securities representing 30% or more of either (x) the 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 election of directors (each, "Company Securities"); provided, however, that the event described in this paragraph (b) shall not be deemed to be a Change in Control 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) 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"), or the sale or other disposition of all or substantially all of the Company's assets to an entity that is not an Affiliate (a "Sale"), unless:

i. the holders of the Company's shares of common stock either receive in such Reorganization or Sale, or hold immediately following the consummation of the Reorganization or Sale, more than 50% of each of the outstanding common stock and 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 connection with a Sale (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

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 approve a plan of complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, a Change in Control 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 shall then occur. In addition, if a Change in Control occurs pursuant to paragraph 12(b) above, then no additional Change in Control shall be deemed to occur pursuant to paragraph 12(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).

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.

14. "CIC Period" means the two-year period following a Change in Control.
15. "COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1986, as amended from time to time.
16. "Code" means Internal Revenue Code of 1986, as amended from time to time.
17. "Company" means the Devon Energy Corporation, as set forth in the preamble to this Agreement, and any successor to or assignee of its business and/or assets that assumes and agrees to perform this Agreement by operation of law or otherwise.
18. "Compensation Committee" means, at any given time, the Compensation Committee of the Board at that time.
19. "Confidential Information" means non-public information (including, without limitation, information regarding litigation and pending litigation) concerning the Company and its Affiliates that was acquired by or disclosed to the Employee during his or her employment with the Company and following the Termination Date.
20. "Disabled" means, with respect to the Employee, that (a) he or she has received disability payments under the Company's long-term disability plan for a period of three (3) months or more, or (b) based upon the written report (prepared after a complete physical examination of the Employee) of a mutually agreeable qualified physician designated by the Company and the Employee or his or her representative, the Compensation Committee determines, in accordance with Section 409A, that the Employee has become physically or mentally incapable of performing his or her essential job functions with or without reasonable accommodation or job protection as required by law for a continuous period expected to last for a continuous period of not less than twelve (12) months.
21. "Effective Date" has the meaning set forth in the preamble to this Agreement.
22. "Employee" has the meaning set forth in the preamble to this Agreement.
23. "Employment Matter" means any dispute, controversy, or claim between the parties arising out of, relating to, or concerning this Agreement, the Employee's employment with the Company, or the termination of that employment.
24. "Employment Matter Claim" has the meaning ascribed to such term in Section 10(d)(i).
25. "Excise Tax" has the meaning ascribed to such term in Section 7(a).
26. "Good Reason" means any of the following events, unless the Employee has consented in writing to such events:

(a) other than during the CIC Period, Good Reason means any of the following events, unless the Employee has consented in writing to such events:

- i. any reduction in Employee's combined annualized Base Salary and target Annual Bonus by more than 15%;
- ii. any relocation of the Employee's principal office to a location more than fifty (50) miles from the Employee's principal office prior to such relocation;
- iii. any failure by the Company to comply with and satisfy Section 9(c); or
- iv. any material failure by the Company to comply with any provision of this Agreement, other than an isolated, insubstantial, or inadvertent failure not occurring in bad faith and which the Company remedies promptly after receipt of notice from the Employee.

(b) during the CIC Period, Good Reason means any of the following events, unless the Employee has consented in writing to such events:

- i. the assignment of any duties materially inconsistent with the Employee's position (including status, offices, and titles), authority, duties, or responsibilities under this Agreement, other than an isolated, insubstantial, or inadvertent action not taken in bad faith and which the Company remedies promptly after receipt of notice from the Employee; provided, however, that Good Reason shall not exist under this Agreement solely because of a change in the Employee's reporting relationship;
- ii. any reduction in annualized Base Salary or material failure to provide incentive compensation opportunities or benefits to the Employee that are comparable to the incentive compensation opportunities and benefits provided to similarly situated Company employees;
- iii. any material failure by the Company to comply with any provision of this Agreement, other than an isolated, insubstantial, or inadvertent failure not occurring in bad faith and which the Company remedies promptly after receipt of notice from the Employee;
- iv. any failure by the Company to comply with and satisfy Section 9(c); or
- v. any relocation of the Employee's principal office to a location more than fifty (50) miles from the Employee's principal office prior to such relocation.

27. "Good Reason Notice" has the meaning ascribed to such term in Section 3(d).

28. "Gross-Up Payment" has the meaning ascribed to such term in Section 7(a).

29. "Guarantors" has the meaning ascribed to such term in Section 10(e).

30. "Incumbent Directors" means the members of the Board on the Effective Date; provided, however, that (x) 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 (y) no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest (as described in Rule 14a-11 under the Act) or other actual or threatened solicitation of proxies or consents by or on behalf of any person (as such term is used in Sections 13(d)(3) and 14(d)(2) of the Act) other than the Board, including by reason of any agreement intended to avoid or settle any such election contest or solicitation of proxies or consents, shall be deemed an Incumbent Director.

31. "Non-Solicitation Obligation" has the meaning ascribed to such term in Section 8(f).

32. "Notice of Termination" means a written notice that (i) indicates the specific termination provision of Section 3 that is being relied upon, (ii) to the extent applicable, reasonably describes the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and (iii) specifies the Termination Date; provided, however, that the failure to describe in the Notice of Termination any fact or circumstance constituting Good Reason or Cause shall not waive any right of either party under this Agreement or preclude either party from asserting such fact or circumstance in enforcing rights under this Agreement.

33. "Payment" has the meaning ascribed to such term in Section 7(a).

34. A "person" shall have the meaning ascribed by Section 3(a)(9) of the Act and shall also mean a natural person, company, government (and any political subdivision, agency, or instrumentality of a government), corporation, partnership, limited liability company, trust, unincorporated organization, or other entity. When two or more persons act as a partnership, limited partnership, syndicate, or other group for the purposes of acquiring, holding, or disposing Company Securities, such partnership, limited partnership, syndicate, or other group shall be deemed a "person" for purposes of this Agreement.

35. "Prorated Annual Bonus" means a prorated amount of an Annual Bonus payable under Sections 4(b)(i)(B) or 4(c). If the Employee's employment began in a calendar year before the calendar year in which the Termination Date occurs, the Prorated Annual Bonus shall be calculated based on the prior year's Annual Bonus (if any) times the number of days worked in the year in which the Termination Date occurs divided by three hundred sixty five (365). If the Employee's employment began in the calendar year in which the Termination Date occurs, then the Prorated Annual Bonus shall be determined by the Compensation Committee in its discretion.

36. "Representatives" means, with respect to the Company, its Affiliates and any of their respective past or present officers, directors, stockholders, partners, members, managers, agents, and employees.

37. "Retiree Medical Benefit Plan" means any retiree medical benefit plan applicable to the Employee or that would be applicable to the Employee if his or her employment then terminated and he or she satisfied the applicable age and service requirements.

38. "Section 409A" has the meaning ascribed to such term in Section 4(e).

39. "Separation from Service" has the meaning ascribed to such term in Section 4(e).

