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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): May 4, 2021

Devon Energy Corporation
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction
of incorporation)

001-32318
(Commission
File Number)

73-1567067
(IRS Employer
Identification No.)

**333 W. SHERIDAN AVE.,
OKLAHOMA CITY, OKLAHOMA**
(Address of principal executive offices)

73102-5015
(Zip Code)

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

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	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 is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

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.

Item 2.02 Results of Operations and Financial Condition.

On May 4, 2021, Devon Energy Corporation (the “Company”) announced its financial and operational results for the quarter ended March 31, 2021. In connection with this announcement, the Company provided an earnings release and certain supplemental financial information (including guidance and hedging information). Copies of these documents are furnished as Exhibits 99.1 and 99.2, respectively, to this report and, along with certain other materials, will be available on the Company’s website at www.devonenergy.com.

The information contained in this report and the exhibits hereto shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and shall not be incorporated by reference into any filings made by the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as may be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description of Exhibits
99.1	Earnings release, dated May 4, 2021.
99.2	Supplemental financial information (including guidance and hedging information).
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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 hereunto duly authorized.

DEVON ENERGY CORPORATION

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

Date: May 4, 2021



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

Devon Energy Reports First-Quarter 2021 Financial and Operational Results

OKLAHOMA CITY – May 4, 2021 – Devon Energy Corp. (NYSE: DVN) today reported financial and operational results for the first-quarter 2021. The company’s first quarter performance includes results from the merger with WPX Energy that was successfully completed on Jan. 7, 2021. Supplemental financial tables and forward-looking guidance are available on the company’s website at www.devonenergy.com.

KEY FINANCIAL AND OPERATIONAL HIGHLIGHTS

- Board increases fixed-plus-variable dividend payout by 13 percent to \$0.34 per share
- Investment-grade financial strength enhanced with redemption of \$743 million of debt year-to-date
- Devon reiterates its commitment to a disciplined maintenance capital program in 2021
- First-quarter oil production totaled 268,000 barrels per day, exceeding guidance by 5,000 barrels per day
- Delaware Basin efficiency gains drove upstream capital expenditures 5 percent below guidance in the quarter
- Operating cash flow in the first quarter reached \$592 million
- Free cash flow generation, after adjusting for cash restructuring costs, expanded to \$260 million in the first quarter

CEO PERSPECTIVE

“Devon is a premier energy company that possesses a powerful suite of assets and a disciplined strategy to maximize value for our shareholders,” said Rick Muncrief, president and CEO. “With this advantaged platform, we delivered on exactly what we promised to do in the first quarter by moderating capital investment, capturing cost synergies and returning significant value to shareholders through higher dividends and the aggressive reduction of debt.”

“With our business scaled to generate free cash flow, a clear differentiator for Devon is the ability to accelerate cash returns to shareholders through our innovative fixed-plus-variable dividend framework,” said Muncrief. “And based on the strength of our first-quarter results, I am proud to announce a 13 percent increase in our total dividend payout to \$0.34 per share.

“Looking ahead to the remainder of the year, we are unwavering in our commitment to capital discipline and will remain focused on the strategic objectives that underpin our cash-return business model,” Muncrief added. “Devon has no intention of allocating capital to growth projects until demand-side fundamentals recover and it becomes evident that OPEC+’s spare oil capacity is effectively absorbed by the world markets.”

OPERATING RESULTS

First-quarter oil production averaged 268,000 barrels per day, exceeding guidance by 5,000 barrels per day. This performance was driven by the company’s Delaware Basin asset that accounted for 62 percent of total production. Devon estimates that production in the quarter was reduced by 8 percent due to severe winter weather. Production totals also exclude WPX results prior to the merger close date of Jan. 7, 2021, limiting first-quarter production by an incremental 3 percent.

Upstream capital spending was 5 percent below guidance, totaling \$447 million in the first quarter. This positive variance was attributable to efficiency gains and the benefits of enhanced operating scale in the Delaware Basin. Devon’s capital activity averaged 18 operated drilling rigs and six completion crews in the quarter, with approximately 80 percent of this investment allocated to the Delaware Basin.

With capital programs focused on developing higher-margin production opportunities, oil and natural gas liquids volumes reached 74 percent of Devon’s product mix in the quarter. This exposure to higher value production expanded the company’s field-level cash margin to \$28.95 per Boe, an 88 percent increase year over year.

Corporate costs also declined during the quarter, driven by general and administrative expenses, which declined 30 percent year over year on a pro forma basis.

ASSET-LEVEL HIGHLIGHTS

Delaware Basin: Oil production averaged 172,000 barrels per day, a 19 percent increase year-over-year on a pro forma basis. The growth in oil production was driven by 52 wells that commenced first production in the quarter across the company's acreage position. The completed well costs associated with this development activity improved to a record low of \$534 per lateral foot in the quarter, representing a 43 percent reduction compared to 2018.

The top operating highlight from the first quarter was Devon's Danger Noodle project in Lea County, New Mexico. This development project, targeting multiple intervals in the upper Wolfcamp, achieved average 30-day production rates of 5,100 Boe per day per well (66 percent oil). In addition to strong well productivity, returns at Danger Noodle were enhanced by completed well costs that were more than 20 percent below pre-drill expectations.

Another noteworthy event for Devon was the resumption of approvals for federal drilling permits. Since the Department of Interior's order to temporarily suspend permitting on federal lands lapsed in late March, the company has secured more than 50 approvals for new drilling permits in Southeast New Mexico. In aggregate, Devon possesses approximately 500 federal drilling permits, representing an inventory of 4 years at the current drilling pace. Overall, only 35 percent of Devon's 400,000 net acres in the Delaware Basin resides on federal lands.

Anadarko Basin: Production averaged 68,000 Boe per day in the quarter. Devon's operations were headlined by the commencement of a two-rig drilling program funded by a \$100 million drilling carry with Dow. With this drilling joint venture, the company spud 8 wells in the liquids-rich core of the play during the quarter and plans to drill up to 30 wells for the full-year 2021.

