

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

Form 10-Q

(Mark One)

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



For the quarterly period ended March 31, 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

73102-5015

,

Oklahoma City

,

Oklahoma

(Address of principal executive offices)

(Zip code)

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

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

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

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

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

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

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



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 is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

On April 18, 2024,

632.0

million shares of common stock were outstanding.

DEVON ENERGY CORPORATION

FORM 10-Q

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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 Quarterly Report on Form 10-Q:

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

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

“ASU” means Accounting Standards Update.

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

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

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

“Catalyst” means Catalyst Midstream Partners, LLC.

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

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

“ESG” means environmental, social and governance.

“FASB” means Financial Accounting Standards Board.

“Fervo” means Fervo Energy Company.

“G&A” means general and administrative expenses.

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

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

“LOE” means lease operating expenses.

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

“MBbls” means thousand barrels.

“MBoe” means thousand Boe.

“Mcf” means thousand cubic feet.

“MMBoe” means million Boe.

“MMBtu” means million Btu.

“MMcf” means million cubic feet.

“N/M” means not meaningful.

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"NCI" means noncontrolling interests.

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

"NYMEX" means New York Mercantile Exchange.

"SEC" means United States Securities and Exchange Commission.

"TSR" means total shareholder return.

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

"VIE" means variable interest entity.

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

"WTI" means West Texas Intermediate.

"/Bbl" means per barrel.

"/d" means per day.

"/MMBtu" means per MMBtu.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

Part I. Financial Information
Item 1. Financial Statements
DEVON ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

	Three Months Ended March 31, 2024 (Unaudited) 2023	
Oil, gas and NGL sales	\$ 2,629	\$ 2,679
Oil, gas and NGL derivatives	(145)	64
Marketing and midstream revenues	1,112	1,080
Total revenues	3,596	3,823
Production expenses	751	693
Exploration expenses	9	3
Marketing and midstream expenses	1,133	1,105
Depreciation, depletion and amortization	722	615
Asset dispositions	1	—
General and administrative expenses	114	106
Financing costs, net	76	72
Other, net	22	5
Total expenses	2,828	2,599
Earnings before income taxes	768	1,224
Income tax expense	159	221
Net earnings	609	1,003
Net earnings attributable to noncontrolling interests	13	8

		596	995
Net earnings attributable to Devon	\$		\$
Net earnings per share:			
		0.95	1.53
Basic net earnings per share	\$		\$
		0.94	1.53
Diluted net earnings per share	\$		\$
Comprehensive earnings:			
		609	1,003
Net earnings	\$		\$
Other comprehensive earnings, net of tax:			
		1	1
Pension and postretirement plans			
		1	1
Other comprehensive earnings, net of tax			
		610	1,004
Comprehensive earnings:			
		13	8
Comprehensive earnings attributable to noncontrolling interests			
		597	996
Comprehensive earnings attributable to Devon	\$		\$

See accompanying notes to consolidated financial statements.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	March 31, 2024 (Unaudited)	December 31, 2023
ASSETS		
Current assets:		
Cash, cash equivalents and restricted cash	\$ 1,149	\$ 875
Accounts receivable	1,670	1,573
Inventory	234	249
Other current assets	345	460
Total current assets	3,398	3,157
Oil and gas property and equipment, based on successful efforts accounting, net	18,033	17,825
Other property and equipment, net (\$ 154 million and \$ 136 million related to CDM in 2024 and 2023, respectively)	1,551	1,503
Total property and equipment, net	19,584	19,328
Goodwill	753	753
Right-of-use assets	276	267
Investments	713	666
Other long-term assets	254	319
Total assets	<u>\$ 24,978</u>	<u>\$ 24,490</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 879	\$ 760
Revenues and royalties payable	1,268	1,222
Short-term debt	479	483

Income taxes payable	189	67
Other current liabilities	451	417
Total current liabilities	3,266	2,949
Long-term debt	5,668	5,672
Lease liabilities	301	295
Asset retirement obligations	683	643
Other long-term liabilities	841	876
Deferred income taxes	1,878	1,838
Stockholders' equity:		
Common stock, \$		
0.10		
par value. Authorized		
1.0		
billion shares; issued		
633		
million and		
636	63	64
million shares in 2024 and 2023, respectively		
Additional paid-in capital	5,718	5,939
Retained earnings	6,509	6,195
	((
Accumulated other comprehensive loss	123	124
))
Treasury stock, at cost,		(
0.3	—	13
million shares in 2023)
Total stockholders' equity attributable to Devon	12,167	12,061
Noncontrolling interests	174	156
Total equity	12,341	12,217
Total liabilities and equity	\$ 24,978	\$ 24,490

See accompanying notes to consolidated financial statements.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31,	
	2024	2023
	(Unaudited)	
Cash flows from operating activities:		
Net earnings	\$ 609	\$ 1,003
Adjustments to reconcile net earnings to net cash from operating activities:		
Depreciation, depletion and amortization	722	615
Amortization of liabilities	—	7
Total (gains) losses on commodity derivatives	145	64
Cash settlements on commodity derivatives	24	13
Gains on asset dispositions	1	—
Deferred income tax expense	40	80
Share-based compensation	24	23
Other	3	2
Changes in assets and liabilities, net	170	12
Net cash from operating activities	1,738	1,677
Cash flows from investing activities:		
Capital expenditures	(894)	(1,012)
Acquisitions of property and equipment	8	13
Divestitures of property and equipment	17	21
Distributions from investments	11	8
Contributions to investments and other	47	37
Net cash from investing activities	921	1,033
Cash flows from financing activities:		

	((
Repurchases of common stock	205	517
))
	((
Dividends paid on common stock	299	596
))
	12	—
Contributions from noncontrolling interests	((
	7	11
Distributions to noncontrolling interests))
	((
	42	87
Shares exchanged for tax withholdings and other))
	((
Net cash from financing activities	541	1,211
))
	(
Effect of exchange rate changes on cash	2	—
)	
		(
Net change in cash, cash equivalents and restricted cash	274	567
)
	875	1,454
Cash, cash equivalents and restricted cash at beginning of period		
	1,149	887
Cash, cash equivalents and restricted cash at end of period	<u>\$</u>	<u>\$</u>
Reconciliation of cash, cash equivalents and restricted cash:		
	1,126	761
Cash and cash equivalents	\$	\$
	23	126
Restricted cash		
	1,149	887
Total cash, cash equivalents and restricted cash	<u>\$</u>	<u>\$</u>

See accompanying notes to consolidated financial statements.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings (Unaudited)	Other Comprehensive Earnings (Loss)	Treasury Stock	Noncontrolling Interests	Total Equity
Three Months Ended March 31, 2024								
					((
Balance as of December 31, 2023	636	\$ 64	\$ 5,939	\$ 6,195	\$ 124	\$ 13	\$ 156	\$ 12,217
Net earnings	—	—	—	596	—	—	13	609
Other comprehensive earnings, net of tax	—	—	—	—	1	—	—	1
Restricted stock grants, net of cancellations	2	—	—	—	—	—	—	—
				(((
Common stock repurchased	—	—	1	—	—	232	—	233
	(((
Common stock retired	6	1	244	—	—	245	—	—
)))					(
				282				282
Common stock dividends	—	—	—)	—	—	—)
Share-based compensation	1	—	24	—	—	—	—	24
Contributions from noncontrolling interests	—	—	—	—	—	—	12	12
							((
Distributions to noncontrolling interests	—	—	—	—	—	—	7	7
))
					(
Balance as of March 31, 2024	633	\$ 63	\$ 5,718	\$ 6,509	\$ 123	\$ —	\$ 174	\$ 12,341
Three Months Ended March 31, 2023								
					(
Balance as of December 31, 2022	653	\$ 65	\$ 6,921	\$ 4,297	\$ 116	\$ —	\$ 129	\$ 11,296
Net earnings	—	—	—	995	—	—	8	1,003
Other comprehensive earnings, net of tax	—	—	—	—	1	—	—	1
Restricted stock grants, net of cancellations	2	—	—	—	—	—	—	—

			(((
			4			625		629
Common stock repurchased	—	—)	—	—)	—)
	(((
	11	1	596			597		
Common stock retired)))	—	—		—	—
				((
				580				580
Common stock dividends	—	—	—)	—	—	—)
	1		23					23
Share-based compensation		—		—	—	—	—	
							((
							11	11
Distributions to noncontrolling interests	—	—	—	—	—	—))
					((
	645	64	6,344	4,712	115	28	126	11,103
Balance as of March 31, 2023	<u> </u>	<u>\$ </u>	<u>\$ </u>	<u>\$ </u>	<u>\$ </u>	<u>\$ </u>	<u>\$ </u>	<u>\$ </u>

See accompanying notes to consolidated financial statements.

