

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): February 27, 2024

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 February 27, 2024, Devon Energy Corporation (the “Company”) announced its financial and operational results for the year and quarter ended December 31, 2023. 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

<u>Exhibit No.</u>	<u>Description of Exhibits</u>
99.1	<u>Earnings release, dated February 27, 2024.</u>
99.2	<u>Supplemental financial information (including guidance and hedging information).</u>
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: February 27, 2024

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



Devon Energy Reports Fourth-Quarter and Full-Year 2023 Results; Declares Quarterly Dividend and Raises Fixed Dividend by 10 Percent in 2024

OKLAHOMA CITY – Feb. 27, 2024 – Devon Energy Corp. (NYSE: DVN) today reported financial and operational results for the fourth-quarter and full-year 2023. Supplemental financial tables and forward-looking guidance are available on the company’s website at www.devonenergy.com.

KEY FINANCIAL AND OPERATIONAL HIGHLIGHTS

- Fourth-quarter production exceeds top end of guidance range, averaging 662,000 oil-equivalent barrels per day
- Delaware Basin production increased 6 percent year over year, driving results that were favorable to guidance
- Record-setting oil volumes drove an 8 percent increase in total production during 2023
- Operating cash flow totaled \$6.5 billion and free cash flow reached \$2.7 billion in 2023
- Declared fixed-plus-variable dividend payout of \$0.44 per share based on fourth quarter results
- Repurchased 5.2 million shares of common stock at a total cost of \$234 million in the fourth quarter
- Balance sheet continued to strengthen with cash balances increasing \$114 million to a total of \$875 million
- 2024 outlook reaffirmed with capital objectives designed to improve efficiency and drive per-share growth
- Board approved a 10 percent increase to the fixed quarterly dividend

CEO PERSPECTIVE

“Devon exited 2023 with positive momentum, delivering a solid quarter of execution that surpassed our operational and financial targets,” said Rick Muncrief, president and CEO. “This performance rounded out another year of accomplishment, headlined by record-setting oil production and \$2.7 billion of free cash flow generation. These achievements allowed us to reward shareholders with an impressive cash-return yield of 10 percent, balanced between buybacks and dividends.”

“Looking ahead to 2024, we have designed a plan to deliver a step-change improvement in capital efficiency. By allocating additional capital to the core of the Delaware Basin and high-grading activity across our diversified portfolio, we expect to efficiently sustain our oil production for roughly 10 percent less capital.

“This disciplined plan prioritizes value over volume and is expected to result in another year of differentiated cash returns versus the broader market. The board’s approval of a 10 percent increase to the fixed dividend further underscores our confidence in the plan and the underlying financial strength of our business,” Muncrief commented.

FINANCIAL RESULTS

Devon reported net earnings of \$1.2 billion, or \$1.81 per diluted share, in the fourth quarter of 2023. Adjusting for items analysts typically exclude from estimates, the company’s core earnings were \$902 million, or \$1.41 per diluted share.

Operating cash flow totaled \$1.7 billion in the fourth quarter, representing the highest quarterly amount of the year. This level of cash flow funded Devon’s capital requirements and resulted in \$827 million of free cash flow in the quarter. For the full-year 2023, operating cash flow totaled \$6.5 billion and free cash flow reached \$2.7 billion.

The company’s investment-grade financial position continued to strengthen in the fourth quarter with cash balances increasing by \$114 million to a total of \$875 million. The company exited the year with outstanding debt of \$6.2 billion and a net debt-to-EBITDAX ratio of 0.7 times.

RETURN OF CAPITAL

Based on the fourth-quarter financial performance, Devon declared a fixed-plus-variable dividend of \$0.44 per share, payable on March 28, 2024, to shareholders of record at the close of business on March 15, 2024. The dividend payout consists of the board's approval to increase the fixed dividend by 10 percent to \$0.22 per share and a variable distribution of \$0.22 per share.

The company also accelerated the return of capital to shareholders through the continued execution of its \$3 billion share-repurchase program. In the fourth quarter, Devon repurchased 5.2 million shares at a total cost of \$234 million. With this repurchase program, the company is on track to reduce its outstanding share count by up to 9 percent.

OPERATING RESULTS

Devon's capital activity in the fourth quarter averaged 24 operated drilling rigs and 6 completion crews across its asset portfolio. This level of activity resulted in 100 gross operated wells being placed online, with an average lateral length of 9,900 feet. Total capital spending, excluding acquisitions, was \$940 million in the fourth quarter. This result was 1 percent above the company's guidance range due to cycle time improvements that accelerated activity and timing of midstream spending.

Production averaged 662,000 oil-equivalent barrels (Boe) per day in the fourth quarter, with oil averaging 317,000 barrels per day. Production exceeded the top end of the company's guidance range due to better than planned well performance across the portfolio. For the full-year 2023, record-setting oil volumes drove total production 8 percent higher year over year.

Devon's fourth-quarter operating performance was driven by its Delaware Basin asset, which accounted for 65 percent of the company's production at 433,000 Boe per day. This production result represents a growth rate of 6 percent compared to the year-ago period, driven by 62 gross operated wells being placed online. Initial production rates from this activity averaged 2,700 Boe per day, with average per-well recoveries estimated at 1.5 million oil-equivalent barrels.

Production costs, including taxes, averaged \$12.46 per Boe in the quarter. This low-cost structure, coupled with the benefits of high-margin production resulted in field-level cash margins of \$32.47 per Boe.

