

DEVON ENERGY CORP/DE

FORM 8-K

(Current report filing)

Filed 10/31/01 for the Period Ending 10/31/01

Address	333 W. SHERIDAN AVENUE OKLAHOMA CITY, OK 73102
Telephone	4055528183
CIK	0001090012
Symbol	DVN
SIC Code	1311 - Crude Petroleum and Natural Gas
Fiscal Year	12/31

DEVON ENERGY CORP/DE

FORM 8-K (Unscheduled Material Events)

Filed 10/31/2001 For Period Ending 10/31/2001

Address	20 N BROADWAY STE 1500 OKLAHOMA CITY, Oklahoma 73102
Telephone	405-235-3611
CIK	0001090012
Industry	Oil & Gas Operations
Sector	Energy
Fiscal Year	12/31

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): OCTOBER 31, 2001

DEVON ENERGY CORPORATION

(Exact Name of Registrant as Specified in its Charter)

DELAWARE	000-30176	73-1567067
(State or Other Jurisdiction of Incorporation or Organization)	(Commission File Number)	(I.R.S. Employer Identification Number)

20 NORTH BROADWAY, SUITE 1500
OKLAHOMA CITY, OKLAHOMA 73102
(Address of Principal Executive Offices) (Zip Code)

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

ITEM 5. OTHER EVENTS

On October 31, 2001, Devon Energy Corporation announced that it had entered into various financial transactions covering portions of its 2001, 2002 and 2003 oil and natural gas production, including transactions recently entered into as a result of the October 15, 2001 acquisition of Anderson Exploration Ltd.

The press release is filed as Exhibit 99 to this Current Report on Form 8-K, and the contents of such Exhibit is incorporated by reference.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

99 Press Release dated October 31, 2001

SIGNATURES

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

DEVON ENERGY CORPORATION

By: /s/ Marian J. Moon

Marian J. Moon
Senior Vice President

Date: October 31, 2001

INDEX TO EXHIBITS

EXHIBIT
NUMBER

DESCRIPTION

99

Press Release dated October 31, 2001

[DEVON ENERGY LETTERHEAD]

NEWS RELEASE

FOR IMMEDIATE RELEASE

INVESTOR CONTACTS: ZACK HAGER

MANAGER, INVESTOR RELATIONS
(405) 552-4526

MEDIA CONTACTS: MICHAEL BARRETT

MANAGER, CORPORATE COMMUNICATIONS
(405) 228-4252

DEVON ENERGY HEDGES ADDITIONAL OIL AND GAS PRODUCTION

OKLAHOMA CITY, OKLAHOMA, OCTOBER 31, 2001 -- Devon Energy Corporation (AMEX: DVN; TSE: NSX) announced today that it has entered into additional financial transactions covering portions of its 2001, 2002 and 2003 oil and natural gas production. Devon provided an update of its 2001 and 2002 hedge positions in a news release dated September 25, 2001. The following information describes transactions entered into subsequent to that previous disclosure, including transactions recently entered into by Devon as a result of the October 15, 2001 acquisition of Anderson Exploration Ltd. In addition, the following also describes the aggregate effects of all transactions now in place.

FIXED PRICES - OIL PRODUCTION

For the fourth quarter of 2001, Devon recently entered into price swaps covering 7,000 barrels of oil per day at an average price of \$20.32 per barrel. The price swaps will be settled utilizing the monthly average of the closing prices of the New York Mercantile Exchange's (NYMEX) light sweet crude contract.

In aggregate, including previously disclosed transactions, Devon has downside price protection in place for approximately 32,000 barrels per day in the fourth quarter of 2001 at an average price of \$22.39 per barrel. For comparison, Devon's second quarter 2001 oil production, pro forma for the acquisition of Anderson, was approximately 150,000 barrels of oil per day.

For 2002, Devon recently entered into price swaps covering approximately 18,000 barrels per day at an average price of \$22.29 per barrel. In aggregate, including previously disclosed transactions, Devon has downside price protection in place for approximately 53,000 barrels of oil per day in 2002. This downside protection is at an average price of \$22.31 per barrel.

FIXED PRICES - NATURAL GAS PRODUCTION

For the fourth quarter of 2001, Devon recently entered into price swaps and fixed price contracts covering approximately 147,000 million British thermal units (mmbtu) of natural gas per day at an average price of \$2.70 per mmbtu. The price swaps and fixed price contracts will be settled using the first of the month published index prices in the regions in which the gas is produced.

