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

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**FORM 8-K**

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

**Date of Report (Date of earliest event reported): November 2, 2021**

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**Devon Energy Corporation**

(Exact name of registrant as specified in its charter)

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**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)

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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.

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**Item 2.02 Results of Operations and Financial Condition.**

On November 2, 2021, Devon Energy Corporation (the “Company”) announced its financial and operational results for the quarterly period ended September 30, 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](http://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

<u>Exhibit No.</u>	<u>Description of Exhibits</u>
99.1	<a href="#">Earnings release, dated November 2, 2021.</a>
99.2	<a href="#">Supplemental financial information (including guidance and hedging information).</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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**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: November 2, 2021



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

## Devon Energy Reports 46 Percent Increase in Operating Cash Flow and Record Free Cash Flow Generation in Third-Quarter 2021

OKLAHOMA CITY – Nov. 2, 2021 – Devon Energy Corp. (NYSE: DVN) today reported financial and operational results for the third-quarter 2021. Supplemental financial tables and forward-looking guidance are available on the company’s website at [www.devonenergy.com](http://www.devonenergy.com).

### KEY FINANCIAL AND OPERATIONAL HIGHLIGHTS

- Fixed-plus-variable dividend increased by 71 percent to \$0.84 per share
- Board authorizes a \$1 billion share buyback, representing 4 percent of the company’s market capitalization
- Delaware Basin drove third-quarter results that were favorable to guidance on production and costs
- Operating cash flow increased 46 percent from the prior quarter to \$1.6 billion
- Disciplined capital allocation limited reinvestment rates to 30 percent of cash flow
- Free cash flow generation accelerated to \$1.1 billion, an 8-fold increase from the fourth quarter of 2020
- Balance sheet strengthened with cash balances increasing by \$782 million to a total of \$2.3 billion

### CEO PERSPECTIVE

“The power of Devon’s asset portfolio and disciplined cash-return strategy was evidenced by another quarter of operational and financial outperformance,” said Rick Muncrief, president and CEO. “The team’s outstanding execution, coupled with an improved cost structure, has allowed us to fully capture the benefits of rising commodity prices and deliver robust growth in free cash flow.”

“With this free cash flow, we are delivering on our commitment to accelerate the return of cash to shareholders with a 71 percent increase in the dividend and we have continued to strengthen our investment-grade balance sheet.”

“As a result of our improving financial outlook, I am excited to announce the next step in our cash-return strategy with the authorization of a \$1 billion share-repurchase program,” Muncrief added. “While our market-leading dividend will remain the top priority for free cash flow, this program provides us with another avenue to opportunistically return value to shareholders and enhance per-share results.”

“Looking ahead to the remainder of this year and into 2022, we will continue to prioritize free cash flow over volume growth,” Muncrief commented. “With our operations successfully scaled to generate strong cash flow growth, we have no intention of pursuing production growth until it is clear that market fundamentals have sustainably recovered, and worldwide spare oil capacity is effectively absorbed.”

### FINANCIAL SUMMARY

Devon reported net earnings of \$838 million, or \$1.24 per diluted share, in the third quarter of 2021. Adjusting for items analysts typically exclude from estimates, the company’s core earnings were \$733 million, or \$1.08 per diluted share.

Operating cash flow totaled \$1.6 billion in the third quarter, a 46 percent increase from the prior quarter. With capital reinvestment rates limited to 30 percent of cash flow, the company generated \$1.1 billion of free cash flow in the quarter. This represents an 8-fold increase in free cash flow compared to the fourth quarter of 2020 and is the highest quarterly amount in Devon’s 50-year history.

Based on the third-quarter financial performance, Devon’s board declared a fixed-plus-variable dividend of \$0.84 per share. This payout represents a 71 percent increase compared to the payout declared from the previous quarter. The dividend is payable on Dec. 30, 2021 to shareholders of record at the close of business on Dec. 10, 2021.

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The company also continued to strengthen its investment-grade financial position, with cash balances increasing by \$782 million in the quarter to a total of \$2.3 billion. The company intends to further improve its financial strength by retiring and calling low-premium debt of approximately \$1.0 billion in 2022 and 2023.

With the company's improving financial outlook, in a separate release issued today, Devon announced the next step in its cash-return strategy with the authorization of a \$1.0 billion share-repurchase program. This program is authorized through year-end 2022 and is equivalent to 4 percent of the company's market capitalization.

## OPERATING RESULTS

Devon's total production averaged 608,000 oil-equivalent barrels (Boe) per day in the third quarter, exceeding guidance by 5 percent. This outperformance was driven by strong well productivity in the Delaware Basin and better-than-expected base production performance across the portfolio.

Upstream capital spending was in line with guidance at \$442 million in the quarter. Devon exited the quarter running 16 operated drilling rigs and five completion crews, with approximately 80 percent of this activity allocated to the Delaware Basin.

Production expense for Devon totaled \$9.91 per unit, a 1 percent decrease from the prior quarter. The improved cost structure was driven by operational efficiency gains and the benefits of scalable production growth in the Delaware Basin. The per-unit cost savings achieved in the field were partially offset by higher production taxes due to rising commodity prices.