Devon exited the year with estimated proved reserves of 1.8 billion Boe. Proved undeveloped reserves accounted for 22 percent of the total. Extensions and discoveries from the company's drilling program added 322 million Boe of reserves in 2023, equating to a replacement rate of 134 percent of production. The capital costs to deliver these extensions and discoveries totaled \$3.7 billion, resulting in a finding and development cost of \$11.47 per Boe.

2024 OUTLOOK

Devon has reaffirmed its previously issued outlook for production and capital in 2024. The company plans to sustain oil production at around 315,000 barrels per day, with total volumes approximating 650,000 Boe per day. The capital requirements to deliver this production are expected to decline approximately 10 percent year-over-year to a range of \$3.3 billion to \$3.6 billion.

Due to the addition of a fourth Delaware completion crew in January, the company's capital program in 2024 is expected to be weighted towards the first half of the year. As a result of this activity timing, first-quarter capital spending is estimated to range from \$915 million to \$965 million.

In January, severe winter weather across the company's portfolio led to unplanned power outages and production disruptions. These weather-related curtailments are estimated to reduce first-quarter production by 2 percent. Due to these curtailments, Devon expects first-quarter production to approximate 640,000 Boe per day (48 percent oil).

The company has successfully restored the affected production across all its operating areas and does not expect this weather-related downtime to impact production targets for the full-year 2024.

Additional details of Devon's forward-looking guidance are available on the company's website at www.devonenergy.com.

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 fourth-quarter conference call will be held at 10:00 a.m. Central (11:00 a.m. Eastern) on Wednesday, February 28, 2024, 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.

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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-K filed with the Securities and Exchange Commission (the "SEC").

FORWARD LOOKING STATEMENTS

This press release 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 press release 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 shareholder activism; our ability to successfully complete mergers, acquisitions and divestitures; our ability to pay dividends and make share repurchases; and any of the other risks and uncertainties discussed in Devon's 2023 Annual Report on Form 10-K (the "2023 Form 10-K") or other filings with the SEC.

The forward-looking statements included in this press release speak only as of the date of this press release, represent management's current reasonable expectations as of the date of this press release and are subject to the risks and uncertainties identified above as well as those described elsewhere in the 2023 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 2023 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 Fourth-Quarter 2023

Supplemental Tables

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CONSOLIDATED STATEMENTS OF EARNINGS

(in millions, except per share amounts)

	2023				2022
	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4
Oil, gas and NGL sales	\$ 2,737	\$ 2,882	\$ 2,493	\$ 2,679	\$ 3,139
Oil, gas and NGL derivatives ⁽¹⁾	324	(194)	(76)	64	(53)
Marketing and midstream revenues	1,084	1,148	1,037	1,080	1,213
Total revenues	4,145	3,836	3,454	3,823	4,299
Production expenses ⁽²⁾	759	757	719	693	715
Exploration expenses	4	3	10	3	13
Marketing and midstream expenses	1,093	1,160	1,051	1,105	1,231
Depreciation, depletion and amortization	650	651	638	615	625
Asset dispositions	11	—	(41)	—	(29)
General and administrative expenses	111	99	92	106	122
Financing costs, net ⁽³⁾	77	81	78	72	73
Other, net	10	13	10	5	(4)
Total expenses	2,715	2,764	2,557	2,599	2,746
Earnings before income taxes	1,430	1,072	897	1,224	1,553
Income tax expense ⁽⁴⁾	269	152	199	221	349
Net earnings	1,161	920	698	1,003	1,204
Net earnings attributable to noncontrolling interests	9	10	8	8	3
Net earnings attributable to Devon	\$ 1,152	\$ 910	\$ 690	\$ 995	\$ 1,201
Net earnings per share:					
Basic net earnings per share	\$ 1.81	\$ 1.43	\$ 1.08	\$ 1.53	\$ 1.84
Diluted net earnings per share	\$ 1.81	\$ 1.42	\$ 1.07	\$ 1.53	\$ 1.83
Weighted average common shares outstanding:					
Basic	635	637	638	645	647
Diluted	638	639	639	647	649

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

(in millions)

	2023				2022
	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4
Derivative cash settlements	\$ 8	\$ (11)	\$ 37	\$ 13	\$ (177)
Derivative valuation changes	316	(183)	(113)	51	124
Oil, gas and NGL derivatives	<u>\$ 324</u>	<u>\$ (194)</u>	<u>\$ (76)</u>	<u>\$ 64</u>	<u>\$ (53)</u>

(2) PRODUCTION EXPENSES

(in millions)

	2023				2022
	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4
Lease operating expense	\$ 381	\$ 367	\$ 353	\$ 327	\$ 308
Gathering, processing & transportation	181	178	177	166	178
Production taxes	182	191	165	175	210
Property taxes	15	21	24	25	19
Production expenses	<u>\$ 759</u>	<u>\$ 757</u>	<u>\$ 719</u>	<u>\$ 693</u>	<u>\$ 715</u>

(3) FINANCING COSTS, NET

(in millions)

	2023				2022
	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4
Interest based on outstanding debt	\$ 87	\$ 93	\$ 96	\$ 93	\$ 93
Interest income	(12)	(11)	(15)	(17)	(16)
Other	2	(1)	(3)	(4)	(4)
Financing costs, net	<u>\$ 77</u>	<u>\$ 81</u>	<u>\$ 78</u>	<u>\$ 72</u>	<u>\$ 73</u>