40. "Supervisor" means, with respect to the Employee, the person to whom the Employee reports, as determined by the CEO or the CEO's designee from time to time.

41. "Termination Date" means the Employee's last day of employment by the Company or an Affiliate (including any successor to the Company or such Affiliate as determined in accordance with Section 9).

EXHIBIT B

EXAMPLE GENERAL RELEASE

Devon Energy Corporation (the "Company") is an equal opportunity employer. Various laws prohibit employment discrimination based on sex, race, color, national origin, religion, age, disability, eligibility for covered employee benefits, veteran status, and other legally protected characteristics. You may also have rights under other federal, state, and/or municipal statutes, orders, or regulations pertaining to labor, employment, and/or employee benefits. These laws are enforced through the United States Department of Labor ("DOL"), the Equal Employment Opportunity Commission ("EEOC"), and various other federal, state, and municipal labor departments, fair employment boards, human rights commissions, similar agencies, and courts.

This General Release is being provided to you in connection with the Severance Agreement previously entered between you and the Company (the "Severance Agreement").

If you are over 40, you acknowledge and agree that (1) you are waiving and releasing any age claims or rights you may have under the Age Discrimination in Employment Act of 1967, as amended ("ADEA"), (2) you are entering into this ADEA waiver knowingly and voluntarily, (3) the ADEA waiver does not apply to any rights or claims that may arise under the ADEA after the date you execute this Agreement, (4) the consideration you are receiving for the release of the ADEA claims is in addition to anything of value to which you are already entitled.

Please be advised that:

- You have forty-five (45) days from the date you receive this General Release, if you want it, to consider whether you wish to sign this General Release and receive the payments and benefits (the "Severance Benefits") available under the Severance Agreement for doing so. You have until the close of business forty-five (45) days from the date you receive this General Release to make your decision. You may not, however, sign this General Release until, at the earliest, the first date following your last effective date of employment.
- BEFORE SIGNING THIS GENERAL RELEASE, YOU SHOULD REVIEW IT CAREFULLY. YOU HAVE THE RIGHT TO, AND THE COMPANY HEREBY ADVISES YOU TO, CONSULT WITH AN ATTORNEY OF YOUR CHOICE.
- You may revoke this General Release within seven (7) days after you sign it and it shall not become effective or enforceable until that revocation period has expired. If you do not timely sign and return this General Release, or if you exercise your right to revoke the General Release after signing it, then you will not be eligible to receive the Severance Benefits. Any revocation must be in writing and must be received by the Company within the seven-day period following your execution of this General Release.

In consideration of the Severance Benefits offered to me by the Company under the Severance Agreement, I hereby (i) release and discharge the Company and its predecessors, successors, affiliates, parent, subsidiaries, and partners and each of those entities' current and former employees, officers, directors, members, managers, and agents (together, the "Released Parties") from all claims, liabilities, demands, and causes of action, known or unknown, fixed or contingent, that I may have or claim to have against them, including without limit any claims that result from or arise out of my past employment with the Company, the severance of that relationship and/or otherwise, or any contract or agreement with or

relating to the Released Parties, and (ii) waive any and all rights I may have with respect to and promise not to file a lawsuit to assert any such claims.

This General Release includes, but is not limited to, and all claims, demands, causes of actions, obligations, charges, damages, liabilities, attorneys' fees and costs relating to, arising out of, or based upon claims of harassment, discrimination, and/or retaliation in violation of local, state or federal law; all claims of violation of public policy; all claims for wrongful and/or constructive termination of employment; all claims based on tort, including claims for negligence, assault, battery, and sexual battery; all claims for breach of contract, whether written or oral, express or implied, and any covenant of good faith and fair dealing; all claims for unlawful or unfair business practices; all claims for emotional distress; claims for unpaid or withheld wages, overtime, severance, benefits, bonus, commissions, reimbursement, on call pay, premiums, penalties, and/or compensation of any kind; and all claims which were or could have been asserted by Employee; and all claims generally relating to Employee's employment with the Company or the cessation thereof, including any alleged violation of any federal, state or other governmental statute, regulation or ordinance, including without limitation: The Civil Rights Acts of 1866, 1964, and 1991, as amended; 42 U.S.C. § 1981; the Lilly Ledbetter Fair Pay Act; the Genetic Information Nondiscrimination Act; Section 503 of the Rehabilitation Act of 1973; the Fair Labor Standards Act; the Equal Pay Act; the United States Constitution; the Employment Retirement Security Act, as amended; the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; the Americans with Disabilities Act; the Family Medical Leave Act; the National Labor Relations Act; the Consolidated Omnibus Budget Reconciliation Act of 1985; the Immigration Reform and Control Act; the Occupational Safety and Health Act; the Worker Adjustment and Retraining Notification Act; and any other federal, state and local law, regulation or common law.

This general release also includes, without limitation, any and all claims under existing or hereinafter enacted Oklahoma state, county, city, or local statutes, ordinances, or regulations, or under the Oklahoma constitution or Oklahoma common law, including but not limited to the Oklahoma Anti-discrimination Act; the Oklahoma Equal Pay Act; the Oklahoma Genetic Nondiscrimination In Employment Act; the Oklahoma Discriminatory Wages Law; the Oklahoma Law Governing Wages and Working Conditions; the Oklahoma Minimum Wage Act; and the Standards for Workplace Drug and Alcohol Testing Act; the Oklahoma Freedom of Conscience Act; Oklahoma's non-retaliation provisions regarding workers' compensation, wage complaint, and Medicaid fraud complaints or proceedings; and all claims arising out of and/or related to the Company, including any and all matters concerning Employee's employment with and termination from the Company. This General Release also applies without limitation to any claims or rights I may have growing out of any legal or equitable restrictions on the rights of the Released Parties not to continue an employment relationship with their employees, including any express or implied employment or other contracts, and to any claims I may have against the Released Parties for fraudulent inducement or misrepresentation, defamation, wrongful termination, or other torts or retaliation claims in connection with workers' compensation, any legally protected activity, or alleged whistleblower status (to the fullest extent those claims may be released under applicable law), or on any other basis whatsoever.

It is specifically agreed, however, that this General Release does not have any effect on any rights or claims I may have against the Company that arise after the date I execute this General Release, or on any vested rights I may have under any of the Company's qualified benefit plans or arrangements as of or after my last day of employment with the Company, or on any of the Company's obligations under the Severance Agreement.

REPORTS TO GOVERNMENT ENTITIES

I understand that nothing in this Agreement, including the General Release clause, restricts or prohibits me from initiating communications directly with, responding to any inquiries from, providing testimony before, providing confidential information to, reporting possible violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including the U.S. Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General (collectively, the "Regulators"), or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation. However, to the maximum extent permitted by law, I am waiving my right to receive any individual monetary relief from the Company or any others covered by the General Release clause resulting from such claims or conduct, regardless of whether I or another party has filed them, and in the event I obtain such monetary relief the Company will be entitled to an offset for the payments made pursuant to the Severance Agreement and this General Release. Notwithstanding the foregoing, I shall be permitted to receive such monetary relief to the extent such receipt is protected under the whistleblower protections of Rule 21-F(a) of the Securities Exchange Act of 1934 and/or the rules of any other federal or state agencies relating to whistleblower protections. The Severance Agreement and this General Release do not limit my right to receive an award from any Regulator that provides awards for providing information relating to a potential violation of law. I understand that I do not need the prior authorization of the Company to engage in conduct protected by this paragraph, and that I do not need to notify the Company that I have engaged in such conduct.