Williston Basin: Production averaged 61,000 Boe per day, with oil accounting for 72 percent of the product mix. Devon's operational focus in the quarter was optimizing base production and harvesting free cash flow from this high-margin oil asset. To stabilize production, the company plans to bring online 15 to 20 new wells over the remainder of 2021.

Eagle Ford: Production averaged 30,000 Boe per day. Devon and its partner resumed capital activity in the quarter by running a two-rig drilling program and a completion crew. With this level of activity, the partnership has reestablished operational continuity and plans to bring online approximately 40 wells throughout the remainder of the year.

Powder River Basin: Production averaged 23,000 Boe per day, of which 74 percent was oil. Oil production increased by 6 percent versus the fourth quarter of 2020, resulting from 10 new wells that targeted the Parkman and Turner formations. While capital activity will be limited for the remainder of 2021, Devon's technical teams will focus on advancing their understanding of the emerging Niobrara oil resource opportunity across the company's 300,000 net acre position in the oil fairway.

FINANCIAL SUMMARY

Devon reported net earnings of \$213 million, or \$0.32 per diluted share, in the first quarter of 2021. Adjusting for items analysts typically exclude from estimates, Devon's core earnings were \$298 million or \$0.45 per diluted share.

The company's operating cash flow totaled \$592 million in the first quarter, with EBITDAX reaching \$959 million. This level of cash flow funded all capital requirements and generated \$260 million of free cash flow after adjusting for cash restructuring charges.

Devon exited the first quarter with \$1.9 billion of cash and an undrawn credit facility of \$3 billion. Year-to-date, the company has made significant progress on its \$1.5 billion debt reduction plan by redeeming \$743 million of outstanding debt. The next step in the company's debt reduction plan is to fully retire its callable \$500 million 2026 notes in June.

FIRST-QUARTER DIVIDEND DECLARED

In a separate release issued today, Devon announced that its board of directors has declared a fixed-plus-variable dividend of \$0.34 per share based on the company's first quarter financial performance. This represents a 13 percent increase in payout compared to the dividend declared for the fourth quarter of 2020. Both the fixed quarterly dividend of \$0.11 per share and the variable dividend of \$0.23 per share are payable on Jun. 30, 2021 to shareholders of record at the close of business on Jun. 14, 2021.

2021 OUTLOOK

Devon remains firmly on track to achieve its full-year 2021 capital objectives. The company is committed to its maintenance capital program and has made no modifications to its full-year capital budget or production outlook. Additional details of Devon's forward-looking guidance for the second-quarter and full-year 2021 are available on the company's website at www.devonenergy.com.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Devon strives to deliver results that balance economic growth, environmental stewardship, strong governance and social responsibility. For access to Devon's sustainability report, please visit www.devonenergy.com/sustainability. This report highlights the company's commitment to operating a responsible, safe and ethical business while providing transparent reporting to all stakeholders.

CONFERENCE CALL WEBCAST AND SUPPLEMENTAL EARNINGS MATERIALS

Also provided with today's release is the company's detailed earnings presentation that is available on the company's website at www.devonenergy.com. The company's first-quarter conference call will be held at 10:00 a.m. Central (11:00 a.m. Eastern) on Wednesday, May 5, 2021, and will serve primarily as a forum for analyst and investor questions and answers.

ABOUT DEVON ENERGY

Devon Energy is a leading oil and gas producer in the U.S. with a premier multi-basin portfolio headlined by a world-class acreage position in the Delaware Basin. Devon's disciplined cash-return business model is designed to achieve strong returns, generate free cash flow and return capital to shareholders, while focusing on safe and sustainable operations. For more information, please visit www.devonenergy.com.

Investor Contacts

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NON-GAAP DISCLOSURES

This press release includes non-GAAP (generally accepted accounting principles) financial measures. Such non-GAAP measures are not alternatives to GAAP measures, and you should not consider these non-GAAP measures in isolation or as a substitute for analysis of results as reported under GAAP. Reconciliations of these non-GAAP measures and other disclosures are provided within the supplemental financial tables that are available on the company's website and in the related Form 10-Q filed with the SEC.

FORWARD LOOKING STATEMENTS

This communication includes "forward-looking statements" within the meaning of the federal securities laws. Such statements include those concerning strategic plans, our expectations and objectives for future operations, as well as other future events or conditions, and are often identified by use of the words and phrases "expects," "believes," "will," "would," "could," "continue," "may," "aims," "likely to be," "intends," "forecasts," "projections," "estimates," "plans," "expectations," "targets," "opportunities," "potential," "anticipates," "outlook" and other similar terminology. All statements, other than statements of historical facts, included in this communication 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; risks relating to the COVID-19 pandemic or other future pandemics; 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, including as a result of employee misconduct; regulatory restrictions, compliance costs and other risks relating to governmental regulation, including with respect to environmental matters; risks related to regulatory, social and market efforts to address climate change; risks related to our hedging activities; counterparty credit risks; risks relating to our indebtedness; cyberattack risks; our limited control over third parties who operate some of our oil and gas properties; midstream capacity constraints and

potential interruptions in production; the extent to which insurance covers any losses we may experience; competition for assets, materials, people and capital; risks related to investors attempting to effect change; our ability to successfully complete mergers, acquisitions and divestitures; risks related to the recent merger with WPX, including the risk that we may not realize the anticipated benefits of the merger or successfully integrate the two legacy businesses; and any of the other risks and uncertainties discussed in Devon's 2020 Annual Report on Form 10-K (the "2020 Form 10-K") or other SEC filings.

The forward-looking statements included in this communication speak only as of the date of this communication, represent current reasonable management's expectations as of the date of this communication and are subject to the risks and uncertainties identified above as well as those described in the 2020 Form 10-K 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 the 2020 Form 10-K 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.