Devon also entered into costless collars for the fourth quarter of 2001 covering approximately 40,000 mmbtu per day. The average floor and ceiling prices for the costless collars are \$3.00 and \$3.38 per mmbtu, respectively.

In aggregate, including previously disclosed transactions, Devon has downside price protection in place for approximately 513,000 mmbtu per day in the fourth quarter of 2001 at an average price of \$3.06 per mmbtu. For comparison, Devon's second quarter 2001 gas production, pro forma for the acquisition of Anderson, was approximately 1.8 billion cubic feet per day.

For 2002, Devon recently entered into price swaps and fixed price contracts covering approximately 220,000 mmbtu per day at an average price of \$2.79 per mmbtu. The price swaps and fixed price contracts will be settled using the first of the month published index prices in the regions in which the gas is produced.

In aggregate, including previously disclosed transactions, Devon has downside price protection in place for approximately 685,000 mmbtu of gas per day in 2002. This downside price protection is at an average price of \$3.02 per mmbtu.

For 2003, Devon recently entered into price swaps and fixed price contracts covering approximately 118,000 mmbtu per day at an average price of \$3.17 per mmbtu. The price swaps and fixed price contracts will be settled using the first of the month published index prices in the regions in which the gas is produced.

Devon also recently entered into costless collars for 2003 covering approximately 300,000 mmbtu per day. The average floor and ceiling prices for the costless collars are \$2.91 and \$3.85 per mmbtu, respectively.

In aggregate, Devon has downside price protection in place for approximately 439,000 mmbtu of gas per day in 2003. This downside price protection is at an average price of \$3.03 per mmbtu.

Devon Energy Corporation is an independent energy company engaged in oil and gas exploration, production and property acquisitions. Devon ranks among the top five U.S.-based independent oil and gas producers and is included in the S&P 500 Index. Approximately 83 percent of the company's proved reserves are located in North America. Also, Devon has international operations in Azerbaijan, Southeast Asia, South America and West Africa. Shares

of Devon Energy Corporation trade on the American Stock Exchange under the symbol DVN. In addition, Devon's exchangeable shares trade on the Toronto Stock Exchange under the symbol NSX.

NOTICE TO INVESTORS CONCERNING DEVON'S PLANS TO ACQUIRE MITCHELL ENERGY

Investors and security holders are advised to read the definitive joint proxy statement/prospectus that will be included in the Registration Statement on Form S-4 filed with the Securities and Exchange Commission in connection with the proposed transaction because it will contain important information. A preliminary joint proxy statement/prospectus has been filed with the SEC by Devon and Mitchell. Investors and security holders may obtain a free copy of the joint proxy statement/prospectus and other documents filed by Devon and Mitchell with the SEC at the SEC's web site at www.sec.gov. The definitive joint proxy statement/prospectus and such other documents (relating to Devon) may also be obtained for free from Devon when they become available by directing such request to: Devon Energy Corporation, 20 North Broadway, Suite 1500, Oklahoma City, Oklahoma 73102-8260, Attention: Investor Relations, telephone: (405) 552-4570, e-mail: judy.roberts@dvn.com. The definitive joint proxy statement/prospectus and such other documents (relating to Mitchell) may also be obtained for free from Mitchell when they become available by directing such request to: Mitchell Energy & Development Corp., 2001 Timberloch Place, The Woodlands, Texas 77380, Attention: Investor Relations, telephone: (713) 377-6625, e-mail: mndpr@mitchellenergy.com.

Devon, its directors, executive officers and certain members of management and employees may be considered "participants in the solicitation" of proxies from Devon's shareholders in connection with the transaction. Information regarding such persons and a description of their interests in the transaction is contained in Devon's Proxy Statements and Annual Reports on Form 10-K filed with the SEC. Additional information regarding the interests of those persons may be obtained by reading the definitive proxy statement/prospectus when it becomes available.

Mitchell, its directors, executive officers and certain members of management and employees may be considered "participants in the solicitation" of proxies from Mitchell's shareholders in connection with the transaction. Information regarding such persons and a description of their interests in the transaction is contained in Mitchell's Proxy Statements and Annual Reports on Form 10-K filed with the SEC. Additional information regarding the interests of those persons may be obtained by reading the definitive proxy statement/prospectus when it becomes available.

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End of Filing

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