(4) INCOME TAX EXPENSE

(in millions)

	2023				2022
	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4
Current expense	\$ 105	\$ 139	\$ 80	\$ 141	\$ 84
Deferred expense	164	13	119	80	265
Income tax expense	<u>\$ 269</u>	<u>\$ 152</u>	<u>\$ 199</u>	<u>\$ 221</u>	<u>\$ 349</u>

CONSOLIDATED BALANCE SHEETS

(in millions)

	2023				2022
	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4
Current assets:					
Cash, cash equivalents and restricted cash	\$ 875	\$ 761	\$ 488	\$ 887	\$ 1,454
Accounts receivable	1,573	1,853	1,519	1,615	1,767
Inventory	249	233	201	212	201
Other current assets	460	365	397	475	469
Total current assets	3,157	3,212	2,605	3,189	3,891
Oil and gas property and equipment, based on successful efforts accounting, net	17,825	17,563	17,317	16,932	16,567
Other property and equipment, net	1,503	1,468	1,446	1,583	1,539
Total property and equipment, net	19,328	19,031	18,763	18,515	18,106
Goodwill	753	753	753	753	753
Right-of-use assets	267	261	266	219	224
Investments	666	671	675	469	440
Other long-term assets	319	313	293	275	307
Total assets	<u>\$ 24,490</u>	<u>\$ 24,241</u>	<u>\$ 23,355</u>	<u>\$ 23,420</u>	<u>\$ 23,721</u>
Current liabilities:					
Accounts payable	\$ 760	\$ 812	\$ 843	\$ 935	\$ 859
Revenues and royalties payable	1,222	1,434	1,199	1,266	1,506
Short-term debt	483	487	244	247	251
Other current liabilities	484	597	383	483	489
Total current liabilities	2,949	3,330	2,669	2,931	3,105
Long-term debt	5,672	5,675	6,169	6,175	6,189
Lease liabilities	295	290	299	256	257
Asset retirement obligations	643	641	548	546	511
Other long-term liabilities	876	850	858	866	900
Deferred income taxes	1,838	1,676	1,662	1,543	1,463
Stockholders' equity:					
Common stock	64	64	64	64	65
Additional paid-in capital	5,939	6,153	6,131	6,344	6,921
Retained earnings	6,195	5,535	4,940	4,712	4,297
Accumulated other comprehensive loss	(124)	(113)	(114)	(115)	(116)
Treasury stock	(13)	—	—	(28)	—
Total stockholders' equity attributable to Devon	12,061	11,639	11,021	10,977	11,167
Noncontrolling interests	156	140	129	126	129
Total equity	12,217	11,779	11,150	11,103	11,296
Total liabilities and equity	<u>\$ 24,490</u>	<u>\$ 24,241</u>	<u>\$ 23,355</u>	<u>\$ 23,420</u>	<u>\$ 23,721</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)

	2023				2022
	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4
Cash flows from operating activities:					
Net earnings	\$ 1,161	\$ 920	\$ 698	\$ 1,003	\$ 1,204
Adjustments to reconcile net earnings to net cash from operating activities:					
Depreciation, depletion and amortization	650	651	638	615	625
Leasehold impairments	1	1	3	—	2
Accretion (amortization) of liabilities	1	(2)	(8)	(7)	(8)
Total (gains) losses on commodity derivatives	(324)	194	76	(64)	53
Cash settlements on commodity derivatives	8	(11)	37	13	(177)
Gains on asset dispositions	11	—	(41)	—	(29)
Deferred income tax expense	164	13	119	80	265
Share-based compensation	23	22	25	23	23
Other	(3)	(2)	(2)	2	(1)
Changes in assets and liabilities, net	45	(61)	(140)	12	(46)
Net cash from operating activities	<u>1,737</u>	<u>1,725</u>	<u>1,405</u>	<u>1,677</u>	<u>1,911</u>
Cash flows from investing activities:					
Capital expenditures	(910)	(882)	(1,079)	(1,012)	(804)
Acquisitions of property and equipment	(10)	(23)	(18)	(13)	(17)
Divestitures of property and equipment	3	1	1	21	—
Distributions from investments	8	7	9	8	9
Contributions to investments and other	(1)	—	(15)	(37)	(17)
Net cash from investing activities	<u>(910)</u>	<u>(897)</u>	<u>(1,102)</u>	<u>(1,033)</u>	<u>(829)</u>
Cash flows from financing activities:					
Repayments of long-term debt	—	(242)	—	—	—
Repurchases of common stock	(234)	—	(228)	(517)	(57)
Dividends paid on common stock	(488)	(312)	(462)	(596)	(875)
Contributions from noncontrolling interests	19	10	8	—	—
Distributions to noncontrolling interests	(12)	(9)	(13)	(11)	(8)
Shares exchanged for tax withholdings and other	(1)	—	(9)	(87)	—
Net cash from financing activities	<u>(716)</u>	<u>(553)</u>	<u>(704)</u>	<u>(1,211)</u>	<u>(940)</u>
Effect of exchange rate changes on cash	3	(2)	2	—	2
Net change in cash, cash equivalents and restricted cash	114	273	(399)	(567)	144
Cash, cash equivalents and restricted cash at beginning of period	761	488	887	1,454	1,310
Cash, cash equivalents and restricted cash at end of period	<u>\$ 875</u>	<u>\$ 761</u>	<u>\$ 488</u>	<u>\$ 887</u>	<u>\$ 1,454</u>
Reconciliation of cash, cash equivalents and restricted cash:					
Cash and cash equivalents	\$ 853	\$ 654	\$ 372	\$ 761	\$ 1,314
Restricted cash	22	107	116	126	140
Total cash, cash equivalents and restricted cash	<u>\$ 875</u>	<u>\$ 761</u>	<u>\$ 488</u>	<u>\$ 887</u>	<u>\$ 1,454</u>