**Devon Energy First-Quarter 2021
Supplemental Tables**

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CONSOLIDATED STATEMENTS OF EARNINGS

(in millions, except per share amounts)

	2021		2020		
	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1
Oil, gas and NGL sales	\$ 1,788	\$ 786	\$ 678	\$ 424	\$ 807
Oil, gas and NGL derivatives (1)	(528)	(117)	(87)	(361)	720
Marketing and midstream revenues	502	611	476	331	560
Total revenues	1,762	1,280	1,067	394	2,087
Production expenses (2)	489	271	271	263	318
Exploration expenses	3	4	39	12	112
Marketing and midstream expenses	523	618	478	339	578
Depreciation, depletion and amortization	467	301	299	299	401
Asset impairments	—	27	—	—	2,666
Asset dispositions	(32)	(1)	—	—	—
General and administrative expenses	107	82	75	79	102
Financing costs, net (3)	77	70	66	69	65
Restructuring and transaction costs	189	17	32	—	—
Other, net	(29)	1	—	13	(48)
Total expenses	1,794	1,390	1,260	1,074	4,194
Loss from continuing operations before income taxes	(32)	(110)	(193)	(680)	(2,107)
Income tax benefit	(248)	(37)	(90)	(3)	(417)
Net earnings (loss) from continuing operations	216	(73)	(103)	(677)	(1,690)
Net earnings (loss) from discontinued operations, net of taxes	—	(25)	13	9	(125)
Net earnings (loss)	216	(98)	(90)	(668)	(1,815)
Net earnings attributable to noncontrolling interests	3	4	2	2	1
Net earnings (loss) attributable to Devon	\$ 213	\$ (102)	\$ (92)	\$ (670)	\$ (1,816)
Basic earnings (loss) per share:					
Continuing operations	\$ 0.33	\$ (0.20)	\$ (0.29)	\$ (1.80)	\$ (4.48)
Discontinued operations	—	(0.07)	0.04	0.02	(0.34)
Basic net earnings (loss) per share	\$ 0.33	\$ (0.27)	\$ (0.25)	\$ (1.78)	\$ (4.82)
Diluted earnings (loss) per share:					
Continuing operations	\$ 0.32	\$ (0.20)	\$ (0.29)	\$ (1.80)	\$ (4.48)
Discontinued operations	—	(0.07)	0.04	0.02	(0.34)
Diluted net earnings (loss) per share	\$ 0.32	\$ (0.27)	\$ (0.25)	\$ (1.78)	\$ (4.82)
Weighted average common shares outstanding:					
Basic	654	383	383	383	383
Diluted	656	383	383	383	383

SUPPLEMENTAL INFORMATION FOR CONSOLIDATED STATEMENTS OF EARNINGS
(1) OIL, GAS AND NGL DERIVATIVES

(in millions)

	<u>2021</u>	<u>2020</u>			
	<u>Quarter 1</u>	<u>Quarter 4</u>	<u>Quarter 3</u>	<u>Quarter 2</u>	<u>Quarter 1</u>
Derivative cash settlements	\$ (232)	\$ (27)	\$ 10	\$ 232	\$ 101
Derivative valuation changes	(296)	(90)	(97)	(593)	619
Oil, gas and NGL derivatives	<u>\$ (528)</u>	<u>\$ (117)</u>	<u>\$ (87)</u>	<u>\$ (361)</u>	<u>\$ 720</u>

(2) PRODUCTION EXPENSES

(in millions)

	<u>2021</u>	<u>2020</u>			
	<u>Quarter 1</u>	<u>Quarter 4</u>	<u>Quarter 3</u>	<u>Quarter 2</u>	<u>Quarter 1</u>
Lease operating expense	\$ 199	\$ 91	\$ 100	\$ 108	\$ 126
Gathering, processing & transportation	160	130	125	123	130
Production taxes	117	47	42	25	56
Property taxes	13	3	4	7	6
Production expenses	<u>\$ 489</u>	<u>\$ 271</u>	<u>\$ 271</u>	<u>\$ 263</u>	<u>\$ 318</u>

(3) FINANCING COSTS, NET

(in millions)