The company's corporate cost structure, which consists of general and administrative expenses and financing costs, improved by 25 percent year-over-year, on a pro forma basis. This positive result was driven by the capture of merger-related synergies that are on track to achieve \$600 million in annual cash flow improvements.

## ASSET-LEVEL HIGHLIGHTS

**Delaware Basin:** Production averaged 409,000 Boe per day, with oil reaching 52 percent of the product mix. This production result represents a 39 percent increase year over year, on a pro forma basis. The high-margin growth in the quarter was driven by 52 new wells that commenced first production across Devon's 400,000 net acres in New Mexico and Texas. The completed well costs for this Wolfcamp-oriented development activity continued to be extremely low at \$554 per lateral foot.

The top operating highlight from the quarter was the Boundary Raider project in Lea County, New Mexico. This development was a follow-up to the company's original Bone Spring project in the area during 2018 that achieved record-setting well productivity rates in the basin. This edition of Boundary Raider developed the Upper Wolfcamp and delivered prolific initial 30-day production rates as high as 7,300 Boe per day.

Another noteworthy result in the quarter was the Thistle Cobra project. This 3-mile lateral Wolfcamp development exceeded pre-drill expectations by approximately 10 percent, with average 30-day rates reaching up to 6,300 Boe per day. This successful project also de-risked additional high-return Wolfcamp inventory in the area.

**Anadarko Basin:** Production averaged 75,000 Boe per day, with gas and NGLs representing over 80 percent of the total volume. During the quarter, Devon operated two drilling rigs in the basin supported by a \$100 million drilling carry with Dow. The initial wells from this carry-enhanced activity were brought online in the third quarter. The four-well Miller-Miller project, targeting the Woodford formation, averaged 30-day production rates of 2,700 Boe per day. Completed well costs for this activity averaged \$8 million per well.

The company is on track to drill up to 30 wells with Dow in 2021. With the recent rise in commodity prices, Devon and Dow are evaluating additional activity in 2022.

**Williston Basin:** Production averaged 58,000 Boe per day, with oil accounting for 67 percent. The company's operational focus in the quarter was optimizing base production and harvesting free cash flow. For the full-year 2021, the company plans to bring online up to 20 new wells and generate more than \$700 million of free cash flow from this high-margin asset.

**Eagle Ford:** Production increased by 15 percent from the prior quarter to an average of 42,000 Boe per day. This growth was driven by 19 new development wells brought online in the quarter. Completed well costs for this activity were approximately \$6 million per well and the average 30-day rates from this high-return program were 2,300 Boe per day. Devon and its partner plan to sustain production by running a two-rig drilling program for the remainder of the year.

**Powder River Basin:** Production averaged 20,000 Boe per day, of which 70 percent was oil. During the quarter, Devon brought online two new wells in Converse County that delivered average 30-day rates of 1,300 Boe per day (93 percent oil). The completed well cost for this activity targeting the Parkman formation averaged \$5 million per well. The company has 300,000 net acres in the oil fairway of this emerging resource opportunity that is prospective for multiple benches.

## OUTLOOK

Devon remains committed to a maintenance capital program and is firmly on track to meet the strategic objectives that underpin its operating plan in 2021. With efficiencies compressing cycle times and pulling forward activity, Devon now expects its production and capital spending to be at the high end of its 2021 guidance range. Detailed forward-looking guidance for the upcoming fourth quarter is available on the company's website at [www.devonenergy.com](http://www.devonenergy.com).

In 2022, due to market fundamentals, Devon will continue to prioritize free cash flow generation over the pursuit of volume growth. With this disciplined approach, the company's preliminary plan is to maintain production in the range of 570,000 to 600,000 Boe per day, with an upstream capital investment of \$1.9 billion to \$2.2 billion.

## ENVIRONMENTAL PERFORMANCE TARGETS

Devon recently established new environmental performance targets focused on reducing the carbon intensity of its operations. Highlights from these targets include reducing GHG emissions 50 percent by 2030, achieving net zero emissions by 2050 and initiatives to constructively engage with upstream and downstream stakeholders to improve performance. For more information, please refer to the Sustainability portion of Devon's website at [www.devonenergy.com/sustainability](http://www.devonenergy.com/sustainability).

## 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](http://www.devonenergy.com). The company's third-quarter conference call will be held at 10:00 a.m. Central (11:00 a.m. Eastern) on Wednesday, Nov. 3, 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](http://www.devonenergy.com).