I agree that this General Release represents notice that federal law provides criminal and civil immunity to federal and state claims for trade secret misappropriation to individuals who disclose a trade secret to their attorney, a court, or a government official in certain, confidential circumstances that are set forth at 18 U.S.C. §§ 1833(b)(1) and 1833(b)(2), related to the reporting or investigation of a suspected violation of the law, or in connection with a lawsuit for retaliation for reporting a suspected violation of the law.

MISCELLANEOUS

By signing this General Release, I shall, and hereby do, resign from any offices, directorships, memberships, appointments and other positions I may hold with or on behalf of the Company and any Company affiliate, whether corporate, board, or otherwise. Unless otherwise provided by the Company, I agree that the effective date of my resignation is the date my employment with the Company terminated.

I agree that (i) none of the Released Parties shall have any obligation to employ or to hire or rehire me, to consider me for hire, or to deal with me in any respect with regard to potential future employment; (ii) I shall not ever apply for or otherwise seek employment with any of the Released Parties at any time in the future; and (iii) my forbearance to seek future employment as just stated shall be construed as being purely contractual and in no way involuntary, discriminatory, or retaliatory.

I agree that this General Release and the Severance Agreement are confidential, and I agree not to disclose any information regarding the terms of this General Release or the Severance Agreement, except to my immediate family, any tax, legal or other counsel I have consulted regarding the meaning or effect hereof, as required by law, or as provided in the **Reports to Government Entities** section, and I will instruct each of the foregoing not to disclose the same to anyone.

I understand and agree that nothing in this General Release or the payment of Severance Benefits is an admission of liability or violation of any applicable law, or contract provisions or any rule or regulation, and

as to which the Released Parties expressly deny liability or violation. The General Release shall not be admissible in any proceeding except an action to enforce its terms.

I have carefully reviewed and fully understand all the provisions of the Severance Agreement and General Release, including the foregoing Notice. I have not relied on any representation or statement, oral or written, relating to the Severance Agreement or this General Release by the Released Parties that are not set forth in those documents.

The Severance Agreement and this General Release, including the foregoing Notice, set forth the entire agreement between me and the Company with respect to payments and benefits payable to me due to the termination of my employment with the Company, and supersede all prior agreements and understandings, written and oral, between the parties with respect to such subject matters. I understand that my receipt and retention of the Severance Benefits are contingent not only on my execution and non-revocation of this General Release, but also on my continued compliance with my other obligations under the Severance Agreement. I acknowledge that the Company has given me at least forty-five (45) days from the date I received this General Release to consider whether I wish to accept or reject the Severance Benefits I am otherwise eligible to receive under the Severance Agreement in exchange for signing and not revoking this General Release. I further acknowledge and understand that I shall have the right, within seven (7) days of signing this General Release, to revoke this General Release. I hereby represent and state that I fully understand the effects and consequences of the Severance Agreement and the General Release prior to signing those documents.

This General Release and the Company's obligation to provide the Severance Benefits under the Severance Agreement shall be interpreted and construed to comply with Section 409A of the Internal Revenue Code (the "Code"). The parties agree to cooperate and work together in good faith to take all actions reasonably necessary to effectuate the intent of this paragraph. Notwithstanding the preceding sentence, I understand and acknowledge that I shall be solely responsible for any risk that the tax treatment of all or part of the Severance Benefits may be affected by Section 409A of the Code and impose significant adverse tax consequences on me, including accelerated taxation, a 20% additional tax, and interest. Because of the potential tax consequences, I understand that I have the right, and am encouraged by this paragraph, to consult with a tax advisor of my choice before signing this General Release.

This General Release shall be governed by the laws of the State of Oklahoma, without regard to any conflict-of-laws principles, and shall not be modified unless in a writing signed by both of the parties.

Dated this day of _____, 202_____
(Must be a Date Following Termination Date)

Insider Trading Policy

1 Purpose

In order to take an active role in the prevention of insider trading violations, Devon Energy Corporation ("Devon") has adopted this Insider Trading Policy ("Policy"). This Policy provides guidance to employees, officers, and members of Devon's Board of Directors ("Directors") and Devon's wholly-owned subsidiaries (collectively, the "Company") with respect to transacting in Company Securities (as defined below) and, in some cases, the securities of other companies.

2 Applicability

2.1 Employees, Officers, and Directors

All employees, officers, and Directors of the Company (each of the foregoing, an "Insider") are covered by Part I of this Policy regarding transacting while in possession of Inside Information (as defined below) and Tipping (as defined below). As an Insider, you may become aware of nonpublic information regarding the Company that a reasonable investor would find material in deciding whether to buy, sell, hold, or otherwise transact in Company Securities. Transacting in Company Securities while in the possession of such "inside information," or passing on the information to others so that others may do so, is a violation of federal law and may also be harmful to the Company.

2.2 Designated Insiders

Directors, Executive Officers (as defined below), and Access Employees (as defined below) have additional obligations and restrictions under Part II of this Policy.

"Executive Officers" refers to officers of Devon that are required to file reports pursuant to Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

As used in this Policy, "Access Employees" include employees of the Company who are not Executive Officers of Devon but who, by the nature of their employment duties, routinely have access to Inside Information. Individuals designated as Access Employees will be notified of such designation in writing by the Corporate Secretary or his or her designee. However, the failure to be formally notified of such designation as an Access Employee will not protect an employee from a violation of the law for insider trading and Tipping.

Directors, Executive Officers, and Access Employees are referred to collectively in this Policy as "Designated Insiders."

2.3 Other Persons for Whom You are Responsible for Compliance with this Policy

References to Insider and Designated Insider in this Policy also apply to that individual's spouse, minor children, other family members who reside with the individual, anyone else who lives in the same household as the individual, any family members who do not live in the same household but whose transactions in Company Securities are directed by or are subject to the individual's influence or control (such as parents or children who consult with the individual before they transact in Company Securities), and entities that are directed by or are subject to the individual's influence or control, including family, estate, and charitable

trusts. Insiders and Designated Insiders are responsible for the transactions of these other persons and, therefore, should make them aware of the restrictions set forth in this Policy.

3 Company Assistance

Contact the Vice President, Corporate Governance and Secretary ("Corporate Secretary") if you have questions about this Policy or its application to any situation in which you or a related Insider wish to transact in Company Securities. If there is any question under this Policy as to whether it is appropriate for an individual to buy or sell securities, it is better to seek advice and to avoid even the appearance of impropriety.