	<u>2021</u>	<u>2020</u>			
	<u>Quarter 1</u>	<u>Quarter 4</u>	<u>Quarter 3</u>	<u>Quarter 2</u>	<u>Quarter 1</u>
Interest on outstanding debt	\$ 105	\$ 65	\$ 65	\$ 65	\$ 65
Gain on early retirement of debt	(20)	—	—	—	—
Interest income	(1)	—	(5)	(2)	(5)
Other	(7)	5	6	6	5
Financing costs, net	<u>\$ 77</u>	<u>\$ 70</u>	<u>\$ 66</u>	<u>\$ 69</u>	<u>\$ 65</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)	2021		2020		
	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1
Cash flows from operating activities:					
Net earnings (loss)	\$ 216	\$ (98)	\$ (90)	\$ (668)	\$ (1,815)
Adjustments to reconcile net loss to net cash from operating activities:					
Net (earnings) loss from discontinued operations, net of income taxes	—	25	(13)	(9)	125
Depreciation, depletion and amortization	467	301	299	299	401
Asset impairments	—	27	—	—	2,666
Leasehold impairments	1	3	36	3	110
(Amortization) accretion of liabilities	(54)	8	8	8	8
Total (gains) losses on commodity derivatives	528	117	87	361	(720)
Cash settlements on commodity derivatives	(232)	(27)	10	232	101
Gains on asset dispositions	(32)	(1)	—	—	—
Deferred income tax benefit	(243)	(17)	—	—	(311)
Share-based compensation	41	18	31	19	20
Early retirement of debt	27	—	—	—	—
Other	—	—	1	4	—
Changes in assets and liabilities, net	(127)	2	58	(99)	(56)
Net cash from operating activities - continuing operations	592	358	427	150	529
Cash flows from investing activities:					
Capital expenditures	(499)	(217)	(204)	(307)	(425)
Acquisitions of property and equipment	—	(3)	—	(1)	(4)
Divestitures of property and equipment	15	5	1	3	25
WPX acquired cash	344	—	—	—	—
Distributions from equity method investments	10	—	—	—	—
Net cash from investing activities - continuing operations	(130)	(215)	(203)	(305)	(404)
Cash flows from financing activities:					
Repayments of long-term debt	(533)	—	—	—	—
Early retirement of debt	(27)	—	—	—	—
Repurchases of common stock	—	—	—	—	(38)
Dividends paid on common stock	(203)	(138)	(43)	(42)	(34)
Contributions from noncontrolling interests	—	9	1	6	5
Distributions to noncontrolling interests	(4)	(4)	(4)	(3)	(3)
Acquisition of noncontrolling interests	(24)	—	—	—	—
Shares exchanged for tax withholdings and other	(33)	(1)	—	—	(17)
Net cash from financing activities - continuing operations	(824)	(134)	(46)	(39)	(87)
Effect of exchange rate changes on cash - continuing	3	—	—	—	—
Net change in cash, cash equivalents and restricted cash of continuing operations	(359)	9	178	(194)	38
Cash flows from discontinued operations:					
Operating activities	—	19	45	(43)	(131)
Investing activities	—	310	1	171	(1)
Financing activities	—	—	—	—	—
Effect of exchange rate changes on cash	—	2	4	8	(23)
Net change in cash, cash equivalents and restricted cash of discontinued operations	—	331	50	136	(155)
Net change in cash, cash equivalents and restricted cash	(359)	340	228	(58)	(117)
Cash, cash equivalents and restricted cash at beginning of period	2,237	1,897	1,669	1,727	1,844
Cash, cash equivalents and restricted cash at end of period	\$ 1,878	\$ 2,237	\$ 1,897	\$ 1,669	\$ 1,727
Reconciliation of cash, cash equivalents and restricted cash:					
Cash and cash equivalents	\$ 1,683	\$ 2,047	\$ 1,707	\$ 1,474	\$ 1,527
Restricted cash	195	190	190	195	200
Total cash, cash equivalents and restricted cash	\$ 1,878	\$ 2,237	\$ 1,897	\$ 1,669	\$ 1,727

CONSOLIDATED BALANCE SHEETS

(in millions)	March 31, 2021	December 31, 2020
Current assets:		
Cash, cash equivalents and restricted cash	\$ 1,878	\$ 2,237
Accounts receivable	1,089	601
Income tax receivable	166	174
Other current assets	334	248
Total current assets	3,467	3,260
Oil and gas property and equipment, based on successful efforts accounting, net	13,826	4,436
Other property and equipment, net	1,448	957
Total property and equipment, net	15,274	5,393
Goodwill	753	753
Right-of-use assets	255	223
Investments	402	12
Other long-term assets	306	271
Total assets	\$ 20,457	\$ 9,912
Current liabilities:		
Accounts payable	\$ 564	\$ 242
Revenues and royalties payable	909	662
Short-term debt	226	—
Other current liabilities	1,246	536
Total current liabilities	2,945	1,440
Long-term debt	7,042	4,298
Lease liabilities	260	246
Asset retirement obligations	455	358
Other long-term liabilities	1,269	551
Stockholders' equity:		
Common stock	67	38
Additional paid-in capital	8,172	2,766
Retained earnings	218	208
Accumulated other comprehensive loss	(104)	(127)
Total stockholders' equity attributable to Devon	8,353	2,885
Noncontrolling interests	133	134
Total equity	8,486	3,019
Total liabilities and equity	\$ 20,457	\$ 9,912
Common shares outstanding	675	382

PRODUCTION TREND (1)

	2021	2020			
	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1
Oil (MBbls/d)					
Delaware Basin	172	99	77	79	84
Anadarko Basin	13	16	19	21	24
Williston Basin	44	—	—	—	—
Eagle Ford	16	18	22	27	26
Powder River Basin	17	16	21	18	21
Other	6	7	7	8	8
Total	<u>268</u>	<u>156</u>	<u>146</u>	<u>153</u>	<u>163</u>
Natural gas liquids (MBbls/d)					
Delaware Basin	60	43	38	29	37
Anadarko Basin	21	25	30	25	30
Williston Basin	8	—	—	—	—
Eagle Ford	6	9	11	12	9
Powder River Basin	3	3	3	2	3
Other	1	—	1	1	1
Total	<u>99</u>	<u>80</u>	<u>83</u>	<u>69</u>	<u>80</u>
Gas (MMcf/d)					
Delaware Basin	471	267	239	241	244
Anadarko Basin	200	233	242	262	272
Williston Basin	49	—	—	—	—
Eagle Ford	47	60	73	87	86
Powder River Basin	21	22	23	20	29
Other	3	2	3	4	3
Total	<u>791</u>	<u>584</u>	<u>580</u>	<u>614</u>	<u>634</u>
Total oil equivalent (MBoe/d)					
Delaware Basin	310	186	155	149	162
Anadarko Basin	68	81	89	90	98
Williston Basin	61	—	—	—	—
Eagle Ford	30	37	46	53	50
Powder River Basin	23	22	28	24	29
Other	7	7	8	9	9
Total	<u>499</u>	<u>333</u>	<u>326</u>	<u>325</u>	<u>348</u>

(1) Q1 2021 daily production rates exclude WPX results prior to the merger close date of January 7, 2021.