### Investor Contacts

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### Media Contact

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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*

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*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 Third-Quarter 2021****Supplemental Tables**

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**CONSOLIDATED STATEMENTS OF EARNINGS**

(in millions, except per share amounts)

	2021			2020	
	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3
Oil, gas and NGL sales	\$ 2,635	\$ 2,154	\$ 1,757	\$ 786	\$ 678
Oil, gas and NGL derivatives (1)	(335)	(703)	(528)	(117)	(87)
Marketing and midstream revenues	1,166	966	821	611	476
Total revenues	<u>3,466</u>	<u>2,417</u>	<u>2,050</u>	<u>1,280</u>	<u>1,067</u>
Production expenses (2)	555	513	458	271	271
Exploration expenses	3	3	3	4	39
Marketing and midstream expenses	1,165	965	842	618	478
Depreciation, depletion and amortization	578	536	467	301	299
Asset impairments	—	—	—	27	—
Asset dispositions	—	(87)	(32)	(1)	—
General and administrative expenses	95	94	107	82	75
Financing costs, net (3)	86	80	77	70	66
Restructuring and transaction costs	18	23	189	17	32
Other, net	2	(14)	(29)	1	—
Total expenses	<u>2,502</u>	<u>2,113</u>	<u>2,082</u>	<u>1,390</u>	<u>1,260</u>
Earnings (loss) from continuing operations before income taxes	964	304	(32)	(110)	(193)
Income tax expense (benefit)	120	43	(248)	(37)	(90)
Net earnings (loss) from continuing operations	844	261	216	(73)	(103)
Net earnings (loss) from discontinued operations, net of taxes	—	—	—	(25)	13
Net earnings (loss)	844	261	216	(98)	(90)
Net earnings attributable to noncontrolling interests	6	5	3	4	2
Net earnings (loss) attributable to Devon	<u>\$ 838</u>	<u>\$ 256</u>	<u>\$ 213</u>	<u>\$ (102)</u>	<u>\$ (92)</u>
Basic net earnings (loss) per share:					
Continuing operations	\$ 1.24	\$ 0.38	\$ 0.33	\$ (0.20)	\$ (0.29)
Discontinued operations	—	—	—	(0.07)	0.04
Basic net earnings (loss) per share	<u>\$ 1.24</u>	<u>\$ 0.38</u>	<u>\$ 0.33</u>	<u>\$ (0.27)</u>	<u>\$ (0.25)</u>
Diluted net earnings (loss) per share:					
Continuing operations	\$ 1.24	\$ 0.38	\$ 0.32	\$ (0.20)	\$ (0.29)
Discontinued operations	—	—	—	(0.07)	0.04
Diluted net earnings (loss) per share	<u>\$ 1.24</u>	<u>\$ 0.38</u>	<u>\$ 0.32</u>	<u>\$ (0.27)</u>	<u>\$ (0.25)</u>
Weighted average common shares outstanding:					
Basic	677	677	654	383	383
Diluted	679	679	656	383	383

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

(in millions)

	2021			2020	
	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3
Derivative cash settlements	\$ (370)	\$ (367)	\$ (232)	\$ (27)	\$ 10
Derivative valuation changes	35	(336)	(296)	(90)	(97)
Oil, gas and NGL derivatives	<u>\$ (335)</u>	<u>\$ (703)</u>	<u>\$ (528)</u>	<u>\$ (117)</u>	<u>\$ (87)</u>

**(2) PRODUCTION EXPENSES**

(in millions)

	2021			2020	
	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3
Lease operating expense	\$ 215	\$ 210	\$ 199	\$ 91	\$ 100
Gathering, processing & transportation	157	147	129	130	125
Production taxes	176	143	117	47	42
Property taxes	7	13	13	3	4
Production expenses	<u>\$ 555</u>	<u>\$ 513</u>	<u>\$ 458</u>	<u>\$ 271</u>	<u>\$ 271</u>

**(3) FINANCING COSTS, NET**

(in millions)

	2021			2020	
	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3
Interest based on outstanding debt	\$ 93	\$ 98	\$ 105	\$ 65	\$ 65
Gain on early retirement of debt	—	(10)	(20)	—	—
Interest income	(1)	—	(1)	—	(5)
Other	(6)	(8)	(7)	5	6
Financing costs, net	<u>\$ 86</u>	<u>\$ 80</u>	<u>\$ 77</u>	<u>\$ 70</u>	<u>\$ 66</u>

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(in millions)