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

1. Summary of Significant Accounting Policies

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

Variable Interest Entity

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

Investments

The following table presents Devon's investments.

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

Devon has an interest in Catalyst, which is a joint venture with an affiliate of Howard Energy Partners, LLC ("HEP") and certain other investors, to develop oil gathering and natural gas processing infrastructure in the Stateline area of the Delaware Basin. Under the terms of the arrangement, Devon and a holding company owned by the other joint venture investors each have a

50

% voting interest in the joint venture legal entity, and HEP serves as the operator. Through 2038, Devon's production from

50,000

net acres in the Stateline area of the Delaware Basin has been dedicated to Catalyst subject to fixed-fee oil gathering and natural gas processing agreements. Devon accounts for the investment in Catalyst as an equity method investment. Devon's investment in Catalyst is shown within investments on the consolidated balance sheets and Devon's share of Catalyst earnings are reflected as a component of other, net in the accompanying consolidated statements of comprehensive earnings.

In the second quarter of 2023, Devon made an investment in the Water JV, a joint venture entity formed with an affiliate of WaterBridge NDB LLC ("WaterBridge"), for the purpose of providing increased capacity and flexibility in disposing of produced water in the Delaware Basin and Eagle Ford. Under terms of the arrangement, Devon contributed water infrastructure assets and committed to a water gathering and disposal dedication to the Water JV through 2038, in exchange for a

30

% voting interest in the joint venture legal entity. WaterBridge contributed water infrastructure assets to the Water JV, in exchange for a

70

% voting interest in the joint venture legal entity and will serve as the operator. In the second quarter of 2023, Devon recognized a \$

64

million gain in asset dispositions in the consolidated statements of comprehensive earnings, which represented the excess of the estimated fair value of Devon's interest in the Water JV over the carrying value of the water infrastructure assets Devon contributed to the Water JV. Devon accounts

for the investment in the Water JV as an equity method investment. Devon's investment in the Water JV is shown within investments on the consolidated balance sheets and Devon's share of the Water JV earnings are reflected as a component of other, net in the accompanying consolidated statements of comprehensive earnings.

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

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

In the first quarter of 2024, Devon committed to invest approximately \$

100

million in Fervo, a company that generates energy from geothermal wells. As of March 31, 2024, Devon has funded approximately \$

55

million of the commitment and expects to fund the remaining \$

45

million commitment throughout 2024. The investment in Fervo allows Devon to exercise significant influence over Fervo, and the investment is accounted for under the equity method of accounting. Devon's investment in Fervo is shown within investments on the consolidated balance sheets and Devon's share of Fervo earnings are reflected as a component of other, net in the accompanying consolidated statements of comprehensive earnings.

Disaggregation of Revenue

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

	Three Months Ended March 31,	
	2024	2023
Oil	\$ 2,189	\$ 2,143
Gas	128	213
NGL	312	323
Oil, gas and NGL sales	2,629	2,679
Oil	807	730
Gas	121	152
NGL	184	198
Marketing and midstream revenues	1,112	1,080
Total revenues from contracts with customers	\$ 3,741	\$ 3,759

Recently Issued Accounting Standards Not Yet Adopted

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

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

2. Acquisitions and Divestitures

Devon is entitled to contingent earnout payments associated with the sale of its Barnett Shale assets in 2020 with upside participation beginning at a \$

2.75

Henry Hub natural gas price or a \$

50

WTI oil price. The contingent payment period commenced on January 1, 2021 and has a term of four years. Devon received \$

20

million in contingent earnout payments related to this transaction in the first quarter of 2024 and \$

65

million in the first quarter of 2023. Devon could also receive up to an additional \$

65

million in contingent earnout payments for the remaining performance period depending on future commodity prices. The valuation of the future contingent earnout payment included within other current assets in the March 31, 2024 consolidated balance sheet was approximately \$

35

million. This value was derived utilizing a Monte Carlo valuation model and qualifies as a level 3 fair value measurement.

Devon also received \$

4

million in contingent earnout payments in the first quarter of 2023 related to the sale of non-core assets in the Rockies.

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

3. Derivative Financial Instruments

Objectives and Strategies

Devon enters into derivative financial instruments with respect to a portion of its oil, gas and NGL production to hedge future prices received. Additionally, Devon periodically enters into derivative financial instruments with respect to a portion of its oil, gas and NGL marketing activities. These commodity derivative financial instruments include financial price swaps, basis swaps and costless price collars.

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

Counterparty Credit Risk

By using derivative financial instruments, Devon is exposed to credit risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. To mitigate this risk, the hedging instruments are placed with a number of counterparties whom Devon believes are acceptable credit risks. It is Devon's policy to enter into derivative contracts only with investment-grade rated counterparties deemed by management to be competent and competitive market makers. Additionally, Devon's derivative contracts generally contain provisions that provide for collateral payments if Devon's or its counterparty's credit rating falls below certain credit rating levels. As of March 31, 2024, Devon neither held cash collateral of its counterparties

no
r posted cash collateral to its counterparties.

Commodity Derivatives

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

Period	Price Swaps		Price Collars		Weighted Average Ceiling Price (\$/Bbl)
	Volume (Bbls/d)	Weighted Average Price (\$/Bbl)	Volume (Bbls/d)	Weighted Average Floor Price (\$/Bbl)	
Q2-Q4 2024	27,451	78.98	71,691	66.95	84.59
		\$		\$	\$
Q1-Q4 2025	3,468	72.75	992	70.00	77.40
		\$		\$	\$

Period	Index	Oil Basis Swaps		Weighted Average Differential to WTI (\$/Bbl)
		Volume (Bbls/d)		
Q2-Q4 2024	Midland Sweet	67,184		1.17
			\$	
Q2-Q4 2024	NYMEX Roll	26,000		0.82
			\$	
Q1-Q4 2025	Midland Sweet	63,000		1.00
			\$	
Q1-Q4 2026	Midland Sweet	7,000		1.14
			\$	

As of March 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.