CAPITAL EXPENDITURES

(in millions)	2021	2020			
	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1
Delaware Basin	\$ 355	\$ 153	\$ 179	\$ 148	\$ 220
Anadarko Basin	13	3	1	3	4
Williston Basin	20	—	—	—	—
Eagle Ford	29	2	1	10	70
Powder River Basin	27	22	11	39	90
Other	3	3	3	3	7
Total upstream capital	<u>\$ 447</u>	<u>\$ 183</u>	<u>\$ 195</u>	<u>\$ 203</u>	<u>\$ 391</u>
Midstream	24	3	7	8	7
Other	16	3	5	3	9
Total capital	<u>\$ 487</u>	<u>\$ 189</u>	<u>\$ 207</u>	<u>\$ 214</u>	<u>\$ 407</u>

SUPPLEMENTAL INFORMATION FOR UPSTREAM CAPITAL EXPENDITURES

GROSS OPERATED SPUDS

	2021	2020			
	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1
Delaware Basin	60	21	35	27	38
Anadarko Basin	8	—	—	—	—
Williston Basin	7	—	—	—	—
Eagle Ford	14	—	—	—	10
Powder River Basin	—	2	—	—	12
Total	<u>89</u>	<u>23</u>	<u>35</u>	<u>27</u>	<u>60</u>

GROSS OPERATED WELLS TIED-IN

	2021	2020			
	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1
Delaware Basin	52	23	32	22	32
Anadarko Basin	—	—	—	—	4
Williston Basin	—	—	—	—	—
Eagle Ford	12	—	—	13	30
Powder River Basin	10	2	9	4	14
Total	<u>74</u>	<u>25</u>	<u>41</u>	<u>39</u>	<u>80</u>

AVERAGE LATERAL LENGTH

(based on wells tied-in)	2021	2020			
	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1
Delaware Basin	10,000'	9,800'	9,900'	9,100'	8,000'
Anadarko Basin	—	—	—	—	9,800'
Williston Basin	—	—	—	—	—
Eagle Ford	4,400'	—	—	5,900'	5,400'
Powder River Basin	9,800'	13,600'	9,800'	8,100'	9,100'
Total	<u>9,100'</u>	<u>10,100'</u>	<u>9,900'</u>	<u>7,900'</u>	<u>7,300'</u>

REALIZED PRICING
BENCHMARK PRICES

(average prices)

	2021	2020			
	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1
Oil (\$/Bbl) - West Texas Intermediate (Cushing)	\$ 57.87	\$ 42.65	\$ 40.86	\$ 28.42	\$ 46.44
Natural Gas (\$/Mcf) - Henry Hub	\$ 2.71	\$ 2.67	\$ 1.98	\$ 1.71	\$ 1.95
NGL (\$/Bbl) - Mont Belvieu Blended	\$ 25.81	\$ 20.01	\$ 16.69	\$ 12.57	\$ 14.39

REALIZED PRICES

	2021	2020			
	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1
Oil (Per Bbl)					
Delaware Basin	\$ 57.30	\$ 40.67	\$ 39.19	\$ 22.70	\$ 45.18
Anadarko Basin	55.86	40.34	37.88	19.52	45.32
Williston Basin	54.45	—	—	—	—
Eagle Ford	54.90	37.83	33.68	15.30	44.90
Powder River Basin	53.77	36.42	35.39	24.03	41.14
Other	55.65	39.93	37.33	25.45	44.53
Realized price without hedges	56.36	39.84	37.56	21.25	44.59
Cash settlements	(9.13)	(1.83)	0.65	15.25	5.14
Realized price, including cash settlements	\$ 47.23	\$ 38.01	\$ 38.21	\$ 36.50	\$ 49.73
Natural gas liquids (Per Bbl)					
Delaware Basin	\$ 26.25	\$ 13.67	\$ 11.49	\$ 7.94	\$ 8.36
Anadarko Basin	23.14	15.65	12.68	9.31	10.90
Williston Basin	18.54	—	—	—	—
Eagle Ford	24.44	15.66	13.74	10.02	14.77
Powder River Basin	30.19	19.39	13.10	10.07	15.86
Other	31.86	24.24	21.74	10.19	15.82
Realized price without hedges	25.01	14.77	12.36	8.89	10.40
Cash settlements	(0.20)	(0.01)	(0.30)	0.51	0.61
Realized price, including cash settlements	\$ 24.81	\$ 14.76	\$ 12.06	\$ 9.40	\$ 11.01
Gas (Per Mcf)					
Delaware Basin	\$ 3.31	\$ 1.51	\$ 1.11	\$ 1.05	\$ 0.58
Anadarko Basin	2.49	2.29	1.66	1.31	1.45
Williston Basin	(0.48)	—	—	—	—
Eagle Ford	3.15	2.38	1.95	1.79	2.05
Powder River Basin	5.27	2.70	1.94	1.80	1.71
Other	2.57	2.87	1.52	1.32	1.69
Realized price without hedges	2.91	1.96	1.48	1.29	1.21
Cash settlements	(0.15)	0.00	0.06	0.28	0.36
Realized price, including cash settlements	\$ 2.76	\$ 1.96	\$ 1.54	\$ 1.57	\$ 1.57
Total oil equivalent (Per Boe)					
Delaware Basin	\$ 41.82	\$ 26.94	\$ 24.00	\$ 15.39	\$ 26.19
Anadarko Basin	25.35	19.79	16.81	10.98	18.14
Williston Basin	42.04	—	—	—	—
Eagle Ford	38.90	25.97	22.78	12.90	29.94
Powder River Basin	47.58	31.08	29.83	20.80	33.65
Other	50.58	37.67	34.15	22.95	39.15
Realized price without hedges	39.84	25.63	22.60	14.37	25.43
Cash settlements	(5.17)	(0.86)	0.33	7.83	3.20
Realized price, including cash settlements	\$ 34.67	\$ 24.77	\$ 22.93	\$ 22.20	\$ 28.63

ASSET MARGINS
BENCHMARK PRICES

(average prices)

	2021		2020		
	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1
Oil (\$/Bbl) - West Texas Intermediate (Cushing)	\$ 57.87	\$ 42.65	\$ 40.86	\$ 28.42	\$ 46.44
Natural Gas (\$/Mcf) - Henry Hub	\$ 2.71	\$ 2.67	\$ 1.98	\$ 1.71	\$ 1.95
NGL (\$/Bbl) - Mont Belvieu Blended	\$ 25.81	\$ 20.01	\$ 16.69	\$ 12.57	\$ 14.39