	2021			2020	
	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3
<b>Cash flows from operating activities:</b>					
Net earnings (loss)	\$ 844	\$ 261	\$ 216	\$ (98)	\$ (90)
<b>Adjustments to reconcile net earnings (loss) to net cash from operating activities:</b>					
Net (earnings) loss from discontinued operations, net of income taxes	—	—	—	25	(13)
Depreciation, depletion and amortization	578	536	467	301	299
Asset impairments	—	—	—	27	—
Leasehold impairments	1	1	1	3	36
(Amortization) accretion of liabilities	(7)	(7)	(7)	8	8
Total losses on commodity derivatives	335	703	528	117	87
Cash settlements on commodity derivatives	(370)	(367)	(232)	(27)	10
Gains on asset dispositions	—	(87)	(32)	(1)	—
Deferred income tax expense (benefit)	119	24	(243)	(17)	—
Share-based compensation	19	20	41	18	31
Early retirement of debt	—	(10)	(20)	—	—
Other	11	2	—	—	1
Changes in assets and liabilities, net	68	17	(127)	2	58
Net cash from operating activities—continuing operations	<u>1,598</u>	<u>1,093</u>	<u>592</u>	<u>358</u>	<u>427</u>
<b>Cash flows from investing activities:</b>					
Capital expenditures	(474)	(504)	(499)	(217)	(204)
Acquisitions of property and equipment	(10)	(5)	—	(3)	—
Divestitures of property and equipment	1	49	15	5	1
WPX acquired cash	—	—	344	—	—
Distributions from equity method investments	9	8	10	—	—
Net cash from investing activities—continuing operations	<u>(474)</u>	<u>(452)</u>	<u>(130)</u>	<u>(215)</u>	<u>(203)</u>
<b>Cash flows from financing activities:</b>					
Repayments of long-term debt	—	(710)	(533)	—	—
Early retirement of debt	—	(32)	(27)	—	—
Dividends paid on common stock	(329)	(229)	(203)	(138)	(43)
Contributions from noncontrolling interests	1	3	—	9	1
Distributions to noncontrolling interests	(6)	(5)	(4)	(4)	(4)
Acquisition of noncontrolling interests	—	—	(24)	—	—
Shares exchanged for tax withholdings and other	(3)	(9)	(33)	(1)	—
Net cash from financing activities—continuing operations	<u>(337)</u>	<u>(982)</u>	<u>(824)</u>	<u>(134)</u>	<u>(46)</u>
Effect of exchange rate changes on cash—continuing	<u>(5)</u>	<u>2</u>	<u>3</u>	<u>—</u>	<u>—</u>
Net change in cash, cash equivalents and restricted cash of continuing operations	<u>782</u>	<u>(339)</u>	<u>(359)</u>	<u>9</u>	<u>178</u>
<b>Cash flows from discontinued operations:</b>					
Operating activities	—	—	—	19	45
Investing activities	—	—	—	310	1
Effect of exchange rate changes on cash	—	—	—	2	4
Net change in cash, cash equivalents and restricted cash of discontinued operations	<u>—</u>	<u>—</u>	<u>—</u>	<u>331</u>	<u>50</u>
Net change in cash, cash equivalents and restricted cash	<u>782</u>	<u>(339)</u>	<u>(359)</u>	<u>340</u>	<u>228</u>
Cash, cash equivalents and restricted cash at beginning of period	<u>1,539</u>	<u>1,878</u>	<u>2,237</u>	<u>1,897</u>	<u>1,669</u>
Cash, cash equivalents and restricted cash at end of period	<u>\$ 2,321</u>	<u>\$ 1,539</u>	<u>\$ 1,878</u>	<u>\$ 2,237</u>	<u>\$ 1,897</u>
<b>Reconciliation of cash, cash equivalents and restricted cash:</b>					
Cash and cash equivalents	\$ 2,144	\$ 1,348	\$ 1,683	\$ 2,047	\$ 1,707
Restricted cash	177	191	195	190	190
Total cash, cash equivalents and restricted cash	<u>\$ 2,321</u>	<u>\$ 1,539</u>	<u>\$ 1,878</u>	<u>\$ 2,237</u>	<u>\$ 1,897</u>

**CONSOLIDATED BALANCE SHEETS**

(in millions)	September 30, 2021	December 31, 2020
<b>Current assets:</b>		
Cash, cash equivalents and restricted cash	\$ 2,321	\$ 2,237
Accounts receivable	1,517	601
Income tax receivable	80	174
Other current assets	309	248
Total current assets	4,227	3,260
Oil and gas property and equipment, based on successful efforts accounting, net	13,613	4,436
Other property and equipment, net	1,465	957
Total property and equipment, net	15,078	5,393
Goodwill	753	753
Right-of-use assets	244	223
Investments	388	12
Other long-term assets	367	271
<b>Total assets</b>	<b>\$ 21,057</b>	<b>\$ 9,912</b>
<b>Current liabilities:</b>		
Accounts payable	\$ 537	\$ 242
Revenues and royalties payable	1,443	662
Other current liabilities	1,525	536
Total current liabilities	3,505	1,440
Long-term debt	6,492	4,298
Lease liabilities	256	246
Asset retirement obligations	462	358
Other long-term liabilities	1,281	551
<b>Stockholders' equity:</b>		
Common stock	68	38
Additional paid-in capital	8,206	2,766
Retained earnings	750	208
Accumulated other comprehensive loss	(100)	(127)
Total stockholders' equity attributable to Devon	8,924	2,885
Noncontrolling interests	137	134
Total equity	9,061	3,019
<b>Total liabilities and equity</b>	<b>\$ 21,057</b>	<b>\$ 9,912</b>
Common shares outstanding	677	382