PRODUCTION

	2023				2022
	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4
Oil (MBbls/d)					
Delaware Basin	208	215	209	211	201
Eagle Ford	43	40	45	40	42
Anadarko Basin	13	14	15	15	15
Williston Basin	36	35	36	36	37
Powder River Basin	13	13	14	14	16
Other	4	4	4	4	5
Total	<u>317</u>	<u>321</u>	<u>323</u>	<u>320</u>	<u>316</u>
Natural gas liquids (MBbls/d)					
Delaware Basin	112	112	105	97	101
Eagle Ford	15	15	16	15	12
Anadarko Basin	29	27	31	26	23
Williston Basin	10	9	9	8	9
Powder River Basin	3	2	2	2	3
Other	—	1	1	1	—
Total	<u>169</u>	<u>166</u>	<u>164</u>	<u>149</u>	<u>148</u>
Gas (MMcf/d)					
Delaware Basin	673	680	636	640	626
Eagle Ford	81	78	86	82	84
Anadarko Basin	225	235	254	237	238
Williston Basin	61	58	59	54	64
Powder River Basin	20	18	18	16	21
Other	1	1	1	1	1
Total	<u>1,061</u>	<u>1,070</u>	<u>1,054</u>	<u>1,030</u>	<u>1,034</u>
Total oil equivalent (MBoe/d)					
Delaware Basin	433	440	420	415	407
Eagle Ford	72	68	74	68	68
Anadarko Basin	79	80	89	81	77
Williston Basin	55	54	56	53	57
Powder River Basin	19	19	19	19	22
Other	4	4	4	5	5
Total	<u>662</u>	<u>665</u>	<u>662</u>	<u>641</u>	<u>636</u>

CAPITAL EXPENDITURES

(in millions)

	2023				2022
	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4
Delaware Basin	\$ 506	\$ 503	\$ 583	\$ 572	\$ 518
Eagle Ford	194	198	179	188	160
Anadarko Basin	51	13	67	66	59
Williston Basin	55	69	89	73	90
Powder River Basin	55	45	39	32	46
Other	3	2	1	2	1
Total upstream capital	<u>\$ 864</u>	<u>\$ 830</u>	<u>\$ 958</u>	<u>\$ 933</u>	<u>\$ 874</u>
Carbon capital	31	25	30	27	20
Midstream and Corporate	45	41	30	28	28
Acquisitions	11	23	18	13	13
Total capital	<u>\$ 951</u>	<u>\$ 919</u>	<u>\$ 1,036</u>	<u>\$ 1,001</u>	<u>\$ 935</u>

COSTS INCURRED AND RESERVES RECONCILIATION

COSTS INCURRED

(in millions)

	Year Ended December 31,	
	2023	2022
Property acquisition costs:		
Proved properties	\$ 2	\$ 1,760
Unproved properties	63	803
Exploration costs	534	472
Development costs	3,160	2,132
Costs incurred	<u>\$ 3,759</u>	<u>\$ 5,167</u>

RESERVES RECONCILIATION

	Oil (MMBbls)	Gas (Bcf)	NGL (MMBbls)	Total (MMBoe)
As of December 31, 2022:				
Proved developed	596	2,595	391	1,419
Proved undeveloped	197	580	102	396
Total Proved	793	3,175	493	1,815
Revisions due to prices	(25)	(189)	(22)	(78)
Revisions other than price	(12)	58	1	(1)
Extensions and discoveries	147	525	87	322
Production	(117)	(385)	(59)	(240)
Sale of reserves	—	(2)	—	(1)
As of December 31, 2023:				
Proved developed	603	2,560	395	1,425
Proved undeveloped	183	622	105	392
Total Proved	786	3,182	500	1,817

SUPPLEMENTAL INFORMATION FOR CAPITAL EXPENDITURES

GROSS OPERATED SPUDS

	2023				2022
	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4
Delaware Basin	60	64	65	60	60
Eagle Ford	26	28	18	23	31
Anadarko Basin	17	10	9	19	8
Williston Basin	—	7	8	6	9
Powder River Basin	5	4	3	3	4
Total	<u>108</u>	<u>113</u>	<u>103</u>	<u>111</u>	<u>112</u>

GROSS OPERATED WELLS TIED-IN

	2023				2022
	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4
Delaware Basin	62	59	76	42	55
Eagle Ford	24	13	29	26	28
Anadarko Basin	4	—	16	7	23
Williston Basin	6	6	8	17	5
Powder River Basin	4	3	2	5	3
Total	<u>100</u>	<u>81</u>	<u>131</u>	<u>97</u>	<u>114</u>

NET OPERATED WELLS TIED-IN

	2023				2022
	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4
Delaware Basin	47	49	61	40	52
Eagle Ford	20	12	25	18	23
Anadarko Basin	1	—	7	3	11
Williston Basin	3	4	6	15	1
Powder River Basin	4	3	2	4	2
Total	<u>75</u>	<u>68</u>	<u>101</u>	<u>80</u>	<u>89</u>