4 Policy Statement

4.1 Part I

4.1.1 General Prohibitions on Insider Trading and Tipping

This policy prohibits: (a) transacting in securities while in possession of Inside Information (as defined below); or (b) the selective disclosure or "Tipping" of Inside Information to others who may misuse such information by transacting in Company Securities or passing such information to others who may transact in Company Securities.

Except as otherwise specified in this Policy, no Insider shall:

- Buy, sell, or otherwise transact in (a) Company Securities or (b) the securities of other companies with respect to which such Insider has obtained Inside Information in the course of his or her employment or service with the Company, including competitors, customers, vendors, and suppliers of the Company (a "Business Partner"), in each case during any period commencing with the date on which he or she becomes aware of Inside Information and ending at least one full Trading Day following either the date of public disclosure of that Inside Information or the time that the Inside Information ceases to be material. As used in this Policy, the term "Trading Day" means a day on which the New York Stock Exchange is open for business.
- Pass on or "Tip" Inside Information to any other person, including, without limitation, family members and other Insiders, who may transact in Company Securities, or the securities of a Business Partner, on the basis of that Inside Information. No Insider shall make recommendations, either directly or indirectly, or express opinions on the basis of Inside Information about the Company as to transacting in Company Securities.

Before engaging in any transaction, you should carefully consider how the transaction may be construed in the bright light of hindsight. If you have any questions or uncertainties about this Policy or a proposed transaction, please contact the Corporate Secretary.

4.1.2 Covered Transactions

Transactions covered by this Policy include all buying, selling, gifting (including estate planning and other tax-related or charitable transactions), pledging, and other transactions in the securities of the Company, including without limitation, common stock, common units, debt, options for common stock or units, and any other securities (derivative or non-derivative) that Devon or any of its subsidiaries may issue from time to time, such as preferred stock, preferred units, warrants, and convertible debentures, as well as derivative

securities relating to the stock or units of Devon or any of its subsidiaries that are not issued by Devon or such subsidiary, such as exchange-traded put or call options or swaps. All of the securities described above are referred to herein as "Company Securities."

If you wish to make a gift of Company Securities, special rules and considerations may apply. Please contact the Corporate Secretary to discuss the treatment of a proposed gift under this Policy.

4.1.3 Individual Responsibility

Persons subject to this Policy have ethical and legal obligations to maintain the confidentiality of information about the Company and not to engage in transactions in Company Securities while in possession of Inside Information. Each individual is responsible for making sure that he or she complies with this Policy and that any Insiders whose transactions are subject to this Policy, as described herein, also comply with this Policy. In all cases, the responsibility for determining whether an individual is in possession of Inside Information rests with that individual.

4.1.4 What is Inside Information?

"Inside Information" is material, non-public information. Under federal and state securities laws, "material" information is: (a) any information where there is a substantial likelihood that a reasonable investor would consider it important in deciding whether to buy, sell, or hold securities; or (b) any information that might affect the market for a company's securities. Either positive or negative information regarding the Company or other companies may be material.

"Non-public" information is any information that has not been adequately disclosed to the marketplace, which means that the information has yet to be publicly disseminated, and sufficient time has not passed for the securities markets to absorb the information. Effective disclosure of such information may come through public filings with the Securities and Exchange Commission (the "SEC"), formal press releases, and during pre-announced meetings or conference calls with analysts or the press that are publicly accessible by webcast or broadcast. You may not attempt to "beat the market" by transacting simultaneously with, or shortly after, the official release of material information. Although there is no fixed period for how long it takes the market to absorb information, out of prudence, a person in possession of Inside Information should refrain from any transactions in Company Securities for one full Trading Day following its official release. Depending on the particular circumstances, the Company may determine that a longer or shorter period should apply to the release of Inside Information.

All information that is learned about the Company or its business plans is potentially Inside Information until the Company publicly discloses it. Rumor and speculation in the public or media about material information—absent an official statement by the Company in a manner as noted in the preceding paragraph—is not a sufficient basis to treat Inside Information as being public and thereby allowing Insiders to transact.

The following are some examples of information that could be considered Inside Information:

- Earnings announcements or estimates or other unpublished financial results;
- Projections or changes in projections of earnings or losses or other material financial information;
- New discoveries, asset write downs, or other material developments concerning reserves;

- News of a pending or proposed merger, acquisition, divestiture, or joint venture;
- A pending or proposed public offering, private placement, repurchase, or redemption of Company Securities or other important financing transactions, developments, or events;
- Changes in dividend policies or the declaration of a stock split;
- Major litigation developments or government action;
- Changes in executive leadership;
- Impending bankruptcy or financial liquidity problems;
- Changes in Devon's outside auditors or a notification from the outside auditors that the Company may no longer rely on its audit opinion;
- Internal financial information that departs from what the market would expect; and
- The gain or loss of (or other significant event relating to) a major contract.

Other information may also constitute Inside Information and the above sample list is not intended to be exhaustive. In the case of a Business Partner, Inside Information consists of any material, non-public information regarding such Business Partner that you obtained in the course of your employment or service with the Company.

4.1.5 What is Tipping?

Insiders are also prohibited from "Tipping" Inside Information to any other person (the "Tippee"), who then transacts on that information. A Tippee can be another Company employee, officer, or Director, as well as a friend, business associate, spouse, family member, or any other person. Under federal and state securities laws, both the person who discloses (the "Tipper") and the Tippee can be held liable for violations of the laws against insider trading. Insiders may also be held accountable for any Tipping by their family members, household members, or entities whose transactions are subject to this Policy by reason of a relationship with the Insiders.

Inside Information must be protected and efforts should be taken to avoid inadvertent communication.

It is immaterial for purposes of this Policy, and for purposes of determining liability under the insider trading laws, whether an individual personally derives any monetary benefit from illegal trading or Tipping or whether the Tipper intended or knew that the information would be used improperly. The SEC has imposed substantial monetary penalties on a Tipper even though he or she did not personally benefit monetarily from the Tippee's transactions.

4.1.6 Additional Limitations on Certain Transactions

Because we believe it is improper and inappropriate for any Devon personnel to engage in short-term, speculative, or other higher-risk transactions involving Company Securities, it is also Devon's policy that Insiders may not engage in any of the following activities with respect to Company Securities, or should otherwise consider the Company's preferences as described below:

4.1.6.1 Transacting in Company Securities on a short-term basis

Any Company Securities purchased in the open market should be purchased with the intention to hold such securities for a minimum of six months, and preferably longer.

4.1.6.2 Short sales

A short sale is the sale of a security that you do not own or a sale which is consummated by the delivery of a security borrowed by you, or for your account. Short sales of Company Securities are prohibited by this Policy.

4.1.6.3 Buying or selling puts, calls, or similar instruments

A put is an option or right to sell a security at a specific price before a set date, and a call is an option or right to purchase a security at a specific price before a set date. Transactions in put options, call options, or other derivative securities relating to Company Securities are prohibited by this Policy.