**PRODUCTION TREND**

	2021			2020	
	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3
<b>Oil (MBbls/d)</b>					
Delaware Basin	213	191	172	99	77
Anadarko Basin	14	17	13	16	19
Williston Basin	39	46	44	—	—
Eagle Ford	20	18	16	18	22
Powder River Basin	14	16	17	16	21
Other	3	3	6	7	7
Total	<u>303</u>	<u>291</u>	<u>268</u>	<u>156</u>	<u>146</u>
<b>Natural gas liquids (MBbls/d)</b>					
Delaware Basin	100	82	60	43	38
Anadarko Basin	25	26	21	25	30
Williston Basin	9	9	8	—	—
Eagle Ford	11	9	6	9	11
Powder River Basin	3	3	3	3	3
Other	—	—	1	—	1
Total	<u>148</u>	<u>129</u>	<u>99</u>	<u>80</u>	<u>83</u>
<b>Gas (MMcf/d)</b>					
Delaware Basin	578	513	471	267	239
Anadarko Basin	219	225	200	233	242
Williston Basin	59	61	49	—	—
Eagle Ford	67	59	47	60	73
Powder River Basin	19	21	21	22	23
Other	1	2	3	2	3
Total	<u>943</u>	<u>881</u>	<u>791</u>	<u>584</u>	<u>580</u>
<b>Total oil equivalent (MBoe/d)</b>					
Delaware Basin	409	358	310	186	155
Anadarko Basin	75	80	68	81	89
Williston Basin	58	66	61	—	—
Eagle Ford	42	37	30	37	46
Powder River Basin	20	22	23	22	28
Other	4	4	7	7	8
Total	<u>608</u>	<u>567</u>	<u>499</u>	<u>333</u>	<u>326</u>

**CAPITAL EXPENDITURES**

(in millions)

	2021			2020	
	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3
Delaware Basin	\$ 363	\$ 394	\$ 355	\$ 153	\$ 179
Anadarko Basin	15	11	13	3	1
Williston Basin	13	19	20	—	—
Eagle Ford	34	36	29	2	1
Powder River Basin	15	5	27	22	11
Other	2	2	3	3	3
Total upstream capital	<u>\$ 442</u>	<u>\$ 467</u>	<u>\$ 447</u>	<u>\$ 183</u>	<u>\$ 195</u>
Midstream	11	22	24	3	7
Other	28	20	16	3	5
Total capital	<u>\$ 481</u>	<u>\$ 509</u>	<u>\$ 487</u>	<u>\$ 189</u>	<u>\$ 207</u>

**SUPPLEMENTAL INFORMATION FOR UPSTREAM CAPITAL EXPENDITURES**
**GROSS OPERATED SPUDS**

	2021			2020	
	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3
Delaware Basin	50	55	60	21	35
Anadarko Basin	9	8	8	—	—
Williston Basin	—	—	7	—	—
Eagle Ford	10	11	14	—	—
Powder River Basin	9	1	—	2	—
Total	<u>78</u>	<u>75</u>	<u>89</u>	<u>23</u>	<u>35</u>

**GROSS OPERATED WELLS TIED-IN**

	2021			2020	
	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3
Delaware Basin	52	88	52	23	32
Anadarko Basin	4	6	—	—	—
Williston Basin	4	13	—	—	—
Eagle Ford	19	9	12	—	—
Powder River Basin	2	—	10	2	9
Total	<u>81</u>	<u>116</u>	<u>74</u>	<u>25</u>	<u>41</u>

**AVERAGE LATERAL LENGTH**

(based on wells tied-in)

	2021			2020	
	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3
Delaware Basin	9,700'	10,000'	10,000'	9,800'	9,900'
Anadarko Basin	9,200'	9,600'	—	—	—
Williston Basin	9,600'	10,000'	—	—	—
Eagle Ford	6,300'	5,600'	4,400'	—	—
Powder River Basin	10,500'	—	9,800'	13,600'	9,800'
Total	<u>8,900'</u>	<u>9,600'</u>	<u>9,100'</u>	<u>10,100'</u>	<u>9,900'</u>

**REALIZED PRICING**
**BENCHMARK PRICES**  
 (average prices)

	2021			2020	
	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3
Oil (\$/Bbl) - West Texas Intermediate (Cushing)	\$ 70.64	\$ 66.04	\$ 57.87	\$ 42.65	\$ 40.86
Natural Gas (\$/Mcf) - Henry Hub	\$ 4.02	\$ 2.83	\$ 2.71	\$ 2.67	\$ 1.98
NGL (\$/Bbl) - Mont Belvieu Blended	\$ 36.85	\$ 28.54	\$ 25.81	\$ 20.01	\$ 16.69