AVERAGE LATERAL LENGTH

(based on wells tied-in)

	2023				2022
	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4
Delaware Basin	10,300'	9,700'	10,100'	9,900'	9,600'
Eagle Ford	7,900'	5,000'	6,200'	6,700'	6,500'
Anadarko Basin	12,500'	—	9,100'	9,300'	8,700'
Williston Basin	12,300'	12,300'	10,000'	11,500'	9,900'
Powder River Basin	9,600'	13,300'	15,000'	10,700'	9,600'
Total	<u>9,900'</u>	<u>9,300'</u>	<u>9,200'</u>	<u>9,300'</u>	<u>8,700'</u>

REALIZED PRICING

BENCHMARK PRICES

(average prices)

	2023				2022
	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4
Oil (\$/Bbl) - West Texas Intermediate (Cushing)	\$ 78.48	\$ 82.06	\$ 73.76	\$ 76.17	\$ 82.53
Natural Gas (\$/Mcf) - Henry Hub	\$ 2.88	\$ 2.54	\$ 2.09	\$ 3.44	\$ 6.26
NGL (\$/Bbl) - Mont Belvieu Blended	\$ 25.52	\$ 26.62	\$ 23.99	\$ 29.48	\$ 30.46

REALIZED PRICES

	2023				2022
	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4
Oil (Per Bbl)					
Delaware Basin	\$ 77.75	\$ 80.72	\$ 71.86	\$ 74.43	\$ 82.48
Eagle Ford	78.51	80.85	72.36	74.06	83.23
Anadarko Basin	77.09	79.86	71.52	74.14	82.57
Williston Basin	74.26	79.50	70.80	74.09	81.05
Powder River Basin	74.58	78.51	70.75	74.30	81.29
Realized price without hedges	77.32	80.48	71.74	74.32	82.31
Cash settlements	(0.34)	(0.67)	—	(0.10)	(4.87)
Realized price, including cash settlements	\$ 76.98	\$ 79.81	\$ 71.74	\$ 74.22	\$ 77.44
Natural gas liquids (Per Bbl)					
Delaware Basin	\$ 19.93	\$ 20.76	\$ 18.07	\$ 23.72	\$ 23.68
Eagle Ford	22.67	23.70	20.22	26.18	29.06
Anadarko Basin	21.44	23.37	19.42	27.88	29.58
Williston Basin	2.95	4.09	2.52	8.97	7.97
Powder River Basin	28.80	29.63	24.52	35.72	34.91
Realized price without hedges	19.67	20.72	17.79	24.12	24.32
Cash settlements	—	—	—	—	—
Realized price, including cash settlements	\$ 19.67	\$ 20.72	\$ 17.79	\$ 24.12	\$ 24.32
Gas (Per Mcf)					
Delaware Basin	\$ 1.76	\$ 1.94	\$ 1.18	\$ 1.90	\$ 4.30
Eagle Ford	2.44	2.31	1.80	2.99	5.02
Anadarko Basin	2.38	2.17	1.72	3.14	5.37
Williston Basin	N/M	N/M	N/M	1.57	0.44
Powder River Basin	2.52	2.53	2.41	4.25	5.57
Realized price without hedges	1.83	1.92	1.27	2.29	4.39
Cash settlements	0.19	0.09	0.39	0.18	(0.38)
Realized price, including cash settlements	\$ 2.02	\$ 2.01	\$ 1.66	\$ 2.47	\$ 4.01
Total oil equivalent (Per Boe)					
Delaware Basin	\$ 45.38	\$ 47.68	\$ 42.05	\$ 46.35	\$ 53.34
Eagle Ford	54.64	55.71	49.69	52.81	62.92
Anadarko Basin	26.96	27.88	24.04	32.16	41.25
Williston Basin	47.77	52.64	45.94	52.94	54.51
Powder River Basin	57.99	62.21	56.33	63.01	67.59
Realized price without hedges	44.93	47.10	41.39	46.44	53.66
Cash settlements	0.14	(0.18)	0.61	0.22	(3.04)
Realized price, including cash settlements	\$ 45.07	\$ 46.92	\$ 42.00	\$ 46.66	\$ 50.62

ASSET MARGINS

BENCHMARK PRICES

(average prices)

	2023				2022
	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4
Oil (\$/Bbl) - West Texas Intermediate (Cushing)	\$ 78.48	\$ 82.06	\$ 73.76	\$ 76.17	\$ 82.53
Natural Gas (\$/Mcf) - Henry Hub	\$ 2.88	\$ 2.54	\$ 2.09	\$ 3.44	\$ 6.26
NGL (\$/Bbl) - Mont Belvieu Blended	\$ 25.52	\$ 26.62	\$ 23.99	\$ 29.48	\$ 30.46

PER-UNIT CASH MARGIN BY ASSET (per Boe)