4.1.6.4 Standing and limit orders

Standing and limit orders create heightened risks for insider trading violations because there is no control over the timing of purchases or sales that result from standing instructions to a broker, and as a result the broker could execute a transaction when an Insider is in possession of material non-public information. Accordingly, the Company discourages placing standing or limit orders on Company Securities. If an Insider determines to use a standing or limit order, the order should not remain effective beyond the day on which it is placed.

In addition, Executive Officers and Directors may not engage in any of the following activities with respect to Company Securities:

4.1.6.5 Pledging, buying on margin, or holding in a margin account

You are prohibited from pledging Company Securities as collateral, purchasing Company Securities on margin (i.e., purchase transactions in which your broker or another third party extends you credit to make the purchases), or holding Company Securities in a margin account.

4.1.6.6 Hedging Company Securities

You are prohibited from engaging in transactions that are designed to hedge or offset any decrease in the market value of Company Securities. Hedging or monetization transactions can be accomplished through a number of possible mechanisms, including through the use of financial instruments such as prepaid variable forward contracts, equity swaps, collars, and exchange funds. If you are unsure whether a particular proposed transaction constitutes a hedging transaction prohibited by this Policy, please consult the Corporate Secretary for guidance prior to engaging in such transaction.

4.1.7 Certain Excepted Transactions

This Policy does not apply in the case of the following transactions, except as specifically noted:

4.1.7.1 Restricted Stock Awards and Units

The transaction restrictions of this Policy do not apply to the award or vesting of restricted stock or restricted stock units, or the exercise of a tax withholding right pursuant to which you elect to have Devon withhold shares of stock to satisfy tax withholding requirements upon the vesting of such awards. The transaction restrictions do apply, however, to (i) a decision to change the elections for withholding (or not withholding) shares of stock to satisfy tax withholding requirements and (ii) any market sale of stock upon or subsequent

to vesting (including sales of common stock upon vesting in which the proceeds are used to fund related taxes).

4.1.7.2 Certain Stock Option Exercises and Other Equity Award Transactions

This Policy does not apply to the exercise of a stock option acquired pursuant to Devon's equity incentive plans where no Devon common stock is sold in the market to fund the option exercise price or related taxes (i.e., a net exercise or where cash is paid to exercise the option) or to the exercise of a tax withholding right pursuant to which a person has elected to have Devon withhold shares subject to an option to satisfy tax withholding requirements. The transaction restrictions do apply, however, to sales of Devon common stock received upon the exercise of options in which the proceeds are used to fund the option exercise price (i.e., a cashless exercise of options) or related taxes.

4.1.7.3 Diversified Mutual Funds and ETFs

The transaction restrictions of this Policy do not apply to transactions in diversified mutual funds and exchange-traded funds (ETFs) that are invested in Company Securities.

4.1.7.4 Automatic Reinvestment in Dividends

The transaction restrictions of this Policy do not apply to the automatic reinvestment of dividends paid on Company Securities. This transaction restrictions do apply, however, to (i) voluntary, additional purchases of Company Securities resulting from reinvestment of dividends, (ii) the Insider's election to participate in automatic reinvestment of dividends, and (iii) the Insider's election to increase or decrease the Insider's level of automatic reinvestment of dividends.

4.1.7.5 Other Approved Transactions

The transaction restrictions of this Policy do not apply to any transaction specifically approved in advance by the Executive Vice President and General Counsel. To request such an exception, contact the Corporate Secretary in writing using the same written pre-clearance procedures described in Section 4.2.1 below.

4.1.8 Post-Termination Transactions

This Policy continues to apply to your transactions in Company Securities even after you have terminated employment or your service relationship with the Company. If you are in possession of Inside Information when your employment or service relationship terminates, you may not transact in Company Securities until that information has become public or is no longer material. In addition, a Director or Executive Officer can have certain obligations under Section 16 of the Exchange Act for up to six months after his or her termination.

4.1.9 Rule 10b5-1 Plans

The Corporate Secretary may permit Insiders to conduct transactions pursuant to a pre-arranged trading plan intended to satisfy the conditions of Rule 10b5-1(c) under the Exchange Act (a "Rule 10b5-1 Plan") that is pre-approved by Devon's Executive Vice President and General Counsel or his or her designee. Proper transactions under a pre-approved Rule 10b5-1 Plan will be deemed to be in accordance with the requirements of this Policy. Any Insiders interested in implementing a Rule 10b5-1 Plan or similar arrangement should contact the Corporate Secretary to discuss such plans and obtain the necessary approval. Modifications and terminations of an existing Rule 10b5-1 Plan are strongly discouraged, and

Insiders should contact the Corporate Secretary before modifying or terminating an existing Rule 10b5-1 Plan or similar arrangement.

4.1.10 Certification

Insiders may be required to certify their understanding of this Policy and their intent to comply with it. Designated Insiders may be required to certify compliance on an annual basis.

4.2 Part II

4.2.1 Pre-Clearance and Application of Blackout Periods for All Transactions by Designated Insiders

4.2.1.1 Pre-Clearance of All Transactions

To prevent inadvertent violations of federal and state securities laws and this Policy, to avoid even the appearance of an improper transaction (e.g., when a senior officer transacts while unaware of a pending major development), and to ensure the proper filing of required SEC reports, the following procedure must be followed:

4.2.1.2 Pre-Clearance Procedure

All transactions (acquisitions, dispositions, transfers, gifts, donations, etc.) in Company Securities by Designated Insiders must be pre-cleared by the Corporate Secretary or his or her designee. If you are a Designated Insider, you should contact the Corporate Secretary in advance of any transactions in Company Securities. **This pre-clearance requirement is applicable to all transactions, except as otherwise expressly provided in this Policy.**

If a Designated Insider contemplates transacting in Company Securities, he or she should contact the Corporate Secretary by written notice preferably at least three (3) business days in advance. A written response will be provided as soon as reasonably practicable. Clearance of a transaction will only be valid for a two Trading Day period unless the response states otherwise. If the transaction is not completed within that period, clearance must be requested again. If clearance is denied, the fact of such denial must be kept confidential. All Designated Insiders are also encouraged to contact their own legal counsel with respect to any transaction in Company Securities and as to any personal exposure they may have under the federal or state securities laws at any time.

Please note that clearance of a proposed transaction by the Corporate Secretary does not constitute legal advice or otherwise acknowledge that a Designated Insider does not possess Inside Information. Insiders must ultimately make their own judgments regarding, and are personally responsible for determining, whether they are in possession of Inside Information.

4.2.1.3 Pre- Clearance Inquiries

Unless otherwise notified, personnel other than Designated Insiders are not required to pre-clear transactions in Company Securities. However, if you are contemplating a transaction and are unsure about whether you possess Inside Information, you should contact the Corporate Secretary for guidance.

It is important to understand that "Designated Insiders" includes certain family members and other persons as described in Part I.