**REALIZED PRICES**

	2021			2020	
	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3
<b>Oil (Per Bbl)</b>					
Delaware Basin	\$ 68.44	\$ 63.93	\$ 56.07	\$ 40.67	\$ 39.19
Anadarko Basin	69.11	63.51	55.86	40.34	37.88
Williston Basin	66.60	62.00	52.74	—	—
Eagle Ford	68.32	64.04	54.90	37.83	33.68
Powder River Basin	65.81	62.36	53.77	36.42	35.39
Other	75.68	72.85	55.65	39.93	37.33
Realized price without hedges	68.19	63.63	55.28	39.84	37.56
Cash settlements	(10.60)	(13.29)	(9.13)	(1.83)	0.65
Realized price, including cash settlements	\$ 57.59	\$ 50.34	\$ 46.15	\$ 38.01	\$ 38.21
<b>Natural gas liquids (Per Bbl)</b>					
Delaware Basin	\$ 31.34	\$ 23.81	\$ 26.25	\$ 13.67	\$ 11.49
Anadarko Basin	33.20	25.55	23.14	15.65	12.68
Williston Basin	19.36	14.76	18.51	—	—
Eagle Ford	32.80	25.46	24.44	15.66	13.74
Powder River Basin	40.66	35.46	30.19	19.39	13.10
Other	54.51	41.19	31.86	24.24	21.74
Realized price without hedges	31.25	23.89	25.01	14.77	12.36
Cash settlements	(0.45)	(0.25)	(0.20)	(0.01)	(0.30)
Realized price, including cash settlements	\$ 30.80	\$ 23.64	\$ 24.81	\$ 14.76	\$ 12.06
<b>Gas (Per Mcf)</b>					
Delaware Basin	\$ 3.58	\$ 2.31	\$ 3.19	\$ 1.51	\$ 1.11
Anadarko Basin	4.05	3.15	2.49	2.29	1.66
Williston Basin	0.65	(1.60)	(0.48)	—	—
Eagle Ford	4.08	3.25	3.15	2.38	1.95
Powder River Basin	4.15	3.54	5.27	2.70	1.94
Other	2.60	2.74	2.57	2.87	1.52
Realized price without hedges	3.55	2.35	2.84	1.96	1.48
Cash settlements	(0.78)	(0.15)	(0.15)	0.00	0.06
Realized price, including cash settlements	\$ 2.77	\$ 2.20	\$ 2.69	\$ 1.96	\$ 1.54
<b>Total oil equivalent (Per Boe)</b>					
Delaware Basin	\$ 48.29	\$ 42.84	\$ 40.95	\$ 26.94	\$ 24.00
Anadarko Basin	35.62	30.34	25.35	19.79	16.81
Williston Basin	48.55	43.98	40.79	—	—
Eagle Ford	47.40	42.84	38.90	25.97	22.78
Powder River Basin	55.93	52.55	47.58	31.08	29.83
Other	70.49	65.37	50.58	37.67	34.15
Realized price without hedges	47.08	41.75	39.14	25.63	22.60
Cash settlements	(6.60)	(7.11)	(5.17)	(0.86)	0.33
Realized price, including cash settlements	\$ 40.48	\$ 34.64	\$ 33.97	\$ 24.77	\$ 22.93

**ASSET MARGINS**
**BENCHMARK PRICES**  
 (average prices)

	2021			2020	
	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3
Oil (\$/Bbl) - West Texas Intermediate (Cushing)	\$ 70.64	\$ 66.04	\$ 57.87	\$ 42.65	\$ 40.86
Natural Gas (\$/Mcf) - Henry Hub	\$ 4.02	\$ 2.83	\$ 2.71	\$ 2.67	\$ 1.98
NGL (\$/Bbl) - Mont Belvieu Blended	\$ 36.85	\$ 28.54	\$ 25.81	\$ 20.01	\$ 16.69