Period	Price Swaps		Price Collars		Weighted Average Ceiling Price (\$/MMBtu)
	Volume (MMBtu/d)	Weighted Average Price (\$/MMBtu)	Volume (MMBtu/d)	Weighted Average Floor Price (\$/MMBtu)	
Q2-Q4 2024	244,935	3.20	18,531	3.91	6.19
		\$		\$	\$

Q1-Q4 2025

75,537

\$

3.04

—

—

—

12

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

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

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

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

Financial Statement Presentation

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

	March 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		((
	\$ 82	\$ 8)	\$ 74	\$ 213	\$ 5)	\$ 208	Other current assets
Long-term derivative asset		(
	1	1)	—	—	—	—	Other long-term assets
Short-term derivative liability	((((
	46)	8	38)	7)	5	2)	Other current liabilities
Long-term derivative liability	((((
	7)	1	6)	7)	—	7)	Other long-term liabilities
Total derivative asset	\$ 30	\$ —	\$ 30	\$ 199	\$ —	\$ 199	



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

4. Share-Based Compensation

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

	Three Months Ended March 31,	
	2024	2023
G&A	\$ 24	\$ 23
Related income tax benefit	\$ 9	\$ 20

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

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

(1) A maximum of

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

The following table presents the assumptions related to the performance share units granted in 2024, as indicated in the previous summary table. The grants in the previous summary table also include the impacts of performance share units granted in a prior year that vested higher than

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

	2024
Grant-date fair value	\$ 56.99
Risk-free interest rate	4.28 %
Volatility factor	46.03 %

Contractual term (years)

2.89

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

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

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

5. Income Taxes

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

	Three Months Ended March 31,	
	2024	2023
Earnings before income taxes	\$ 768	\$ 1,224
Current income tax expense	\$ 119	\$ 141
Deferred income tax expense	40	80
Total income tax expense	\$ 159	\$ 221
U.S. statutory income tax rate	21%	21%
State income taxes	1%	1%
Income tax credits	(1%)	(3%)
Other	—	1%
Effective income tax rate	21%	18%

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

6. Net Earnings Per Share

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

	Three Months Ended March 31,	
	2024	2023
Net earnings available to common shareholders - basic and diluted	\$ 596	\$ 987
Common shares:		
Average common shares outstanding - basic	629	645
Dilutive effect of potential common shares issuable	3	2
Average common shares outstanding - diluted	632	647

Net earnings per share available to common shareholders:

Basic		0.95	1.53
	\$	\$	
Diluted		0.94	1.53
	\$	\$	

7. Other Comprehensive Earnings (Loss)

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

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

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

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

a component of other, net in the accompanying consolidated statements of comprehensive earnings.

8. Supplemental Information to Statements of Cash Flows

	Three Months Ended March 31,	
	2024	2023
Changes in assets and liabilities, net:		
Accounts receivable	\$ (96)	\$ 150
Other current assets	(23)	16
Other long-term assets	49	31
Accounts payable and revenues and royalties payable	143	(165)
Other current liabilities	116	(3)
Other long-term liabilities	(19)	(17)
Total	\$ 170	\$ 12
Supplementary cash flow data:		
Interest paid	\$ 63	\$ 101
Income taxes refunded	\$ (4)	\$ —

9. Accounts Receivable

Components of accounts receivable include the following:

	March 31, 2024	December 31, 2023
Oil, gas and NGL sales	\$ 1,013	\$ 965
Joint interest billings	246	251
Marketing and midstream revenues	394	342
Other	24	22
Gross accounts receivable	1,677	1,580

	((
Allowance for doubtful accounts	7)	7)

Net accounts receivable	\$	1,670	\$	1,573
-------------------------	----	-------	----	-------

10. Property, Plant and Equipment

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

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

(1) \$

154
million and \$

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

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

11. Debt and Related Expenses

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

	March 31, 2024	December 31, 2023
5.25		
% due		
September 15, 2024	\$ 472	\$ 472
5.85		
% due		
December 15, 2025	485	485
7.50		
% due		
September 15, 2027	73	73
5.25		
% due		
October 15, 2027	390	390
5.875		
% due		
June 15, 2028	325	325
4.50		
% due		
January 15, 2030	585	585
7.875		
% due		
September 30, 2031	675	675
7.95		
% due		
April 15, 2032	366	366

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
Net premium on debentures and notes		57	64
		((
Debt issuance costs		31	30
))
Total debt	\$	6,147	\$ 6,155
Less amount classified as short-term debt		479	483
Total long-term debt	\$	5,668	\$ 5,672

Retirement of Senior Notes

On August 1, 2023, Devon repaid the \$

242 million of

8.25 % senior notes at maturity.

Credit Lines

In 2023, Devon amended and restated its 2018 Senior Credit Facility to provide for a new \$

3.0 billion revolving 2023 Senior Credit Facility. In the first quarter of 2024, Devon exercised its option to extend the 2023 Senior Credit Facility maturity date from March 24, 2028 to March 24, 2029 . Devon has the option to extend the March 24, 2029 maturity date by two additional one-year periods subject to lender consent. As of March 31, 2024, Devon had

no outstanding borrowings under the 2023 Senior Credit Facility and had issued \$

3 million in outstanding letters of credit under this facility. The 2023 Senior Credit Facility contains only one material financial covenant. This covenant requires Devon's ratio of total funded debt to total capitalization, as defined in the credit agreement, to be no greater than

65 %. Under the terms of the credit agreement, total capitalization is adjusted to add back non-cash financial write-downs such as impairments. As of March 31, 2024, Devon was in compliance with this covenant with a debt-to-capitalization ratio of

21.5
%.

Net Financing Costs

The following schedule includes the components of net financing costs.

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

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

12. Leases

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

	Finance	March 31, 2024 Operating	Total	Finance	December 31, 2023 Operating	Total
Right-of-use assets	\$ 244	\$ 32	\$ 276	\$ 246	\$ 21	\$ 267
Lease liabilities:						
Current lease liabilities ⁽¹⁾	\$ 22	\$ 16	\$ 38	\$ 21	\$ 12	\$ 33
Long-term lease liabilities	285	16	301	286	9	295
Total lease liabilities ⁽²⁾	\$ 307	\$ 32	\$ 339	\$ 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 March 31, 2024 and are therefore excluded from the amounts shown above.

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

13. Asset Retirement Obligations

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

	Three Months Ended March 31, 2024	2023
Asset retirement obligations as of beginning of period	\$ 665	\$ 529
Liabilities incurred	8	6
Liabilities settled and divested	(8)	(6)
Revision of estimated obligation	35	27
Accretion expense on discounted obligation	9	7
Asset retirement obligations as of end of period	709	563
Less current portion	26	17
Asset retirement obligations, long-term	\$ 683	\$ 546

During the first quarter of 2024, Devon increased its asset retirement obligations by approximately \$

35 million primarily due to changes in current cost estimates and future retirement dates for its oil and gas assets. During the first quarter of 2023,

Devon increased its asset retirement obligations by approximately \$

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

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

14. Stockholders' Equity

Share Repurchases

Devon's Board of Directors has authorized a \$

3.0 billion share repurchase program with a December 31, 2024 expiration date. The table below provides information regarding purchases of Devon's common stock under the \$

3.0 billion share repurchase program (shares in thousands).

	Total Number of Shares Purchased	Dollar Value of Shares Purchased	Average Price Paid per Share
\$3.0 Billion Plan			
2021	13,983	\$ 589	\$ 42.15
2022	11,708	718	61.36
2023:			
First quarter	10,090	545	53.96
Second quarter	3,795	200	52.70
Fourth quarter	5,465	247	45.17
2023 Total	19,350	992	51.23
2024:			
First quarter	4,428	193	43.47
Total plan	49,469	\$ 2,492	\$ 50.37

Dividends

Devon pays a quarterly dividend which is comprised of a fixed dividend and a variable dividend. The variable dividend is dependent on quarterly cash flows, among other factors. Devon has raised its fixed dividend multiple times over the past two calendar years and most recently raised it by 10% from \$

0.20
to \$

0.22 per share in the first quarter of 2024. The following table summarizes Devon's fixed and variable dividends for the first quarter of 2024 and 2023, respectively.