	2023				2022
	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4
Delaware Basin					
Realized price	\$ 45.38	\$ 47.68	\$ 42.05	\$ 46.35	\$ 53.34
Lease operating expenses	(5.46)	(5.03)	(4.96)	(4.58)	(4.55)
Gathering, processing & transportation	(2.75)	(2.63)	(2.63)	(2.63)	(2.52)
Production & property taxes	(3.24)	(3.48)	(3.18)	(3.43)	(3.89)
Field-level cash margin	<u>\$ 33.93</u>	<u>\$ 36.54</u>	<u>\$ 31.28</u>	<u>\$ 35.71</u>	<u>\$ 42.38</u>
Eagle Ford					
Realized price	\$ 54.64	\$ 55.71	\$ 49.69	\$ 52.81	\$ 62.92
Lease operating expenses	(7.05)	(7.52)	(6.18)	(6.32)	(5.63)
Gathering, processing & transportation	(1.62)	(1.63)	(1.67)	(1.49)	(3.08)
Production & property taxes	(2.95)	(3.18)	(2.97)	(3.25)	(2.97)
Field-level cash margin	<u>\$ 43.02</u>	<u>\$ 43.38</u>	<u>\$ 38.87</u>	<u>\$ 41.75</u>	<u>\$ 51.24</u>
Anadarko Basin					
Realized price	\$ 26.96	\$ 27.88	\$ 24.04	\$ 32.16	\$ 41.25
Lease operating expenses	(3.26)	(3.43)	(3.13)	(3.41)	(3.59)
Gathering, processing & transportation	(5.98)	(6.11)	(5.97)	(5.93)	(6.84)
Production & property taxes	(1.40)	(1.36)	(1.22)	(1.73)	(2.29)
Field-level cash margin	<u>\$ 16.32</u>	<u>\$ 16.98</u>	<u>\$ 13.72</u>	<u>\$ 21.09</u>	<u>\$ 28.53</u>
Williston Basin					
Realized price	\$ 47.77	\$ 52.64	\$ 45.94	\$ 52.94	\$ 54.51
Lease operating expenses	(13.07)	(13.04)	(13.43)	(13.25)	(9.93)
Gathering, processing & transportation	(2.34)	(2.31)	(2.29)	(2.19)	(1.92)
Production & property taxes	(4.78)	(5.13)	(4.68)	(4.85)	(5.64)
Field-level cash margin	<u>\$ 27.58</u>	<u>\$ 32.16</u>	<u>\$ 25.54</u>	<u>\$ 32.65</u>	<u>\$ 37.02</u>
Powder River Basin					
Realized price	\$ 57.99	\$ 62.21	\$ 56.33	\$ 63.01	\$ 67.59
Lease operating expenses	(8.65)	(8.45)	(10.03)	(11.07)	(7.15)
Gathering, processing & transportation	(3.17)	(3.02)	(2.97)	(2.73)	(2.98)
Production & property taxes	(6.75)	(7.45)	(6.79)	(7.78)	(8.13)
Field-level cash margin	<u>\$ 39.42</u>	<u>\$ 43.29</u>	<u>\$ 36.54</u>	<u>\$ 41.43</u>	<u>\$ 49.33</u>
Devon - Total					
Realized price	\$ 44.93	\$ 47.10	\$ 41.39	\$ 46.44	\$ 53.66
Lease operating expenses	(6.25)	(6.00)	(5.86)	(5.67)	(5.26)
Gathering, processing & transportation	(2.97)	(2.91)	(2.94)	(2.88)	(3.05)
Production & property taxes	(3.24)	(3.46)	(3.14)	(3.47)	(3.91)
Field-level cash margin	<u>\$ 32.47</u>	<u>\$ 34.73</u>	<u>\$ 29.45</u>	<u>\$ 34.42</u>	<u>\$ 41.44</u>

NON-GAAP MEASURES

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

Devon's 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 each of the non-GAAP measures used in the earnings materials, including reconciliations to their most directly comparable GAAP measure.

The earnings materials may include forward-looking non-GAAP measures. The company is unable to provide reconciliations of these forward-looking non-GAAP measures, because components of the calculations are inherently unpredictable, such as changes to current assets and liabilities, the timing of changes in capital accruals, unknown future events and estimating certain future GAAP measures. The inability to reliably quantify certain components of the calculation would significantly affect the usefulness and accuracy of a reconciliation.

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 and core earnings 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 fourth- quarter and full year 2023 earnings.

	Year Ended December 31, 2023				Quarter Ended December 31, 2023			
	Before-tax	After-tax	After NCI	Per Diluted Share	Before-tax	After-tax	After NCI	Per Diluted Share
Total								
Earnings (GAAP)	\$4,623	\$3,782	\$3,747	\$ 5.84	\$1,430	\$1,161	\$1,152	\$ 1.81
Adjustments:								
Asset dispositions	(30)	(24)	(24)	(0.04)	11	7	7	0.01
Asset and exploration impairments	5	3	3	—	2	1	1	—
Deferred tax asset valuation allowance	—	(1)	(1)	—	—	(11)	(11)	(0.02)
Fair value changes in financial instruments	(74)	(58)	(58)	(0.09)	(319)	(247)	(247)	(0.39)
Core earnings (Non-GAAP)	<u>\$4,524</u>	<u>\$3,702</u>	<u>\$3,667</u>	<u>\$ 5.71</u>	<u>\$1,124</u>	<u>\$ 911</u>	<u>\$ 902</u>	<u>\$ 1.41</u>

RETURN ON CAPITAL EMPLOYED

Devon defines return on capital employed as pre-interest core earnings divided by averaged capital employed. Devon believes return on capital employed provides a useful measure of how efficiently the company is using its capital to generate profits. Average capital employed is the average of the capital employed as of the beginning and ending of the relevant period, with capital employed calculated as debt plus stockholders' equity attributable to Devon less cash and cash equivalents.