**PER-UNIT CASH MARGIN BY ASSET (per Boe)**

	2021			2020	
	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3
<b>Delaware Basin</b>					
Realized price	\$ 48.29	\$ 42.84	\$ 40.95	\$ 26.94	\$ 24.00
Lease operating expenses	(3.52)	(3.91)	(3.97)	(2.38)	(3.00)
Gathering, processing & transportation	(2.18)	(2.06)	(1.96)	(2.40)	(2.68)
Production & property taxes	(3.31)	(3.08)	(2.95)	(2.08)	(1.80)
Field-level cash margin	<u>\$ 39.28</u>	<u>\$ 33.79</u>	<u>\$ 32.07</u>	<u>\$ 20.08</u>	<u>\$ 16.52</u>
<b>Anadarko Basin</b>					
Realized price	\$ 35.62	\$ 30.34	\$ 25.35	\$ 19.79	\$ 16.81
Lease operating expenses	(2.58)	(2.96)	(3.82)	(2.57)	(2.16)
Gathering, processing & transportation	(6.14)	(6.06)	(6.31)	(8.39)	(7.39)
Production & property taxes	(1.70)	(1.46)	(1.21)	(0.55)	(0.54)
Field-level cash margin	<u>\$ 25.20</u>	<u>\$ 19.86</u>	<u>\$ 14.01</u>	<u>\$ 8.28</u>	<u>\$ 6.72</u>
<b>Williston Basin</b>					
Realized price	\$ 48.55	\$ 43.98	\$ 40.79	\$ —	\$ —
Lease operating expenses	(5.83)	(4.87)	(5.13)	—	—
Gathering, processing & transportation	(2.13)	(1.86)	(2.14)	—	—
Production & property taxes	(4.47)	(4.27)	(3.82)	—	—
Field-level cash margin	<u>\$ 36.12</u>	<u>\$ 32.98</u>	<u>\$ 29.70</u>	<u>\$ —</u>	<u>\$ —</u>
<b>Eagle Ford</b>					
Realized price	\$ 47.40	\$ 42.84	\$ 38.90	\$ 25.97	\$ 22.78
Lease operating expenses	(3.43)	(3.47)	(3.89)	(2.79)	(2.47)
Gathering, processing & transportation	(4.17)	(5.56)	(6.73)	(5.89)	(4.73)
Production & property taxes	(1.99)	(1.93)	(1.71)	(0.16)	(0.92)
Field-level cash margin	<u>\$ 37.81</u>	<u>\$ 31.88</u>	<u>\$ 26.57</u>	<u>\$ 17.13</u>	<u>\$ 14.66</u>
<b>Powder River Basin</b>					
Realized price	\$ 55.93	\$ 52.55	\$ 47.58	\$ 31.08	\$ 29.83
Lease operating expenses	(8.09)	(6.65)	(7.45)	(5.47)	(5.41)
Gathering, processing & transportation	(2.93)	(3.02)	(2.66)	(3.01)	(2.30)
Production & property taxes	(6.73)	(6.10)	(5.48)	(3.91)	(3.49)
Field-level cash margin	<u>\$ 38.18</u>	<u>\$ 36.78</u>	<u>\$ 31.99</u>	<u>\$ 18.69</u>	<u>\$ 18.63</u>
<b>Other</b>					
Realized price	\$ 70.49	\$ 65.37	\$ 50.58	\$ 37.67	\$ 34.15
Lease operating expenses	(16.42)	(16.69)	(17.15)	(15.35)	(19.92)
Gathering, processing & transportation	(0.35)	(0.58)	(0.62)	(0.59)	(0.51)
Production & property taxes	(4.19)	(5.25)	(4.60)	(3.38)	(3.62)
Field-level cash margin	<u>\$ 49.53</u>	<u>\$ 42.85</u>	<u>\$ 28.21</u>	<u>\$ 18.35</u>	<u>\$ 10.10</u>
<b>Devon - Total</b>					
Realized price	\$ 47.08	\$ 41.75	\$ 39.14	\$ 25.63	\$ 22.60
Lease operating expenses	(3.85)	(4.06)	(4.44)	(2.97)	(3.32)
Gathering, processing & transportation	(2.81)	(2.85)	(2.87)	(4.23)	(4.17)
Production & property taxes	(3.25)	(3.05)	(2.88)	(1.66)	(1.52)
Field-level cash margin	<u>\$ 37.17</u>	<u>\$ 31.79</u>	<u>\$ 28.95</u>	<u>\$ 16.77</u>	<u>\$ 13.59</u>



## NON-GAAP MEASURES

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

This press release includes 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 each of the non-GAAP measures used in this press release, including reconciliations to their most directly comparable GAAP measure.

### CORE EARNINGS

Devon's reported net earnings 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 third-quarter 2021 earnings.

	Quarter Ended September 30, 2021			
	Before-tax	After-tax	After Noncontrolling Interests	Per Diluted Share
<b>Total</b>				
Earnings (GAAP)	\$ 964	\$ 844	\$ 838	\$ 1.24
Adjustments:				
Asset and exploration impairments	1	1	1	0.00
Deferred tax asset valuation allowance	—	(101)	(101)	(0.15)
Fair value changes in financial instruments and foreign currency	(31)	(23)	(23)	(0.04)
Restructuring and transaction costs	18	18	18	0.03
Core earnings (Non-GAAP)	<u>\$ 952</u>	<u>\$ 739</u>	<u>\$ 733</u>	<u>\$ 1.08</u>

### 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.

	YTD '21	Q3 '21	Q2 '21	Q1 '21
<b>Net earnings (GAAP)</b>	\$ 1,321	\$ 844	\$ 261	\$ 216
Financing costs, net	243	86	80	77
Income tax expense (benefit)	(85)	120	43	(248)
Exploration expenses	9	3	3	3
Depreciation, depletion and amortization	1,581	578	536	467
Asset dispositions	(119)	—	(87)	(32)
Share-based compensation	58	18	20	20
Derivative and financial instrument non-cash valuation changes	597	(35)	336	296
Restructuring and transaction costs	230	18	23	189
Accretion on discounted liabilities and other	(41)	2	(14)	(29)
<b>EBITDAX (Non-GAAP)</b>	<u>\$ 3,794</u>	<u>\$ 1,634</u>	<u>\$ 1,201</u>	<u>\$ 959</u>
<b>Annualized EBITDAX (Non-GAAP)</b>	\$ 5,059			

### 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.

	September 30, 2021	June 30, 2021
Total debt (GAAP)	\$ 6,492	\$ 6,502
Less:		
Cash, cash equivalents and restricted cash	(2,321)	(1,539)
Net debt (Non-GAAP)	<u>\$ 4,171</u>	<u>\$ 4,963</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 the first nine months of 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.