	Fixed	Variable	Total	Rate Per Share
2024:				
First quarter	\$ 143	\$ 156	\$ 299	\$ 0.44
2023:				
First quarter	\$ 133	\$ 463	\$ 596	\$ 0.89

In May 2024, Devon announced a cash dividend in the amount of \$

0.35
per share payable in the second quarter of 2024. The dividend consists of a \$

0.22
per share fixed quarterly dividend and a \$

0.13
per share variable quarterly dividend and will total approximately \$

221
million.

Noncontrolling Interests

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

15. Commitments and Contingencies

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

Royalty Matters

Numerous oil and natural gas producers and related parties, including Devon, have been named in various lawsuits alleging royalty underpayments. Devon is currently named as a defendant in a number of such lawsuits, including some lawsuits in which the plaintiffs seek to certify classes of similarly situated plaintiffs. Among the allegations typically asserted in these suits are claims that Devon used below-market prices, made improper deductions, paid royalty proceeds in an untimely manner without including required

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

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

50

million in other current liabilities pertaining to such royalty matters.

Environmental and Climate Change Matters

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

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

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

Other Indemnifications and Legacy Matters

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

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

16. Fair Value Measurements

The following table provides carrying value and fair value measurement information for certain of Devon's financial assets and liabilities. The carrying values of cash, accounts receivable, other current receivables, accounts payable, other current payables, accrued expenses and lease liabilities included in the accompanying consolidated balance sheets approximated fair value at March 31, 2024 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 3 Inputs
March 31, 2024 assets (liabilities):							
Cash equivalents	\$ 406	\$ 406	\$ 406	\$ —	\$ —	\$ —	
Commodity derivatives	\$ 74	\$ 74	\$ —	\$ 74			
Commodity derivatives	(44)	(44)	\$ —	\$ 44)			
Debt	(6,147)	(6,047)	\$ —	\$ 6,047)			
Contingent earnout payments	\$ 35	\$ 35	\$ —	\$ —			35
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.

Level 1 Fair Value Measurements

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

Level 2 Fair Value Measurements

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

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

Level 3 Fair Value Measurements

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

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

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

Executive Overview

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

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

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

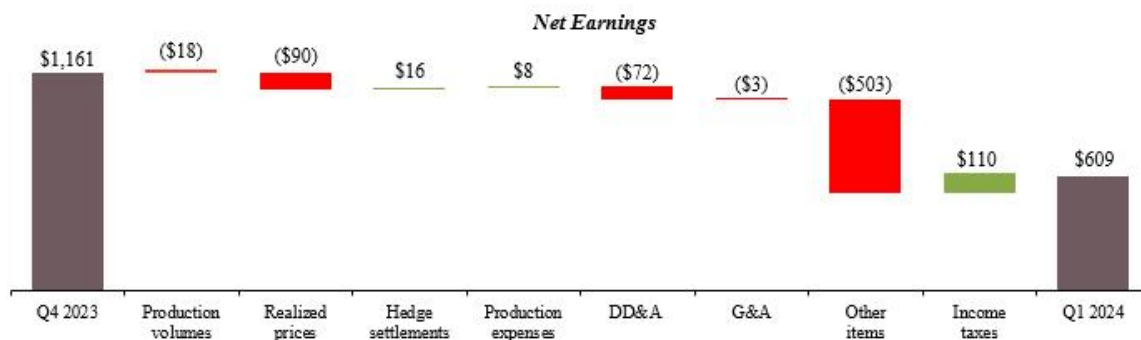
We remain committed to capital discipline and delivering the objectives that underpin our current plan. Those objectives prioritize value creation through moderated capital investment and production growth, particularly with a view of the volatility in commodity prices, supply chain constraints and the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

Results of Operations

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

Q1 2024 vs. Q4 2023

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



Production Volumes

	Q1 2024	% of Total	Q4 2023	Change
Oil (MBbls/d)				
Delaware Basin	208	65 %	208	0 %
Eagle Ford	43	14 %	43	0 %
Anadarko Basin	11	3 %	13	-14 %
Williston Basin	40	13 %	36	12 %
Powder River Basin	13	4 %	13	-2 %
Other	4	1 %	4	-1 %
Total	319	100 %	317	1 %

	Q1 2024	% of Total	Q4 2023	Change
Gas (MMcf/d)				
Delaware Basin	695	64 %	673	3 %
Eagle Ford	79	7 %	81	-2 %
Anadarko Basin	223	21 %	225	-1 %
Williston Basin	63	6 %	61	2 %
Powder River Basin	18	2 %	20	-9 %
Other	1	0 %	1	-6 %
Total	1,079	100 %	1,061	2 %

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

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	Q1 2024	% of Total	Q4 2023	Change
Combined (MBoe/d)				
Delaware Basin	437	66 %	433	1 %
Eagle Ford	70	10 %	72	-3 %
Anadarko Basin	74	11 %	79	-6 %
Williston Basin	61	9 %	55	9 %
Powder River Basin	18	3 %	19	-6 %
Other	4	1 %	4	-2 %
Total	<u>664</u>	<u>100 %</u>	<u>662</u>	0 %

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

Realized Prices

	Q1 2024	Realization	Q4 2023	Change
Oil (per Bbl)				
WTI index	\$ 77.01		\$ 78.48	-2 %
Realized price, unhedged	\$ 75.40	98%	\$ 77.32	-2 %
Cash settlements	\$ (0.25)		\$ (0.34)	
Realized price, with hedges	<u>\$ 75.15</u>	<u>98%</u>	<u>\$ 76.98</u>	<u>-2 %</u>

	Q1 2024	Realization	Q4 2023	Change
Gas (per Mcf)				
Henry Hub index	\$ 2.25		\$ 2.88	-22 %
Realized price, unhedged	\$ 1.30	58%	\$ 1.83	-29 %
Cash settlements	\$ 0.32		\$ 0.19	
Realized price, with hedges	<u>\$ 1.62</u>	<u>72%</u>	<u>\$ 2.02</u>	<u>-20 %</u>

	Q1 2024	Realization	Q4 2023	Change
NGLs (per Bbl)				
WTI index	\$ 77.01		\$ 78.48	-2 %
Realized price, unhedged	\$ 20.81	27%	\$ 19.67	6 %
Cash settlements	\$ (0.08)		\$ —	
Realized price, with hedges	<u>\$ 20.73</u>	<u>27%</u>	<u>\$ 19.67</u>	<u>5 %</u>

	Q1 2024	Q4 2023	Change
Combined (per Boe)			
Realized price, unhedged	\$ 43.52	\$ 44.93	-3 %
Cash settlements	\$ 0.39	\$ 0.14	
Realized price, with hedges	<u>\$ 43.91</u>	<u>\$ 45.07</u>	<u>-3 %</u>

From the fourth quarter of 2023 to the first quarter of 2024, realized prices contributed to a \$90 million decrease in earnings. Unhedged realized oil and gas prices decreased primarily due to lower WTI and Henry Hub index prices. These were partially offset by hedge cash settlements primarily related to gas commodities.

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

Hedge Settlements

	Q1 2024	Q4 2023	Change
Oil	\$ (7)	\$ (10)	30 %
Natural gas	32	18	78 %
NGL	(1)	—	N/M
Total cash settlements ⁽¹⁾	<u>\$ 24</u>	<u>\$ 8</u>	<u>200 %</u>

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

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

Production Expenses

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

Field-Level Cash Margin

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

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

DD&A

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

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

G&A

	Q1 2024	Q4 2023	Change
G&A per Boe	\$ 1.89	\$ 1.83	3 %
Labor and benefits	\$ 63	\$ 53	19 %
Non-labor	51	58	-12 %
Total	<u>\$ 114</u>	<u>\$ 111</u>	3 %

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

Other Items

	Q1 2024	Q4 2023	Change in earnings
Commodity hedge valuation changes ⁽¹⁾	\$ (169)	\$ 316	\$ (485)
Marketing and midstream operations	(21)	(9)	(12)
Exploration expenses	9	4	(5)
Asset dispositions	1	11	10
Net financing costs	76	77	1
Other, net	22	10	(12)
			<u>\$ (503)</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. For additional information, see [Note 3](#) in "Part I. Financial Information – Item 1. Financial Statements" in this report.