PER-UNIT CASH MARGIN BY ASSET (per Boe)

	2021		2020		
	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1
Delaware Basin					
Realized price	\$ 41.82	\$ 26.94	\$ 24.00	\$ 15.39	\$ 26.19
Lease operating expenses	(3.97)	(2.38)	(3.00)	(3.56)	(3.61)
Gathering, processing & transportation	(2.83)	(2.40)	(2.68)	(2.88)	(2.71)
Production & property taxes	(2.95)	(2.08)	(1.80)	(1.14)	(2.15)
Field-level cash margin	<u>\$ 32.07</u>	<u>\$ 20.08</u>	<u>\$ 16.52</u>	<u>\$ 7.81</u>	<u>\$ 17.72</u>
Anadarko Basin					
Realized price	\$ 25.35	\$ 19.79	\$ 16.81	\$ 10.98	\$ 18.14
Lease operating expenses	(3.82)	(2.57)	(2.16)	(2.42)	(2.79)
Gathering, processing & transportation	(6.31)	(8.39)	(7.39)	(6.57)	(6.36)
Production & property taxes	(1.21)	(0.55)	(0.54)	(0.32)	(0.77)
Field-level cash margin	<u>\$ 14.01</u>	<u>\$ 8.28</u>	<u>\$ 6.72</u>	<u>\$ 1.67</u>	<u>\$ 8.22</u>
Williston Basin					
Realized price	\$ 42.04	\$ —	\$ —	\$ —	\$ —
Lease operating expenses	(5.13)	—	—	—	—
Gathering, processing & transportation	(3.39)	—	—	—	—
Production & property taxes	(3.82)	—	—	—	—
Field-level cash margin	<u>\$ 29.70</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Eagle Ford					
Realized price	\$ 38.90	\$ 25.97	\$ 22.78	\$ 12.90	\$ 29.94
Lease operating expenses	(3.89)	(2.79)	(2.47)	(2.59)	(2.93)
Gathering, processing & transportation	(6.73)	(5.89)	(4.73)	(4.96)	(5.96)
Production & property taxes	(1.71)	(0.16)	(0.92)	(0.85)	(1.85)
Field-level cash margin	<u>\$ 26.57</u>	<u>\$ 17.13</u>	<u>\$ 14.66</u>	<u>\$ 4.50</u>	<u>\$ 19.20</u>
Powder River Basin					
Realized price	\$ 47.58	\$ 31.08	\$ 29.83	\$ 20.80	\$ 33.65
Lease operating expenses	(7.45)	(5.47)	(5.41)	(6.60)	(6.65)
Gathering, processing & transportation	(2.66)	(3.01)	(2.30)	(2.71)	(2.32)
Production & property taxes	(5.48)	(3.91)	(3.49)	(2.40)	(4.20)
Field-level cash margin	<u>\$ 31.99</u>	<u>\$ 18.69</u>	<u>\$ 18.63</u>	<u>\$ 9.09</u>	<u>\$ 20.48</u>
Other					
Realized price	\$ 50.58	\$ 37.67	\$ 34.15	\$ 22.95	\$ 39.15
Lease operating expenses	(17.15)	(15.35)	(19.92)	(17.40)	(18.95)
Gathering, processing & transportation	(0.62)	(0.59)	(0.51)	(0.34)	(0.31)
Production & property taxes	(4.60)	(3.38)	(3.62)	(5.11)	(4.34)
Field-level cash margin	<u>\$ 28.21</u>	<u>\$ 18.35</u>	<u>\$ 10.10</u>	<u>\$ 0.10</u>	<u>\$ 15.55</u>
Devon - Total					
Realized price	\$ 39.84	\$ 25.63	\$ 22.60	\$ 14.37	\$ 25.43
Lease operating expenses	(4.44)	(2.97)	(3.32)	(3.69)	(3.96)
Gathering, processing & transportation	(3.57)	(4.23)	(4.17)	(4.16)	(4.11)
Production & property taxes	(2.88)	(1.66)	(1.52)	(1.07)	(1.95)
Field-level cash margin	<u>\$ 28.95</u>	<u>\$ 16.77</u>	<u>\$ 13.59</u>	<u>\$ 5.45</u>	<u>\$ 15.41</u>

NON-GAAP MEASURES

(all monetary values in millions, except per share amounts)

This press release and other earnings materials include non-GAAP financial measures. These non-GAAP measures are not alternatives to GAAP measures, and you should not consider these non-GAAP measures in isolation or as a substitute for analysis of our results as reported under GAAP. Below is additional disclosure regarding such non-GAAP measures, including reconciliations to their most directly comparable GAAP measure.

CORE EARNINGS (LOSS)

Devon's reported net earnings (loss) include items of income and expense that are typically excluded by securities analysts in their published estimates of the company's financial results. Accordingly, the company also uses the measures of core earnings (loss) and core earnings (loss) per share attributable to Devon. Devon believes these non-GAAP measures facilitate comparisons of its performance to earnings estimates published by securities analysts. Devon also believes these non-GAAP measures can facilitate comparisons of its performance between periods and to the performance of its peers. The following table summarizes the effects of these items on first-quarter 2021 earnings.

	Quarter Ended March 31, 2021			
	Before-tax	After-tax	After Noncontrolling Interests	Per Diluted Share
Total				
Earnings (loss) (GAAP)	\$ (32)	\$ 216	\$ 213	\$ 0.32
Adjustments:				
Asset dispositions	(32)	(24)	(24)	(0.04)
Asset and exploration impairments	1	—	—	0.00
Deferred tax asset valuation allowance	—	(263)	(263)	(0.40)
Fair value changes in financial instruments and foreign currency	294	225	225	0.34
Restructuring and transaction costs(1)	189	162	162	0.25
Early retirement of debt	(20)	(15)	(15)	(0.02)
Core earnings (Non-GAAP)	<u>\$ 400</u>	<u>\$ 301</u>	<u>\$ 298</u>	<u>\$ 0.45</u>

- (1) Approximately \$167 million of restructuring and transaction costs are cash and are excluded from the adjusted free cash flow reconciliation at the bottom of page 11.