4.2.2 Restrictions on Transaction Timing

Designated Insiders are subject to the following restrictions (in addition to the general prohibitions described in this Policy) on transacting in Company Securities:

4.2.2.1 Quarterly Blackout

Because the announcement of Devon's quarterly financial results will almost always have the potential to have a material effect on the market for the Company Securities, you may not transact in Company Securities during the period (i) beginning on the fifteenth day of the last month of the quarter and ending after the second full Trading Day following the release of Devon's earnings for that quarter or (ii) as circulated separately by the Corporate Secretary.

4.2.2.2 Interim Earnings Guidance Blackout

Devon may on occasion issue interim earnings guidance or other potentially material information by means of a press release, SEC filing on Form 8-K, or other means designed to achieve widespread dissemination of the information. You should anticipate that transacting will be blacked out while the Company is in the process of assembling the information to be released and until the information has been released and fully absorbed by the market.

4.2.2.3 Event-Specific Blackout

From time to time, an event may occur that is material to the Company or a Business Partner and is known by only a few Directors, officers, and employees. The Company may prohibit such individuals from transacting in Company Securities or the securities of a Business Partner until such information ceases to be Inside Information. The existence of an event-specific blackout may or may not be announced and may apply to certain or all Designated Insiders. An applicable Designated Insider who requests permission to transact in Company Securities or the securities of a Business Partner during an event-specific blackout may be informed by the Corporate Secretary of the existence of the blackout period, without disclosing the reason for the blackout. Any person made aware of the existence of an event-specific blackout should not disclose the existence of the blackout to any other person.

The safest period for transacting in Company Securities, assuming the absence of Inside Information, is outside of a blackout period. Blackout periods are highly sensitive for transactions in Company Securities from the perspective of compliance with applicable securities laws. However, transacting in Company Securities outside a blackout period should not be considered a "safe harbor."

Even outside of blackout periods, no one should transact in Company Securities if he or she possesses Inside Information, and any person possessing Inside Information may not engage in any transactions in Company Securities until one full Trading Day following the date the Inside Information is publicly disclosed or ceases to be material.

The Company reserves the right to shorten, suspend, terminate, or extend any blackout period at its discretion.

4.2.3 Additional Obligations for Directors and Executive Officers under Section 16

Directors and Executive Officers of Devon must also comply with the reporting obligations under Section 16 of the Exchange Act and are prohibited from engaging in "short-swing" transactions covered by that statute. A practical effect of these provisions is that Executive Officers and Directors who purchase and

sell, or sell and purchase, certain Company Securities within a six-month period must disgorge all profits to Devon, whether or not they had knowledge of any Inside Information.

5 Consequences of Violation of Policy

Violations of this Policy are serious offenses that may subject you to disciplinary action, up to and including termination of employment. In addition, violations of the law may subject Devon or you to fines, penalties, or other legal remedies, including imprisonment.

6 Transactions by the Company

From time to time, the Company may engage in transactions in its own securities. It is the Company's policy to comply with all applicable securities laws (including appropriate approvals by the Directors or appropriate committee, if required) when engaging in transactions in the Company's securities.

7 Other Considerations

This Policy will be reviewed annually under the direction of the Policy Owner.

8 Definitions

All terms are defined in the Policy.

DEVON ENERGY CORPORATION

List of Subsidiaries⁽¹⁾ as of December 31, 2024

1. Devon Energy Corporation (Oklahoma), an Oklahoma corporation
2. Devon OEI Holdings, L.L.C., a Delaware limited liability company
3. Devon OEI Operating, L.L.C., a Delaware limited liability company
4. Devon Energy Production Company, L.P., an Oklahoma limited partnership
5. Devon Financing Company, L.L.C., a Delaware limited liability company
6. Devon Gas Co., L.L.C., a Delaware limited liability company
7. WPX Energy, Inc., a Delaware corporation
8. Devon Energy Williston, L.L.C., a Delaware limited liability company
9. WPX Energy Permian, LLC, a Delaware limited liability company
10. WPX Energy Holdings, LLC, a Delaware limited liability company
11. Devon Energy International, L.L.C., a Delaware limited liability company
12. Devon Gas Services, L.P., a Texas limited partnership
13. Devon Headquarters, L.L.C., an Oklahoma limited liability company
14. Bleu Falcon Holdings, Inc., a Delaware corporation

⁽¹⁾ The names of certain subsidiaries have been omitted since, considered in the aggregate as a single subsidiary, they would not constitute a significant subsidiary as of the end of the year covered by this report, as defined under Securities and Exchange Commission Regulation S-X, Rule 1-02(w).

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (File Nos. 333-68694, 333-47672, 333-44702, 333-104922, 333-104933, 333-103679, 333-127630, 333-159796, 333-182198, 333-204666, 333-218561, 333-249859, 333-260962 and 333-265472) on Form S-8 and in registration statement (File No. 333-270269) on Form S-3 of our report dated February 19, 2025, with respect to the consolidated financial statements of Devon Energy Corporation and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

Houston, Texas
February 19, 2025

DeGolyer and MacNaughton

5001 Spring Valley Road
Suite 800 East
Dallas, Texas 75244

February 19, 2025

Devon Energy
33 W. Sheridan Ave.
Oklahoma City, OK 73102

Ladies and Gentlemen:

We consent to the incorporation by reference in the registration statements (File Nos. 333-68694, 333-47672, 333-44702, 333-104922, 333-104933, 333-103679, 333-127630, 333-159796, 333-182198, 333-204666, 333-218561, 333-249859, 333-260962, and 333-265472) on Form S-8 and the registration statement (File No. 333-270269) on Form S-3 of Devon Energy Corporation (the "Company") of our report for the Company and the references to our firm and said report, in the context in which they appear, in the Annual Report on Form 10-K of the Company for the year ended December 31, 2024 (the "Form 10-K"), which report is included as an exhibit to the Form 10-K.

Very truly yours,

/s/ DeGolyer and MacNaughton

DeGOLYER and MacNAUGHTON
Texas Registered Engineering Firm F-716

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 annual report on Form 10-K 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: February 19, 2025

/s/ Richard E. Muncrief
Richard E. Muncrief
President and Chief Executive Officer

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 annual report on Form 10-K 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: February 19, 2025

/s/ Jeffrey L. Ritenour
Jeffrey L. Ritenour
Executive Vice President and Chief Financial Officer

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-K for the period ended December 31, 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
February 19, 2025

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-K for the period ended December 31, 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
February 19, 2025

DeGolyer and MacNaughton

5001 Spring Valley Road
Suite 800 East
Dallas, Texas 75244
January 22, 2025

Devon Energy Corporation
333 West Sheridan Avenue
Oklahoma City, Oklahoma 73102

Ladies and Gentlemen:

Pursuant to your request, this report of third party presents an independent evaluation, as of December 31, 2024, of the estimated net proved oil, condensate, natural gas liquids (NGL), and gas reserves of certain properties in which Devon Energy Corporation (Devon) has represented it holds an interest. This evaluation was completed on January 22, 2025. The properties evaluated consist of working and royalty interests located in Colorado, Montana, New Mexico, North Dakota, Oklahoma, Texas, and Wyoming. Devon has represented that these properties account for 89 percent on a net equivalent barrel basis of Devon's net proved reserves as of December 31, 2024, and that the net proved reserves estimates have been prepared in accordance with the reserves definitions of Rules 4–10(a) (1)–(32) of Regulation S–X of the United States Securities and Exchange Commission (SEC). It is our opinion that the procedures and methodologies employed by Devon for the preparation of its proved reserves estimates as of December 31, 2024, comply with the current requirements of the SEC. We have reviewed information provided by Devon that it represents to be Devon's estimates of the net reserves, as of December 31, 2024, for the same properties as those which we evaluated. This report was prepared in accordance with guidelines specified in Item 1202 (a)(8) of Regulation S–K and is to be used for inclusion in certain SEC filings by Devon.