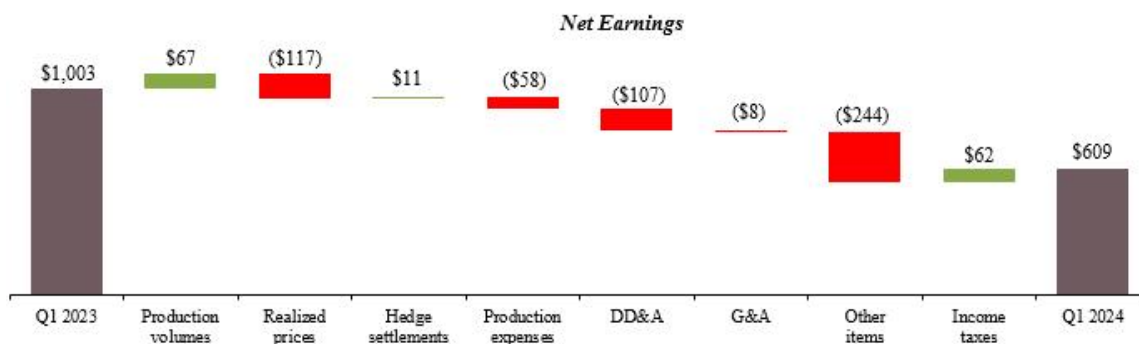
Income Taxes

	Q1 2024	Q4 2023
Current expense	\$ 119	\$ 105
Deferred expense	40	164
Total expense	<u>\$ 159</u>	<u>\$ 269</u>
Current tax rate	16 %	7 %
Deferred tax rate	5 %	12 %
Effective income tax rate	<u>21 %</u>	<u>19 %</u>

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

Q1 2024 vs. Q1 2023

Our first quarter 2024 and first quarter 2023 net earnings were \$0.6 billion and \$1.0 billion, respectively. The graph below shows the change in net earnings from the first quarter of 2023 to the first quarter of 2024. The material changes are further discussed by category on the following pages.



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Production Volumes

	Q1 2024	% of Total	Q1 2023	Change
Oil (MBbls/d)				
Delaware Basin	208	65 %	211	-1 %
Eagle Ford	43	14 %	40	7 %
Anadarko Basin	11	3 %	15	-29 %
Williston Basin	40	13 %	36	12 %
Powder River Basin	13	4 %	14	-7 %
Other	4	1 %	4	-5 %
Total	<u>319</u>	<u>100 %</u>	<u>320</u>	0 %

	Q1 2024	% of Total	Q1 2023	Change
Gas (MMcf/d)				
Delaware Basin	695	64 %	640	9 %
Eagle Ford	79	7 %	82	-3 %
Anadarko Basin	223	21 %	237	-6 %
Williston Basin	63	6 %	54	16 %
Powder River Basin	18	2 %	16	13 %
Other	1	0 %	1	-24 %
Total	<u>1,079</u>	<u>100 %</u>	<u>1,030</u>	5 %

	Q1 2024	% of Total	Q1 2023	Change
NGLs (MBbls/d)				
Delaware Basin	113	68 %	97	16 %
Eagle Ford	14	9 %	15	-6 %
Anadarko Basin	26	16 %	26	-1 %
Williston Basin	10	6 %	8	22 %
Powder River Basin	2	1 %	2	1 %
Other	—	0 %	1	N/M
Total	<u>165</u>	<u>100 %</u>	<u>149</u>	11 %

	Q1 2024	% of Total	Q1 2023	Change
Combined (MBoe/d)				
Delaware Basin	437	66 %	415	5 %
Eagle Ford	70	10 %	68	2 %
Anadarko Basin	74	11 %	81	-9 %
Williston Basin	61	9 %	53	14 %
Powder River Basin	18	3 %	19	-4 %
Other	4	1 %	5	-9 %
Total	<u>664</u>	<u>100 %</u>	<u>641</u>	4 %

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

Realized Prices

	Q1 2024	Realization	Q1 2023	Change
Oil (per Bbl)				
WTI index	\$ 77.01		\$ 76.17	1 %
Realized price, unhedged	\$ 75.40	98%	\$ 74.32	1 %
Cash settlements	\$ (0.25)		\$ (0.10)	
Realized price, with hedges	<u>\$ 75.15</u>	98%	<u>\$ 74.22</u>	1 %

	Q1 2024	Realization	Q1 2023	Change
Gas (per Mcf)				
Henry Hub index	\$ 2.25		\$ 3.44	-35 %
Realized price, unhedged	\$ 1.30	58%	\$ 2.29	-43 %
Cash settlements	\$ 0.32		\$ 0.18	
Realized price, with hedges	<u>\$ 1.62</u>	72%	<u>\$ 2.47</u>	-34 %

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	Q1 2024	Realization	Q1 2023	Change
NGLs (per Bbl)				
WTI index	\$ 77.01		\$ 76.17	1 %
Realized price, unhedged	\$ 20.81	27%	\$ 24.12	-14 %
Cash settlements	\$ (0.08)		\$ —	
Realized price, with hedges	\$ 20.73	27%	\$ 24.12	-14 %

	Q1 2024		Q1 2023	Change
Combined (per Boe)				
Realized price, unhedged	\$ 43.52		\$ 46.44	-6 %
Cash settlements	\$ 0.39		\$ 0.22	
Realized price, with hedges	\$ 43.91		\$ 46.66	-6 %

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

Hedge Settlements

	Q1 2024		Q1 2023	Change
Oil	\$ (7)		\$ (3)	-133 %
Natural gas	32		16	100 %
NGL	(1)		—	N/M
Total cash settlements ⁽¹⁾	\$ 24		\$ 13	85 %

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

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

Production Expenses

	Q1 2024		Q1 2023	Change
LOE	\$ 380		\$ 327	16 %
Gathering, processing & transportation	180		166	8 %
Production taxes	175		175	0 %
Property taxes	16		25	-36 %
Total	\$ 751		\$ 693	8 %
Per Boe:				
LOE	\$ 6.29		\$ 5.67	11 %
Gathering, processing & transportation	\$ 2.98		\$ 2.88	4 %
Percent of oil, gas and NGL sales:				
Production taxes	6.7 %		6.5 %	2 %

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

Field-Level Cash Margin

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

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

	Q1 2024	\$ per BOE	Q1 2023	\$ per BOE
Field-level cash margin (Non-GAAP)				
Delaware Basin	\$ 1,275	\$ 32.06	\$ 1,334	\$ 35.71
Eagle Ford	266	41.82	257	41.75
Anadarko Basin	98	14.64	154	21.09
Williston Basin	164	29.74	156	32.65
Powder River Basin	60	36.00	70	41.43
Other	15	N/M	15	N/M
Total	<u>\$ 1,878</u>	<u>\$ 31.09</u>	<u>\$ 1,986</u>	<u>\$ 34.42</u>

DD&A

	Q1 2024	Q1 2023	Change
Oil and gas per Boe	\$ 11.57	\$ 10.25	13%
Oil and gas	\$ 699	\$ 591	18%
Other property and equipment	23	24	-5%
Total	<u>\$ 722</u>	<u>\$ 615</u>	<u>17%</u>

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

G&A

	Q1 2024	Q1 2023	Change
G&A per Boe	\$ 1.89	\$ 1.85	2%
Labor and benefits	\$ 63	\$ 56	13%
Non-labor	51	50	2%
Total	<u>\$ 114</u>	<u>\$ 106</u>	<u>8%</u>

G&A increased in the first quarter of 2024 due to higher labor and benefit costs.