EBITDAX

Devon believes EBITDAX provides information useful in assessing operating and financial performance across periods. Devon computes EBITDAX as net earnings from continuing operations before income tax expense; financing costs, net; exploration expenses; depreciation, depletion and amortization; 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 normal operations. EBITDAX 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 continuing operations.

	Q1 '21
Net earnings (loss) (GAAP)	<u>\$ 216</u>
Net (earnings) loss from discontinued operations, net of tax	—
Financing costs, net	77
Income tax benefit	(248)
Exploration expenses	3
Depreciation, depletion and amortization	467
Asset impairments	—
Asset dispositions	(32)
Share-based compensation	20
Derivative and financial instrument non-cash valuation changes	296
Restructuring and transaction costs	189
Accretion on discounted liabilities and other	(29)
EBITDAX (Non-GAAP)	<u>\$ 959</u>
Annualized EBITDAX (Non-GAAP)	\$3,836

NET DEBT

Devon defines net debt as debt less cash, cash equivalents and cash restricted for discontinued operations. Devon believes that netting these sources of cash against debt provides a clearer picture of the future demands on cash from Devon to repay debt.

	Quarter Ended March 31, 2021
Total debt (GAAP)	\$ 7,268
Less:	
Cash, cash equivalents and restricted cash	(1,878)
Net debt (Non-GAAP)	<u>\$ 5,390</u>

NET DEBT-TO-EBITDAX

Devon defines net debt-to-EBITDAX as net debt divided by an annualized EBITDAX measure. Due to the merger with WPX closing in the first quarter of 2021, Devon has shown Q1 2021 EBITDAX annualized divided by net debt to show a more meaningful net debt-to-EBITDAX measure. Devon believes this ratio provides information useful to investors in assessing the company's credit position and debt leverage.

	Quarter Ended March 31, 2021
Net debt (Non-GAAP)	\$ 5,390
EBITDAX (annualized Q1 '21) (Non-GAAP)	\$ 3,836
Net debt-to-EBITDAX (Non-GAAP)	<u>1.4</u>

FREE CASH FLOW

Devon defines free cash flow as total operating cash flow less capital expenditures. Devon believes that free cash flow provides a useful measure of available cash generated by operating activities for other investing and financing activities.

	Quarter Ended March 31, 2021
Total operating cash flow (GAAP)	\$ 592
Less capital expenditures:	
Capital expenditures	(499)
Free cash flow (Non-GAAP)	<u>\$ 93</u>

ADJUSTED FREE CASH FLOW

Devon defines adjusted free cash flow as total operating cash flow less capital expenditures less cash restructuring and transaction costs. Devon believes that adjusted free cash flow provides a useful measure of available cash generated by operating activities for other investing and financing activities, excluding cash restructuring and transaction costs.

	Quarter Ended March 31, 2021
Total operating cash flow (GAAP)	\$ 592
Less capital expenditures:	
Capital expenditures	(499)
Free cash flow (Non-GAAP)	93
Cash restructuring and transaction costs (Non-GAAP)	167
Adjusted free cash flow (Non-GAAP)	<u>\$ 260</u>

REINVESTMENT RATE

Devon defines reinvestment rate as accrued capital expenditures divided by adjusted operating cash flow. Devon believes this measure provides useful information to our investors as an indicator of the capital demands of our business relative to the cash flow generated from normal business operations.

	Quarter Ended March 31, 2021
Capital expenditures (accrued)	\$ 487
Operating cash flow	592
Cash restructuring and transaction costs (Non-GAAP)	167
Adjusted operating cash flow (Non-GAAP)	\$ 759
Reinvestment rate (Non-GAAP)	<u>64%</u>

VARIABLE DIVIDEND CALCULATION

Devon may pay a variable dividend up to 50 percent of its excess cash flow. Each quarter's excess cash flow is computed as adjusted cash flow less capital expenditures and the fixed dividend.

	Quarter Ended March 31, 2021
Operating cash flow (GAAP)	\$ 592
Changes in assets and liabilities, net	127
Cash from operations before balance sheet changes (Non-GAAP)	719
Cash restructuring and transaction costs (Non-GAAP)	167
Adjusted cash flow (Non-GAAP)	886
Capital expenditures (Accrued)	(487)
Adjusted free cash flow (Non-GAAP)	399
Fixed quarterly dividend (\$0.11/share)	(76)
Excess free cash flow (Non-GAAP)	323
48% Pay out (Board Discretion: Up to 50%)	48%
Total variable dividend	<u>\$ 155</u>

SECOND-QUARTER AND FULL-YEAR 2021 GUIDANCE
PRODUCTION GUIDANCE

	Quarter 2		Full Year	
	Low	High	Low	High
Oil (MBbls/d)	283	293	280	290
Natural gas liquids (MBbls/d)	117	122	110	120
Gas (MMcf/d)	825	875	835	895
Total oil equivalent (MBoe/d)	538	561	529	559

CAPITAL EXPENDITURES GUIDANCE

(in millions)	Quarter 2		Full Year	
	Low	High	Low	High
Upstream capital	\$ 480	\$ 520	\$ 1,600	\$ 1,800
Midstream capital	35	45	80	100
Other capital	15	25	40	80
Total capital	\$ 530	\$ 590	\$ 1,720	\$ 1,980

PRICE REALIZATIONS GUIDANCE

	Quarter 2		Full Year	
	Low	High	Low	High
Oil - % of WTI	92%	100%	92%	100%
NGL - % of WTI	35%	45%	35%	45%
Natural gas - % of Henry Hub	70%	80%	75%	85%