Reserves estimates included herein are expressed as net reserves as represented by Devon. Gross reserves are defined as the total estimated petroleum remaining to be produced from these properties after December 31, 2024. Net reserves are defined as that portion of the gross reserves attributable to the interests held by Devon after deducting all interests held by others.

Estimates of reserves should be regarded only as estimates that may change as further production history and additional information become available. Not only are such estimates based on that information which is currently available, but such estimates are also subject to the uncertainties inherent in the application of judgmental factors in interpreting such information.

Information used in the preparation of this report was obtained from Devon and from public sources. In the preparation of this report we have relied, without independent verification, upon information furnished by Devon with respect to the property interests being evaluated, production from such properties, current costs of operation and development, current prices for production, agreements relating to current and future operations and sale of production, and various other information and data that were accepted as represented. A field examination was not considered necessary for the purposes of this report.

Definition of Reserves

Petroleum reserves included in this report are classified as proved. Only proved reserves have been evaluated for this report. Reserves classifications used in this report are in accordance with the reserves definitions of Rules 4–10(a) (1)–(32) of Regulation S–X of the SEC. Reserves are judged to be economically producible in future years from known reservoirs under existing economic and operating conditions and assuming continuation of current regulatory practices using conventional production methods and equipment. In the analyses of production-decline curves, reserves were estimated only to the limit of economic rates of production under existing economic and operating conditions using prices and costs consistent with the effective date of this report, including consideration of changes in existing prices provided only by contractual arrangements but not including escalations based upon future conditions. The petroleum reserves are classified as follows:

Proved oil and gas reserves – Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.

- (i) The area of the reservoir considered as proved includes:
-

(A) The area identified by drilling and limited by fluid contacts, if any, and (B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and (B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

Developed oil and gas reserves – Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and

(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Undeveloped oil and gas reserves – Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances justify a longer time.

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in [section 210.4–10 (a) Definitions], or by other evidence using reliable technology establishing reasonable certainty.

Methodology and Procedures

Estimates of reserves were prepared by the use of appropriate geologic, petroleum engineering, and evaluation principles and techniques that are in accordance with the reserves definitions of Rules 4–10(a) (1)–(32) of Regulation S–X of the SEC and with practices generally recognized by the petroleum industry as presented in the publication of the Society of Petroleum Engineers entitled “Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves

DeGolyer and MacNaughton

Information (revised June 2019) Approved by the SPE Board on 25 June 2019” and in Monograph 3 and Monograph 4 published by the Society of Petroleum Evaluation Engineers. The method or combination of methods used in the analysis of each reservoir was tempered by experience with similar reservoirs, stage of development, quality and completeness of basic data, and production history.

Based on the current stage of field development, production performance, the development plan provided by Devon, and analyses of areas offsetting existing wells with test or production data, reserves were classified as proved. The proved undeveloped reserves were based on opportunities identified in the plan of development provided by Devon.

Devon has represented that its senior management is committed to the development plan provided by Devon and that Devon has the financial capability to execute the development plan, including the drilling and completion of wells and the installation of equipment and facilities.

For the evaluation of unconventional reservoirs, a performance-based methodology integrating the appropriate geology and petroleum engineering data was utilized for this report. Performance-based methodology primarily includes (1) production diagnostics, (2) decline-curve analysis, and (3) model-based analysis (if necessary, based on availability of data). Production diagnostics include data quality control, identification of flow regimes, and characteristic well performance behavior. These analyses were performed for all well groupings (or type-curve areas).

Characteristic rate-decline profiles from diagnostic interpretation were translated to modified hyperbolic rate profiles, including one or multiple b-exponent values followed by an exponential decline. Based on the availability of data, model-based analysis may be integrated to evaluate long-term decline behavior, the effect of dynamic reservoir and fracture parameters on well performance, and complex situations sourced by the nature of unconventional reservoirs.

In the evaluation of undeveloped reserves, type-well analysis was performed using well data from analogous reservoirs for which more complete historical performance data were available.

Data provided by Devon from wells drilled through December 31, 2024, and made available for this evaluation were used to prepare the reserves estimates herein. These reserves estimates were based on consideration of daily and monthly production data available through December 2024. Cumulative production, as of December 31, 2024, was deducted from the estimated gross ultimate recovery to estimate gross reserves.

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Oil and condensate reserves estimated herein are to be recovered by normal field separation. NGL reserves estimated herein include pentanes and heavier fractions (C₅₊) and liquefied petroleum gas (LPG), which consists primarily of propane and butane fractions, and are the result of low-temperature plant processing. Oil, condensate, and NGL reserves included in this report are expressed in thousands of barrels (Mbbbl). In these estimates, 1 barrel equals 42 United States gallons. For reporting purposes, oil and condensate reserves have been estimated separately and are presented herein as a summed quantity.

Gas quantities estimated herein are expressed as sales gas. Sales gas is defined as the total gas to be produced from the reservoirs, measured at the point of delivery, after reduction for fuel usage, flare, and shrinkage resulting from field separation and processing. Gas reserves estimated herein are reported as sales gas. Gas quantities are expressed at a temperature base of 60 degrees Fahrenheit (°F) and at the pressure base of the state in which the quantities are located. Gas quantities included in this report are expressed in millions of cubic feet (MMcf).

Gas quantities are identified by the type of reservoir from which the gas will be produced. Nonassociated gas is gas at initial reservoir conditions with no oil present in the reservoir. Associated gas is both gas-cap gas and solution gas. Gas-cap gas is gas at initial reservoir conditions and is in communication with an underlying oil zone. Solution gas is gas dissolved in oil at initial reservoir conditions. Gas quantities estimated herein include both associated and nonassociated gas.

At the request of Devon, liquid reserves estimated herein were converted to gas equivalent using an energy equivalent factor of 1 barrel of liquids per 6,000 cubic feet of gas equivalent.