Other Items

	Q1 2024	Q1 2023	Change in earnings
Commodity hedge valuation changes ⁽¹⁾	\$ (169)	\$ 51	\$ (220)
Marketing and midstream operations	(21)	(25)	4
Exploration expenses	9	3	(6)
Asset dispositions	1	—	(1)
Net financing costs	76	72	(4)
Other, net	22	5	(17)
			<u>\$ (244)</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. For additional information, see [Note 3](#) in "Part I. Financial Information – Item 1. Financial Statements" in this report.

Income Taxes

	Q1 2024	Q1 2023
Current expense	\$ 119	\$ 141
Deferred expense	40	80
Total expense	<u>\$ 159</u>	<u>\$ 221</u>
Current tax rate	16%	12%
Deferred tax rate	5%	6%
Effective income tax rate	<u>21%</u>	<u>18%</u>

For discussion on income taxes, see [Note 5](#) in “Part I. Financial Information – Item 1. Financial Statements” in 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 three months ended March 31, 2024 and 2023.

	Three Months Ended March 31,	
	2024	2023
Operating cash flow	\$ 1,738	\$ 1,677
Capital expenditures	(894)	(1,012)
Divestitures of property and equipment	17	21
Investment activity, net	(36)	(29)
Repurchases of common stock	(205)	(517)
Common stock dividends	(299)	(596)
Noncontrolling interest activity, net	5	(11)
Other	(52)	(100)
Net change in cash, cash equivalents and restricted cash	<u>\$ 274</u>	<u>\$ (567)</u>
Cash, cash equivalents and restricted cash at end of period	<u>\$ 1,149</u>	<u>\$ 887</u>

Operating Cash Flow

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

Capital Expenditures

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

	Three Months Ended March 31,	
	2024	2023
Delaware Basin	\$ 534	\$ 584
Eagle Ford	157	192
Anadarko Basin	60	62
Williston Basin	42	99
Powder River Basin	33	38
Other	2	1
Total oil and gas	828	976
Midstream	37	16
Other	29	20
Total capital expenditures	<u>\$ 894</u>	<u>\$ 1,012</u>

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

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

Divestitures of Property and Equipment

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

Investment Activity

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

Shareholder Distributions and Stock Activity

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

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

	Fixed		Variable		Total	Rate Per Share	
2024:							
First quarter	\$	143	\$	156	\$ 299	\$	0.44
2023:							
First quarter	\$	133	\$	463	\$ 596	\$	0.89

Noncontrolling Interest Activity, net

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

Liquidity

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

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

Operating Cash Flow

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

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

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

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

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

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

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

Credit Availability

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

Debt Ratings

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

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

Cash Returns to Shareholders

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

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

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

Capital Expenditures

Our capital expenditures budget for the remainder of 2024 is expected to range from approximately \$2.4 billion to \$2.7 billion.

Critical Accounting Estimates

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

Non-GAAP Measures

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

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

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

	Three Months Ended March 31,			
	Before Tax	After Tax	After NCI	Per Diluted Share
2024				
Earnings attributable to Devon (GAAP)	\$ 768	\$ 609	\$ 596	\$ 0.94
Adjustments:				
Asset dispositions	1	1	1	—
Deferred tax asset valuation allowance	—	(1)	(1)	—
Fair value changes in financial instruments	172	134	134	0.22
Core earnings attributable to Devon (Non-GAAP)	<u>\$ 941</u>	<u>\$ 743</u>	<u>\$ 730</u>	<u>\$ 1.16</u>
2023				
Earnings attributable to Devon (GAAP)	\$ 1,224	\$ 1,003	\$ 995	\$ 1.53
Adjustments:				
Deferred tax asset valuation allowance	—	(3)	(3)	(0.01)
Fair value changes in financial instruments	(53)	(40)	(40)	(0.06)
Core earnings attributable to Devon (Non-GAAP)	<u>\$ 1,171</u>	<u>\$ 960</u>	<u>\$ 952</u>	<u>\$ 1.46</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; restructuring and transaction costs; accretion on discounted liabilities; and other items not related to our normal operations. Field-Level Cash Margin is computed as oil, gas and NGL sales less production expenses. Production expenses consist of lease operating, gathering, processing and transportation expenses, as well as production and property taxes.

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

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

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

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

	Three Months Ended March 31,			
	2024		2023	
Net earnings (GAAP)	\$	609	\$	1,003
Financing costs, net		76		72
Income tax expense		159		221
Exploration expenses		9		3
Depreciation, depletion and amortization		722		615
Asset dispositions		1		—
Share-based compensation		24		23
Derivative and financial instrument non-cash valuation changes		169		(51)
Accretion on discounted liabilities and other		22		5
EBITDAX (Non-GAAP)		1,791		1,891
Marketing and midstream revenues and expenses, net		21		25
Commodity derivative cash settlements		(24)		(13)
General and administrative expenses, cash-based		90		83
Field-level cash margin (Non-GAAP)	\$	<u>1,878</u>	\$	<u>1,986</u>

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Commodity Price Risk

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

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

Interest Rate Risk

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

Item 4. Controls and Procedures

Disclosure Controls and Procedures

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

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

Changes in Internal Control Over Financial Reporting

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

PART II. Other Information

Item 1. Legal Proceedings

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

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

Item 1A. Risk Factors

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

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

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

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

(1) In addition to shares purchased under the share repurchase program described below these amounts include approximately 1 million shares received by us from employees for the payment of personal income tax withholdings on vesting transactions.

(2) On November 2, 2021, we announced a \$1.0 billion share repurchase program that would expire on December 31, 2022. Through subsequent approval, Devon's Board of Directors ultimately expanded the share repurchase program authorization to \$3.0 billion, with a December 31, 2024 expiration date. In the first quarter of 2024, we repurchased 4.4 million common shares for \$193 million, or \$43.47 per share, under this share repurchase program. For additional information, see [Note 14](#) in "Part I. Financial Information – Item 1. Financial Statements" in this report.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

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

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Item 6. Exhibits

Exhibit Number	Description
10.1	Extension Agreement, dated as of March 25, 2024, to the Amended and Restated Credit Agreement, dated as of March 24, 2023, among Devon Energy Corporation, 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.
10.2*	2024 Form of Notice of Grant of Restricted Stock Award and Award Agreement under the 2022 Long-Term Incentive Plan between Devon Energy Corporation and certain officers for restricted stock awarded.
10.3*	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.
31.1	Certification of principal executive officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of principal executive officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of principal financial officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document – the XBRL Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema with Embedded Linkbases Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

*Indicates management contract or compensatory plan or arrangement.

SIGNATURES

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

DEVON ENERGY CORPORATION

/s/ John B. Sherrer

John B. Sherrer

Vice President, Accounting and Controller

Date: May 2, 2024

EXTENSION AGREEMENT
(Extension of Maturity Date Pursuant to Section 4.08 of the Credit Agreement)

This **EXTENSION AGREEMENT** (this “**Agreement**”) dated as of March 25, 2024 (the “**Extension Effective Date**”) is entered into by and among **DEVON ENERGY CORPORATION**, a Delaware corporation (the “**Borrower**”), the undersigned Lenders (as defined in the Credit Agreement) (the “**Consenting Lenders**”), and **BANK OF AMERICA, N.A.**, as Administrative Agent (in such capacity, the “**Administrative Agent**”), L/C Issuer and Swing Line Lender. Capitalized terms used herein and not otherwise defined herein shall have the meanings attributed to them in the Credit Agreement (as hereinafter defined).