	<b>Quarter Ended September 30, 2021</b>
Net debt (Non-GAAP)	\$ 4,171
EBITDAX (Sep. 30, 2021 YTD annualized) (Non-GAAP)	\$ 5,059
Net debt-to-EBITDAX (Non-GAAP)	<u>0.8</u>

## FREE CASH FLOW AND ADJUSTED FREE CASH FLOW

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

	<b>Quarter Ended September 30, 2021</b>	<b>Quarter Ended June 30, 2021</b>	<b>Quarter Ended March 31, 2021</b>	<b>Quarter Ended December 31, 2020</b>
Total operating cash flow (GAAP)	\$ 1,598	\$ 1,093	\$ 592	\$ 358
Less capital expenditures:				
Capital expenditures	(474)	(504)	(499)	(217)
Free cash flow (Non-GAAP)	1,124	589	93	141
Cash restructuring and transaction costs (Non-GAAP)	14	23	167	17
Adjusted free cash flow (Non-GAAP)	<u>\$ 1,138</u>	<u>\$ 612</u>	<u>\$ 260</u>	<u>\$ 158</u>

## REINVESTMENT RATE

Devon defines reinvestment rate as accrued capital expenditures divided by 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.

	<b>Quarter Ended September 30, 2021</b>
Capital expenditures (accrued)	\$ 481
Operating cash flow	1,598
Reinvestment rate (Non-GAAP)	<u>30%</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.

	<b>Quarter Ended September 30, 2021</b>
Operating cash flow (GAAP)	\$ 1,598
Changes in assets and liabilities, net	(68)
Cash from operations before balance sheet changes (Non-GAAP)	1,530
Cash restructuring and transaction costs (Non-GAAP)	14
Adjusted cash flow (Non-GAAP)	1,544
Capital expenditures (Accrued)	(481)
Adjusted free cash flow (Non-GAAP)	1,063
Fixed quarterly dividend (\$0.11/share)	(74)
Excess free cash flow (Non-GAAP)	989
50% Pay out (Board Discretion: Up to 50%)	50%
Total variable dividend	<u>\$ 494</u>

**FOURTH-QUARTER 2021 GUIDANCE**
**PRODUCTION GUIDANCE**

	<b>Quarter 4</b>	
	<b>Low</b>	<b>High</b>
Oil (MBbls/d)	293	298
Natural gas liquids (MBbls/d)	140	145
Gas (MMcf/d)	900	950
Total oil equivalent (MBoe/d)	<u>583</u>	<u>601</u>

**CAPITAL EXPENDITURES GUIDANCE**

	<b>Quarter 4</b>	
(in millions)	<b>Low</b>	<b>High</b>
Upstream capital	\$440	\$490
Midstream capital	15	25
Other capital	10	20
Total capital	<u>\$465</u>	<u>\$535</u>

**PRICE REALIZATIONS GUIDANCE**

	<b>Quarter 4</b>	
	<b>Low</b>	<b>High</b>
Oil - % of WTI	90%	100%
NGL - % of WTI	42%	47%
Natural gas - % of Henry Hub	80%	90%

**OTHER GUIDANCE ITEMS**

	<b>Quarter 4</b>	
(\$ millions, except Boe and %)	<b>Low</b>	<b>High</b>
Marketing & midstream operating profit	\$ (10)	\$ 10
LOE & GP&T per BOE	\$6.25	\$6.75
Production & property taxes as % of upstream sales	7.0%	7.5%
Exploration expenses	\$ —	\$ 5
Depreciation, depletion and amortization	\$ 550	\$ 600
General & administrative expenses	\$ 90	\$ 100
Cash financing costs, net	\$ 90	\$ 100
Other expenses	\$ —	\$ 10
Current income tax rate	0%	0%
Deferred income tax rate	20%	30%
Total income tax rate	<u>20%</u>	<u>30%</u>

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

<b>WTI Threshold</b>	<b>WTI Annual Earnout Amount</b>	<b>Henry Hub Threshold</b>	<b>Henry Hub Annual Earnout Amount</b>
\$ 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)
Q4 2021	66,460	\$ 41.24	48,250	\$ 38.82	\$ 48.82
Q1-Q4 2022	26,112	\$ 43.75	22,501	\$ 48.36	\$ 58.58

Period	Price Swaptions		Price Call Options	
	Volume (Bbls/d)	Weighted Average Price (\$/Bbl)	Volume (Bbls/d)	Weighted Average Price (\$/Bbl)
Q4 2021	—	\$ —	5,000	\$ 39.50
Q1-Q4 2022	10,000	\$ 46.67	—	\$ —

**Oil Basis Swaps**

Period	Index	Volume (Bbls/d)	Weighted Average Differential to WTI (\$/Bbl)
Q4 2021	Midland Sweet	23,000	\$ 0.84
Q4 2021	BRENT/WTI Spread	1,000	\$ (8.00)
Q4 2021	Guernsey Light Sweet	4,000	\$ (1.49)
Q4 2021	NYMEX Roll	13,000	\$ 0.39
Q1-Q4 2022	BRENT/WTI Spread	1,000	\$ (7.75)
Q1-Q4 2022	NYMEX Roll	29,000	\$ 0.45

**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)
Q4 2021	254,000	\$ 2.63	133,000	\$ 2.55	\$ 3.05
Q1-Q4 2022	3,452	\$ 2.85	149,274	\$ 2.71	\$ 3.44

**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)
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)
Q4 2021	El Paso Natural Gas	35,000	\$ (0.92)
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)
Q4 2021	Natural Gasoline	1,000	\$ 47.57
Q4 2021	Normal Butane	1,000	\$ 31.40
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 October 28, 2021.