Primary Economic Assumptions

This report has been prepared using initial prices, expenses, and costs provided by Devon. Future prices were estimated using guidelines established by the SEC and the Financial Accounting Standards Board (FASB). The following economic assumptions were used for estimating the reserves reported herein:

Oil, Condensate, and NGL Prices

Devon has represented that the oil, condensate, and NGL prices were based on a reference price, calculated as the unweighted arithmetic average of the first-day-of-the-month price for each month within the 12-month period prior to the end of the reporting period, unless prices are defined by contractual agreements. Devon supplied differentials to a West

Texas Intermediate (WTI) reference price of \$75.48 per barrel and the prices were held constant thereafter. The volume-weighted average prices attributable to the estimated proved reserves over the lives of the properties were \$73.67 per barrel of oil and condensate and \$20.51 per barrel of NGL.

Gas Prices

Devon has represented that the gas prices were based on a reference price, calculated as the unweighted arithmetic average of the first-day-of-the-month price for each month within the 12-month period prior to the end of the reporting period, unless prices are defined by contractual agreements. Devon supplied differentials to a Henry Hub reference price of \$2.13 per million Btu (\$/MMBtu) and the prices were held constant thereafter. Btu factors provided by Devon were used to convert prices from dollars per million Btu to dollars per thousand cubic feet. The volume-weighted average price attributable to the estimated proved reserves over the lives of the properties was \$0.702 per thousand cubic feet of gas.

Production and Ad Valorem Taxes

Production taxes were calculated using the tax rates for each state in which the reserves are located, including, where appropriate, abatements for enhanced recovery programs. Ad valorem taxes were calculated using rates provided by Devon based on recent payments.

Operating Expenses, Capital Costs, and Abandonment Costs

Estimates of operating expenses, provided by Devon and based on existing economic conditions, were held constant for the lives of the properties. Future capital expenditures were estimated using 2024 values, provided by Devon, and were not adjusted for inflation. In certain cases, future expenditures, either higher or lower than current expenditures, may have been used because of anticipated changes in operating conditions, but no general escalation that might result from inflation was applied. Abandonment costs, which are those costs associated with the removal of equipment, plugging of wells, and reclamation and restoration associated with the abandonment, were provided by Devon for all properties and were not adjusted for inflation. Operating expenses, capital costs, and abandonment costs were considered, as appropriate, in determining the economic viability of the undeveloped reserves estimated herein.

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In our opinion, the information relating to estimated proved reserves of oil, condensate, NGL, and gas contained in this report has been prepared in accordance with Paragraphs 932-235-50-4, 932-235-50-6, 932-235-50-7, and 932-235-50-9 of the Accounting Standards Update 932-235-50, *Extractive Industries – Oil and Gas (Topic 932): Oil and Gas Reserve Estimation and Disclosures* (January 2010) of the FASB and Rules 4–10(a) (1)–(32) of Regulation S–X and Rules 302(b), 1201, 1202(a) (1), (2), (3), (4), (8), and 1203(a) of Regulation S–K of the SEC; provided, however, that estimates of the proved developed and proved undeveloped reserves are not presented at the beginning of the year.

To the extent the above-enumerated rules, regulations, and statements require determinations of an accounting or legal nature, we, as engineers, are necessarily unable to express an opinion as to whether the above-described information is in accordance therewith or sufficient therefor.

Summary of Conclusions

DeGolyer and MacNaughton has performed an independent evaluation of the extent of the estimated net proved oil, condensate, NGL, and gas reserves of certain properties in which Devon has represented it holds an interest. Devon has represented that its estimated net proved reserves attributable to the evaluated properties were based on the definition of proved reserves of the SEC. Devon's estimates of the net proved reserves, as of December 31, 2024, attributable to these properties, which represent 89 percent of Devon's total proved reserves on a net equivalent basis, are summarized as follows, expressed in thousands of barrels (Mbbbl), millions of cubic feet (MMcf), and thousands of barrels of oil equivalent (Mboe):

Properties Evaluated by DeGolyer and MacNaughton	Estimated by Devon Net Proved Reserves as of December 31, 2024			
	Oil and Condensate (Mbbbl)	NGL (Mbbbl)	Sales Gas (MMcf)	Oil Equivalent (Mboe)
Proved Developed	677,429	402,586	2,373,732	1,475,637
Proved Undeveloped	195,328	121,535	694,956	432,689
Total Proved	872,757	524,121	3,068,688	1,908,326

Note: Sales gas reserves estimated herein were converted to oil equivalent using an energy equivalent factor of 6,000 cubic feet of gas per 1 barrel of oil equivalent.

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In comparing the detailed net proved reserves estimates prepared by DeGolyer and MacNaughton and by Devon of the properties evaluated, differences have been found, both positive and negative, resulting in an aggregate difference of less than 10 percent for the evaluated properties when compared on the basis of net oil equivalent. It is DeGolyer and MacNaughton's opinion, based on the differences in aggregate, that the Devon's estimates of proved reserves are reasonable. It is DeGolyer and MacNaughton's opinion that Devon's estimates of proved reserves for the properties reviewed were prepared with practices generally recognized by the petroleum industry as presented in the publication of the Society of Petroleum Engineers entitled "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information (revised June 2019) Approved by the SPE Board on 25 June 2019." The method or combination of methods used in the analysis of each reservoir was tempered by Devon's experience with similar reservoirs, stage of development, quality and completeness of basic data, and production history.

While the oil and gas industry may be subject to regulatory changes from time to time that could affect an industry participant's ability to recover its reserves, we are not aware of any such governmental actions which would restrict the recovery of the December 31, 2024, estimated reserves.

DeGolyer and MacNaughton is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world since 1936. DeGolyer and MacNaughton does not have any financial interest, including stock ownership, in Devon. Our fees were not contingent on the results of our evaluation. This report has been prepared at the request of Devon. DeGolyer and MacNaughton has used all data, assumptions, procedures, and methods that it considers necessary to prepare this report.

Submitted,

DeGOLYER and MacNAUGHTON
Texas Registered Engineering Firm F-716

/s/ Dilhan Ilk

Dilhan Ilk, P.E.

[SEAL] Executive Vice President

DeGolyer and MacNaughton

CERTIFICATE of QUALIFICATION

I, Dilhan Ilk, Petroleum Engineer with DeGolyer and MacNaughton, 5001 Spring Valley Road, Suite 800 East, Dallas, Texas, 75244 U.S.A., hereby certify:

1. That I am an Executive Vice President with DeGolyer and MacNaughton, which firm did prepare the report of third party addressed to Devon dated January 22, 2025, and that I, as Executive Vice President, was responsible for the preparation of this report of third party.
2. That I attended Istanbul Technical University, and that I graduated with a Bachelor of Science degree in Petroleum Engineering in the year 2003, a Master of Science degree in Petroleum Engineering from Texas A&M University in 2005, and a Doctor of Philosophy degree in Petroleum Engineering from Texas A&M University in 2010; that I am a Registered Professional Engineer in the State of Texas; that I am a member of the Society of Petroleum Engineers; and that I have in excess of 14 years of experience in oil and gas reservoir studies and reserves evaluations.

/s/ Dilhan Ilk

Dilhan Ilk, P.E.

[SEAL] Executive Vice President
DeGolyer and MacNaughton