RECITALS

A. Reference is made to the Amended and Restated Credit Agreement dated as of March 24, 2023 among the Borrower, the Administrative Agent and the Lenders (as amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”).

B. This Agreement is being executed to evidence Borrower’s requested extension of the Maturity Date from March 24, 2028 to March 24, 2029 pursuant to *Section 4.08* of the Credit Agreement (the “**Extension**”).

C. Each of the Consenting Lenders is entering into this Agreement in order to evidence its consent to the Extension.

NOW, THEREFORE, the parties hereto agree as follows:

1. Consent to Extension. Subject to the satisfaction of the conditions precedent set forth in *Paragraph 2* below, each Consenting Lender hereby consents to the Extension, and effective as of the Extension Effective Date, the Maturity Date applicable to each Consenting Lender is March 24, 2029.

2. Conditions Precedent to Effectiveness. This Agreement and the Extension shall be effective as of the date hereof, provided that Administrative Agent shall have received the following (a) counterparts of this Agreement, executed by the Borrower and the Lenders holding more than 50% of the Aggregate Commitments (calculated in accordance with *Section 4.08* of the Credit Agreement), (b) a certificate of each Loan Party dated as of the date hereof containing the certifications required by *Section 4.08(b)* of the Credit Agreement, and (c) a fee in the amount separately agreed by the Borrower, for the account of each Consenting Lender.

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

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

giving effect to the Extension no Default exists or will exist, and (c) no event has occurred since the date of the most recent audited financial statements of the Borrower delivered pursuant to *Section 8.02(a)* of the Credit Agreement that has had, or could reasonably be expected to have, a Material Adverse Effect.

5. Miscellaneous. (a) Headings and captions may not be construed in interpreting provisions; (b) this Agreement shall be governed by, and construed in accordance with, the law of the State of New York; and (c) this Agreement may be in the form of an Electronic Record and may be executed using Electronic Signatures (including, without limitation, facsimile and .pdf) and shall be considered an original, and shall have the same legal effect, validity and enforceability as a paper record. This Agreement may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Agreement. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by Administrative Agent of a manually-signed paper communication which has been converted into electronic form (such as scanned into .pdf format), or an electronically signed communication converted into another format, for transmission, delivery and/or retention.

6. ENTIRE AGREEMENT. THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS, TOGETHER WITH THIS AGREEMENT, REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[Signature Pages to Follow]

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

DEVON ENERGY CORPORATION,
as the Borrower

By: /s/ Jeffrey L. Ritenour
Name: Jeffrey L. Ritenour
Title: Executive Vice President and Chief Financial Officer

Signature Page
to Extension Agreement

BANK OF AMERICA, N.A.,
as Administrative Agent

By: /s/ Kimberly Miller
Name: Kimberly Miller
Title: Director

Signature Page
to Extension Agreement

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

By: /s/ Kimberly Miller
Name: Kimberly Miller
Title: Director

Signature Page
to Extension Agreement

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

By: /s/ Maureen Maroney

Name: Maureen Maroney

Title: Vice President

Signature Page
to Extension Agreement

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

By: /s/ Andrew B. Vernon
Name: Andrew Vernon
Title: Authorized Signatory

Signature Page
to Extension Agreement

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

By: /s/ Justin Carter

Name: Justin Carter

Title: Vice President

Signature Page
to Extension Agreement

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

By: /s/ Michael King

Name: Michael King

Title: Authorized Signatory

Signature Page
to Extension Agreement

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

By: /s/ Michael Sharp

Name: Michael Sharp

Title: Authorized Signatory

Signature Page
to Extension Agreement

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

By: /s/ Sam Cutler

Name: Sam Cutler

Title: Director

Signature Page
to Extension Agreement

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

By: /s/ Lincoln LaCour

Name: Lincoln LaCour

Title: Director

Signature Page
to Extension Agreement

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

By: /s/ Erin Grasty
Name: Erin Grasty
Title: Vice President

Signature Page
to Extension Agreement

BANK OF CHINA, NEW YORK BRANCH, as a Lender

By: /s/ Raymond Qiao

Name: Raymond Qiao

Title: Executive Vice President

Signature Page
to Extension Agreement

BARCLAYS BANK PLC, as a Lender

By: /s/ Sydney G. Dennis

Name: Sydney G. Dennis

Title: Director

Signature Page
to Extension Agreement

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

By: /s/ Scott W. Danvers
Name: Scott W. Danvers
Title: Authorized Signatory

By: /s/ Donovan C. Broussard
Name: Donovan C. Broussard
Title: Authorized Signatory

Signature Page
to Extension Agreement

PNC BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ Jessica Molinar

Name: Jessica Molinar

Title: Assistant Vice President

Signature Page
to Extension Agreement

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

By: /s/ Liana Chernysheva

Name: Liana Chernysheva

Title: Authorized Signatory

Signature Page
to Extension Agreement

U.S. BANK NATIONAL ASSOCIATION, as a Lender

By: /s/ Elizabeth Johnson

Name: Elizabeth Johnson

Title: SVP

Signature Page
to Extension Agreement

BOKF, NA DBA BANK OF OKLAHOMA, as a Lender

By: /s/ John Krenger

Name: John Krenger

Title: Senior Vice President

Signature Page
to Extension Agreement

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

NOTICE OF GRANT OF RESTRICTED STOCK AWARD AND AWARD AGREEMENT

Participant Name

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

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

Anniversary of Grant Date	% of Shares to Vest
1 st Anniversary	25%
2 nd Anniversary	25%
3 rd Anniversary	25%
4 th Anniversary	25%

*Vesting Schedule

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

**DEVON ENERGY CORPORATION
2022 LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK AWARD AGREEMENT**

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

W I T N E S S E T H:

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

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

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

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

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

3. Terms of Award.

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

(b) Vesting.

(i) 25% of the shares of the Restricted Stock are scheduled to vest on each of the first four anniversary dates of the Date of Grant (each, a "Vesting Date"). Except as provided in this Section 3, if the Participant's Date of Termination has not occurred as of a Vesting Date, then the Participant shall be entitled, subject to the applicable provisions of the Plan and this Award Agreement having been satisfied, to receive, on or within a reasonable time after the applicable Vesting Date, the shares scheduled to vest as of the applicable Vesting Date. The portion of the Restricted Stock that has vested pursuant to the terms of this Award Agreement shall be deemed "Vested Stock."

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

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

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

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

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

Age at Retirement	Percentage of each Unvested Installment of Restricted Stock Eligible to be Earned by the Participant
54 and earlier	0%
55	60%
56	65%
57	70%
58	75%
59	80%
60 and beyond	100%

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

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

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

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

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

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

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

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

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

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

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

9. Binding Effect; No Third-party Beneficiaries; Governing Law and Venue; Compliance with Law. This Award Agreement shall be (i) binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns except as may be limited by the Plan, and (ii) governed by and construed under the laws of the State of Delaware. This Award Agreement shall not confer any rights or remedies upon any person other than the Company and the Participant and each of their respective heirs, representatives, successors and permitted assigns. The issuance of shares of Common Stock, if any, to the Participant pursuant to this Award Agreement is subject to any applicable taxes and other laws or regulations of the United States or of any state, municipality or other country having jurisdiction thereof. Any action arising out of, or relating to, any of the provisions of this Award Agreement shall be brought only in the United States District Court for the Southern District of Delaware, or if such court does not have jurisdiction or will not accept jurisdiction, in any court of general jurisdiction in Delaware, and the jurisdiction of such court in any such proceeding shall be exclusive.