	Year Ended Dec. 31, 2023
Earnings (GAAP)	\$ 3,747
Non-GAAP adjustments	(80)
Core earnings (Non-GAAP)	3,667
Net financing costs (GAAP)	308
Less tax impact (18%)	(56)
After-tax adjusted net financing costs (Non-GAAP)	252
Pre-interest core earnings (Non-GAAP)	\$ 3,919
Beginning balance:	
Gross debt	\$ 6,440
Stockholders' equity	11,167
Less cash	(1,454)
Beginning capital employed	\$ 16,153
Ending balance:	
Gross debt	\$ 6,155
Stockholders' equity	12,061
Less cash	(875)
Ending capital employed	\$ 17,341
Average capital employed	\$ 16,747
ROCE	23%

EBITDAX

Devon believes EBITDAX provides information useful in assessing operating and financial performance across periods. Devon computes EBITDAX as net earnings before financing costs, net; income tax expense; exploration expenses; depreciation, depletion and amortization; asset disposition gains and losses; non-cash share-based compensation; non-cash valuation changes for derivatives and financial instruments; accretion on discounted liabilities; and other items not related to normal operations. EBITDAX as defined by Devon may not be comparable to similarly titled measures used by other companies.

	Q4 '23	Q3 '23	Q2 '23	Q1 '23	TTM	Q4 '22
Net earnings (GAAP)	\$1,161	\$ 920	\$ 698	\$1,003	\$3,782	\$1,204
Financing costs, net	77	81	78	72	308	73
Income tax expense	269	152	199	221	841	349
Exploration expenses	4	3	10	3	20	13
Depreciation, depletion and amortization	650	651	638	615	2,554	625
Asset dispositions	11	—	(41)	—	(30)	(29)
Share-based compensation	22	22	25	23	92	23
Derivative & financial instrument non-cash val. changes	(316)	183	113	(51)	(71)	(122)
Accretion on discounted liabilities and other	10	13	10	5	38	(6)
EBITDAX (Non-GAAP)	\$1,888	\$2,025	\$1,730	\$1,891	\$7,534	\$2,130

NET DEBT

Devon defines net debt as debt (includes short-term and long-term debt) less cash, cash equivalents and restricted cash. 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.

	Dec. 31, 2023	Sep. 30, 2023	Jun. 30, 2023	Mar. 31, 2023	Dec. 31, 2022
Total debt (GAAP)	\$ 6,155	\$ 6,162	\$ 6,413	\$ 6,422	\$ 6,440
Less:					
Cash, cash equivalents and restricted cash	(875)	(761)	(488)	(887)	(1,454)
Net debt (Non-GAAP)	<u>\$ 5,280</u>	<u>\$ 5,401</u>	<u>\$ 5,925</u>	<u>\$ 5,535</u>	<u>\$ 4,986</u>

NET DEBT-TO-EBITDAX

Devon defines net debt-to-EBITDAX as net debt divided by an annualized EBITDAX measure. Devon believes this ratio provides information useful to investors in assessing the company's credit position and debt leverage.

	Dec. 31, 2023	Sep. 30, 2023	Jun. 30, 2023	Mar. 31, 2023	Dec. 31, 2022
Net debt (Non-GAAP)	\$ 5,280	\$ 5,401	\$ 5,925	\$ 5,535	\$ 4,986
EBITDAX (Non-GAAP) ⁽¹⁾	\$ 7,534	\$ 7,776	\$ 8,239	\$ 9,342	\$ 9,586
Net debt-to-EBITDAX (Non-GAAP)	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.6</u>	<u>0.5</u>

(1) EBITDAX is an annualized measure using a trailing twelve-month calculation.

FREE CASH FLOW

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

	Year Ended Dec. 31, 2023	Quarter Ended Dec. 31, 2023	Quarter Ended Sep. 30, 2023	Quarter Ended Jun. 30, 2023	Quarter Ended Mar. 31, 2023	Quarter Ended Dec. 31, 2022
Total operating cash flow (GAAP)	\$ 6,544	\$ 1,737	\$ 1,725	\$ 1,405	\$ 1,677	\$ 1,911
Less capital expenditures:	(3,883)	(910)	(882)	(1,079)	(1,012)	(804)
Free cash flow (Non-GAAP)	<u>\$ 2,661</u>	<u>\$ 827</u>	<u>\$ 843</u>	<u>\$ 326</u>	<u>\$ 665</u>	<u>\$ 1,107</u>

ADJUSTED FREE CASH FLOW

Devon is committed to returning approximately 70% of our adjusted free cash flow to shareholders through a fixed dividend, variable dividend and share repurchases. Adjusted free cash flow is calculated as total operating cash flow before balance sheet changes less accrued capital expenditures.

	Quarter Ended Dec. 31, 2023
Total operating cash flow (GAAP)	\$ 1,737
Changes in assets and liabilities	(45)
Cash flow before balance sheet changes (Non-GAAP)	1,692
Capital expenditures (accrued, less acquisitions)	(940)
Adjusted free cash flow (Non-GAAP)	<u>\$ 752</u>

REINVESTMENT RATE

Devon defines reinvestment rate as accrued capital expenditures (excluding acquisitions) 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.