OTHER GUIDANCE ITEMS

(\$ millions, except Boe and %)	Quarter 2		Full Year	
	Low	High	Low	High
Marketing & midstream operating profit	\$ (10)	\$ (5)	\$ (50)	\$ (40)
LOE & GP&T per BOE	\$7.80	\$8.00	\$ 7.70	\$ 7.90
Production & property taxes as % of upstream sales	7.0%	8.0%	7.0%	8.0%
Exploration expenses	\$ —	\$ 5	\$ 5	\$ 15
Depreciation, depletion and amortization	\$ 500	\$ 550	\$2,000	\$2,100
General & administrative expenses	\$ 95	\$ 105	\$ 400	\$ 420
Restructuring & transaction expenses	\$ 15	\$ 25	\$ 205	\$ 215
Cash financing costs, net	\$ 95	\$ 105	\$ 395	\$ 415
Other expenses	\$ 5	\$ 15	\$ —	\$ 10
Current income tax rate from continuing operations	0%	0%	0%	0%
Deferred income tax rate from continuing operations	20%	30%	20%	30%
Total income tax rate from continuing operations	20%	30%	20%	30%
Average common shares outstanding	675	679	669	673

CONTINGENT PAYMENTS FOR BARNETT SHALE DIVESTITURE (4-year period beginning in 2021)

WTI Threshold	WTI Annual Earnout Amount	Henry Hub Threshold	Henry Hub Annual Earnout Amount
\$ 50.00	\$ 10,000,000	\$ 2.75	\$ 20,000,000
\$ 55.00	\$ 12,500,000	\$ 3.00	\$ 25,000,000
\$ 60.00	\$ 15,000,000	\$ 3.25	\$ 35,000,000
\$ 65.00	\$ 20,000,000	\$ 3.50	\$ 45,000,000

2021 & 2022 HEDGING POSITIONS
Oil Commodity Hedges

Period	Price Swaps		Price Collars		
	Volume (Bbls/d)	Weighted Average Price (\$/Bbl)	Volume (Bbls/d)	Weighted Average Floor Price (\$/Bbl)	Weighted Average Ceiling Price (\$/Bbl)
Q2 2021	129,976	\$ 39.46	21,000	\$ 42.46	\$ 52.46
Q3 2021	57,460	\$ 41.68	53,250	\$ 39.74	\$ 49.74
Q4 2021	56,460	\$ 41.44	48,250	\$ 38.82	\$ 48.82
Q1-Q4 2022	25,619	\$ 43.82	20,233	\$ 46.41	\$ 56.41

Period	Price Swaptions		Price Call Options	
	Volume (Bbls/d)	Weighted Average Price (\$/Bbl)	Volume (Bbls/d)	Weighted Average Price (\$/Bbl)
Q2 2021	—	\$ —	5,000	\$ 39.50
Q3 2021	10,000	\$ 40.12	5,000	\$ 39.50
Q4 2021	10,000	\$ 40.12	5,000	\$ 39.50
Q1-Q4 2022	10,323	\$ 46.46	—	\$ —

Oil Basis Swaps

Period	Index	Volume (Bbls/d)	Weighted Average Differential to WTI (\$/Bbl)
Q2-Q4 2021	Midland Sweet	22,669	\$ 0.84
Q2-Q4 2021	BRENT/WTI Spread	1,000	\$ (8.00)
Q1-Q4 2022	BRENT/WTI Spread	1,000	\$ (7.75)

Natural Gas Commodity Hedges - Henry Hub

Period	Price Swaps		Price Collars		
	Volume (MMBtu/d)	Weighted Average Price (\$/MMBtu)	Volume (MMBtu/d)	Weighted Average Floor Price (\$/MMBtu)	Weighted Average Ceiling Price (\$/MMBtu)
Q2 2021	279,000	\$ 2.64	228,000	\$ 2.43	\$ 2.93
Q3 2021	279,000	\$ 2.64	228,000	\$ 2.43	\$ 2.93
Q4 2021	254,000	\$ 2.63	133,000	\$ 2.55	\$ 3.05
Q1-Q4 2022	3,452	\$ 2.85	74,110	\$ 2.53	\$ 3.03

2021 & 2022 HEDGING POSITIONS (continued)

Period	Price Swaptions		Price Call Options	
	Volume (MMBtu/d)	Weighted Average Price (\$/MMBtu)	Volume (MMBtu/d)	Weighted Average Price (\$/MMBtu)
Q2 2021	—	\$ —	50,000	\$ 2.68
Q3 2021	—	\$ —	50,000	\$ 2.68
Q4 2021	—	\$ —	50,000	\$ 2.68
Q1-Q4 2022	100,000	\$ 2.70	—	\$ —

Natural Gas Basis Swaps

Period	Index	Volume (MMBtu/d)	Weighted Average Differential to Henry Hub (\$/MMBtu)
Q2-Q4 2021	El Paso Natural Gas	35,000	\$ (0.92)
Q2-Q4 2021	WAHA	80,000	\$ (0.65)
Q1-Q4 2022	WAHA	70,000	\$ (0.57)

NGL Commodity Hedges

Period	Product	Price Swaps	
		Volume (Bbls/d)	Weighted Average Price (\$/Bbl)
Q2-Q4 2021	Natural Gasoline	1,000	\$ 47.57
Q2-Q4 2021	Normal Butane	1,000	\$ 31.40
Q2-Q4 2021	Propane	1,000	\$ 27.88

Devon's oil derivatives settle against the average of the prompt month NYMEX West Texas Intermediate futures price. Devon's natural gas derivatives settle against the Inside FERC first of the month Henry Hub index. Devon's NGL derivatives settle against the average of the prompt month OPIS Mont Belvieu, Texas index. Commodity hedge positions are shown as of April 29, 2021.