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

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

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

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

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

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

15. Conditions to Post-Retirement Vesting.

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

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

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

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

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

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

20. Definitions. Words, terms or phrases used in this Award Agreement shall have the meaning set forth in this Section 20. Capitalized terms used in this Award Agreement but not defined herein shall have the meaning designated in the Plan.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(r)“Vesting Date” has the meaning set forth in Section 3(b).

(s)“Year of Service” means a calendar year in which the Participant is employed with the Company, a Subsidiary or Affiliated Entity for at least nine months during such calendar year.

“COMPANY” DEVON ENERGY CORPORATION
a Delaware corporation

“PARTICIPANT” **Participant Name**

EXHIBIT A

Form of Non-Disclosure Agreement

[Insert Date]

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

Re: Non-Disclosure Agreement

Ladies and Gentlemen:

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

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

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

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

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

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

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

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

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

"PARTICIPANT"

Participant

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

"COMPANY"

DEVON ENERGY CORPORATION

By:_____
Name:_____
Title:_____

EXHIBIT B

Form of Compliance Certificate

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

Participant Name

Dated: _

**NOTICE OF GRANT OF PERFORMANCE SHARE UNIT AWARD
AND AWARD AGREEMENT**

#ParticipantName#

Grant Date: **#GrantDate#**

Grant Type: **PSU**

Award No.: **#ClientGrantID#**

Effective **#GrantDate#**, you have been granted a target award of **#QuantityGranted#** Performance Share Units ("Award") under the Devon Energy Corporation 2022 Long-Term Incentive Plan. Each Performance Share Unit that vests entitles you to one share of Devon Energy Corporation (the "Company") Common Stock. The vesting of these Performance Share Units is calculated based upon the Company's TSR (as defined in Schedule A of the Award Agreement) over the Performance Period (as defined in the Award Agreement). The maximum number of Performance Share Units that you can earn will be calculated as follows: **#QuantityGranted#** x 200%, with actual payout based on the performance level achieved by the Company with respect to the Performance Goal set forth on Schedule A.

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

***Vesting Schedule**

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

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

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

W I T N E S S E T H:

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

WHEREAS, in connection with the Participant's employment with the Company, the Company desires to award to the Participant **#QuantityGranted#** Performance Share Units subject to the terms and conditions of this Award Agreement and the Plan; and

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

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

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

3. Terms of Award.

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

(b) General Vesting Terms. Except as provided in this Section 3, the number of Performance Share Units which actually vest under this Award Agreement shall be calculated based on the attainment and certification of the Performance Goal described on Schedule A as of the end of the Performance Period. Any Performance Share Units that do not vest as of the end of the Performance Period shall be forfeited as of the end of the Performance Period. Except as specifically provided below in this Section 3, in the event of a termination of the Participant's employment prior to the end of the Performance Period, all unvested Performance Share Units will be immediately forfeited.

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

3(b), as if the Participant remained in the employ of the Company through the end of the Performance Period.

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

Age at Retirement	Percentage of the Unvested Performance Share Unit Award Eligible to be Earned by the Participant
54 and earlier	0%
55	60%
56	65%
57	70%
58	75%
59	80%
60 and beyond	100%

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

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

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

(g) Voting Rights and Dividend Equivalents. The Participant shall not have any voting rights with respect to the Performance Share Units. The Participant shall be credited with dividend equivalents ("Dividend Equivalents") with respect to each outstanding Performance Share Unit to the extent that any dividends or other distributions (in cash or other property) are declared and/or paid with respect to the shares of Common Stock after the commencement of the Performance Period (other than distributions pursuant to a share split, for which an adjustment shall be made as described in Section 10.1 of the Plan). Dividend Equivalents shall be credited to the bookkeeping account established on the records of the Company for the Participant and will vest subject to the same conditions as are applicable to the underlying Performance Share Units, and Dividend Equivalents will be paid in cash to the Participant reasonably promptly following such vesting (but in no event later than March 15 of the calendar year following the year in which such vesting occurs). Accordingly, Dividend Equivalents shall be forfeited to the extent that the Performance Share Units do not vest and are forfeited or cancelled. No interest shall be credited on Dividend Equivalents.

(h) Conversion of Performance Share Units; Delivery of Performance Share Units.

(i) Except in the event of the Participant's death or the occurrence of certain Change in Control Events as described under the Plan, the Committee shall, within a reasonably practicable time following the last day of the Performance Period, certify the extent, if any, to which the Performance Goal has been achieved with respect to the Performance Period and the number of Performance Share Units, if any, earned upon attainment of the Performance Goal. Such certification shall be final, conclusive and binding on the Participant, and on all other persons, to the maximum extent permitted by law. Payment in respect of vested Performance Share Units shall be made promptly following the Committee's certification of the attainment of the Performance Goal and the determination of the number of vested Performance Share Units, but in any event, no later than March 15 of the year following the year in which the Performance Period ends.

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

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

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

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

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

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

7. Binding Effect; No-Third-party Beneficiaries; Governing Law and Venue; Compliance with Law. This Award Agreement shall be (i) binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns except as may be limited by the Plan, and (ii) governed by and construed under the laws of the State of Delaware. This Award Agreement shall not confer any rights or remedies upon any person other than the Company and the Participant and each of their respective heirs, representatives, successors and permitted assigns. The issuance of shares of Common Stock, if any, to the Participant pursuant to this Award Agreement is subject to any applicable taxes and other laws or regulations of the United States or of any state, municipality or other country having jurisdiction thereof. Any action arising out of, or relating to, any of the provisions of this Award Agreement shall be brought only in the United States District Court for the Southern District of Delaware, or if such court does not have jurisdiction or will not accept jurisdiction, in any court of general jurisdiction in Delaware, and the jurisdiction of such court in any such proceeding shall be exclusive.

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

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

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

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

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

13. Conditions to Post-Retirement Vesting.

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

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

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

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

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

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

17. Definitions. Words, terms or phrases used in this Award Agreement shall have the meaning set forth in this Section 17. Capitalized terms used in this Award Agreement but not defined herein shall have the meaning designated in the Plan.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(q) "Year of Service" means a calendar year in which the Participant is employed with the Company, a Subsidiary or Affiliated Entity for at least nine months during such calendar year.

"COMPANY" DEVON ENERGY CORPORATION,
a Delaware corporation

"PARTICIPANT" #ParticipantName#

SCHEDULE A**PERFORMANCE GOAL, PERFORMANCE PERIOD**

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

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

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

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

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

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

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

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

3. Vesting Schedule. The Performance Share Units will vest pursuant to the Award based on the Company's relative TSR ranking in respect of the Performance Period as compared to the TSR ranking of the Peer Companies, in accordance with the following schedule:

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

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

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

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

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

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

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

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

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

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

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

EXHIBIT A

Form of Non-Disclosure Agreement

[Insert Date]

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

Re: Non-Disclosure Agreement

Ladies and Gentlemen:

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

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

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

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

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

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

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

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

"PARTICIPANT"

-
#ParticipantName#

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

"COMPANY"

DEVON ENERGY CORPORATION

By: _
Name: _
Title: _

EXHIBIT B

Form of Compliance Certificate

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

-
#ParticipantName#

Dated: _

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

I, Richard E. Muncrief, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Devon Energy Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2024

/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 quarterly report on Form 10-Q of Devon Energy Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2024

/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-Q for the period ended March 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
May 2, 2024

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

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

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

/s/ Jeffrey L. Ritenour
Jeffrey L. Ritenour
Executive Vice President and Chief Financial Officer
May 2, 2024