	Quarter Ended Dec. 31, 2023	Quarter Ended Sep. 30, 2023	Quarter Ended Jun. 30, 2023	Quarter Ended Mar. 31, 2023	Quarter Ended Dec. 31, 2022
Capital expenditures (excludes acquisitions)	\$ 940	\$ 896	\$ 1,018	\$ 988	\$ 922
Operating cash flow	\$ 1,737	\$ 1,725	\$ 1,405	\$ 1,677	\$ 1,911
Reinvestment rate (Non-GAAP)	<u>54%</u>	<u>52%</u>	<u>72%</u>	<u>59%</u>	<u>48%</u>

FIRST-QUARTER AND FULL-YEAR 2024 GUIDANCE

PRODUCTION GUIDANCE

	Quarter 1 ⁽¹⁾		Full Year	
	Low	High	Low	High
Oil (MBbls/d)	304	310	312	318
Natural gas liquids (MBbls/d)	159	165	160	165
Gas (MMcf/d)	1,000	1,050	1,010	1,060
Total oil equivalent (MBoe/d) ⁽¹⁾	630	650	640	660

(1) First-quarter volumes are estimated to be reduced by 2 percent due to the impact of severe winter weather across the company's portfolio.

CAPITAL EXPENDITURES GUIDANCE

(in millions)	Quarter 1 ⁽²⁾		Full Year	
	Low	High	Low	High
Upstream capital	\$840	\$870	\$3,050	\$3,250
Carbon capital	35	45	125	175
Midstream & other capital	40	50	125	175
Total capital ⁽²⁾	\$915	\$965	\$3,300	\$3,600

(2) Capital is expected to be higher in the first half of 2024 due to the addition of a fourth frac crew in the Delaware Basin. Activity from this incremental frac crew is expected to be completed around mid-year, resulting in lower capital spending in the second half of 2024.

PRICE REALIZATIONS GUIDANCE

	Quarter 1		Full Year	
	Low	High	Low	High
Oil - % of WTI	95%	99%	95%	100%
NGL - % of WTI	20%	30%	20%	30%
Natural gas - % of Henry Hub	60%	70%	65%	75%

OTHER GUIDANCE ITEMS

(\$ millions, except Boe and %)	Quarter 1		Full Year	
	Low	High	Low	High
Marketing & midstream operating profit	\$ (20)	\$ (10)	\$ (50)	\$ (40)
LOE & GP&T per BOE	\$9.40	\$9.70	\$ 9.20	\$ 9.40
Production & property taxes as % of upstream sales	7.4%	8.0%	7.4%	8.0%
Exploration expenses	\$ 5	\$ 15	\$ 15	\$ 25
Depreciation, depletion and amortization	\$ 680	\$ 720	\$2,850	\$2,950
General & administrative expenses	\$ 110	\$ 120	\$ 410	\$ 450
Net financing costs, net	\$ 75	\$ 85	\$ 310	\$ 330
Other expenses	\$ —	\$ 5	\$ 10	\$ 30

INCOME TAX GUIDANCE

(% of pre-tax earnings)	Quarter 1		Full Year	
	Low	High	Low	High
Current income tax rate	14%	16%	14%	16%
Deferred income tax rate	6%	8%	6%	8%
Total income tax rate	~22%		~22%	

CONTINGENT PAYMENTS FOR BARNETT SHALE DIVESTITURE (through 2024)

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

2024 & 2025 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)
Q1 2024	35,000	\$ 74.91	62,000	\$ 65.39	\$ 84.90
Q2 2024	25,000	\$ 79.04	63,000	\$ 65.51	\$ 84.95
Q3 2024	25,000	\$ 79.04	63,000	\$ 65.51	\$ 84.95
Q4 2024	25,000	\$ 79.04	53,000	\$ 66.55	\$ 84.72
Q1-Q4 2025	1,485	\$ 71.16	—	\$ —	\$ —

Oil Basis Swaps

Period	Index	Volume (Bbls/d)	Weighted Average Differential to WTI (\$/Bbl)
Q1-Q2 2024	Midland Sweet	62,500	\$ 1.17
Q3-Q4 2024	Midland Sweet	69,500	\$ 1.17
Q1-Q4 2025	Midland Sweet	62,000	\$ 1.00

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)
Q1 2024	201,000	\$ 3.30	107,000	\$ 3.71	\$ 7.50
Q2 2024	211,000	\$ 3.29	56,000	\$ 3.91	\$ 6.19
Q3 2024	211,000	\$ 3.29	—	\$ —	\$ —
Q4 2024	157,000	\$ 3.29	—	\$ —	\$ —
Q1-Q4 2025	36,644	\$ 3.23	—	\$ —	\$ —

Natural Gas Basis Swaps

Period	Index	Volume (MMBtu/d)	Weighted Average Differential to Henry Hub (\$/MMBtu)
Q1 - Q2 2024	El Paso Permian	60,000	\$ (0.90)
Q3 - Q4 2024	El Paso Permian	10,000	\$ (1.00)
Q1 - Q4 2024	Houston Ship Channel	110,000	\$ (0.24)
Q1 2024	WAHA	56,813	\$ (0.65)
Q2 2024	WAHA	70,000	\$ (0.66)
Q3 - Q4 2024	WAHA	60,000	\$ (0.58)
Q1 - Q4 2025	WAHA	10,000	\$ (0.63)

2024 & 2025 HEDGING POSITIONS (continued)

NGL Commodity Hedges

Period	Product	Price Swaps	
		Volume (Bbls/d)	Weighted Average Price (\$/Bbl)
Q1-Q4 2024	Natural Gasoline	3,000	\$ 69.11
Q1-Q4 2024	Normal Butane	3,350	\$ 37.58
Q1-Q4 2024	Propane	3,188	\$ 32.24

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 end of the month NYMEX 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 February 22, 2024.