

# MITCHELL ENERGY & DEVELOPMENT CORP

Filed by  
**DEVON ENERGY CORP/DE**

## FORM 425

(Filing of certain prospectuses and communications in connection with business combination transactions)

Filed 11/07/01

Address	2001 TIMBERLOCH PL THE WOODLANDS, TX 77380
Telephone	7133775500
CIK	0000311995
SIC Code	1311 - Crude Petroleum and Natural Gas
Fiscal Year	01/31

# MITCHELL ENERGY & DEVELOPMENT CORP

## FORM 425

(Filing of certain prospectuses and communications in connection with business combination transactions)

Filed 11/7/2001

Address	2001 TIMBERLOCH PL THE WOODLANDS, Texas 77380
Telephone	713-377-5500
CIK	0000311995
Industry	Oil & Gas Operations
Sector	Energy
Fiscal Year	01/31



*Filed by Devon Energy Corporation  
Pursuant to Rule 425 under the Securities Act of 1933  
And deemed filed pursuant to Rule 14a-12  
Of the Securities Exchange Act of 1934  
Subject Company: Mitchell Energy & Development Corp.  
Commission File No. 333-68694*

**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](http://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](mailto: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](mailto: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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The following slides were added to or changed from, Devon Energy Corporation's slide presentation of October 22, 2001.

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## Third Quarter Highlights

- Record natural gas, oil and liquids production
    - 1.23 BCFD and 134 BOD
    - 5% increase over 2Q '01
    - 6% increase over 3Q '00
  - Cash margin of \$388 MM
    - \$2.94 per share
  - Net earnings of \$90 MM
    - \$.68 per share
-

# Third Quarter Operations

Capital expenditures: \$304 MM

364 Development  
Wells Drilled

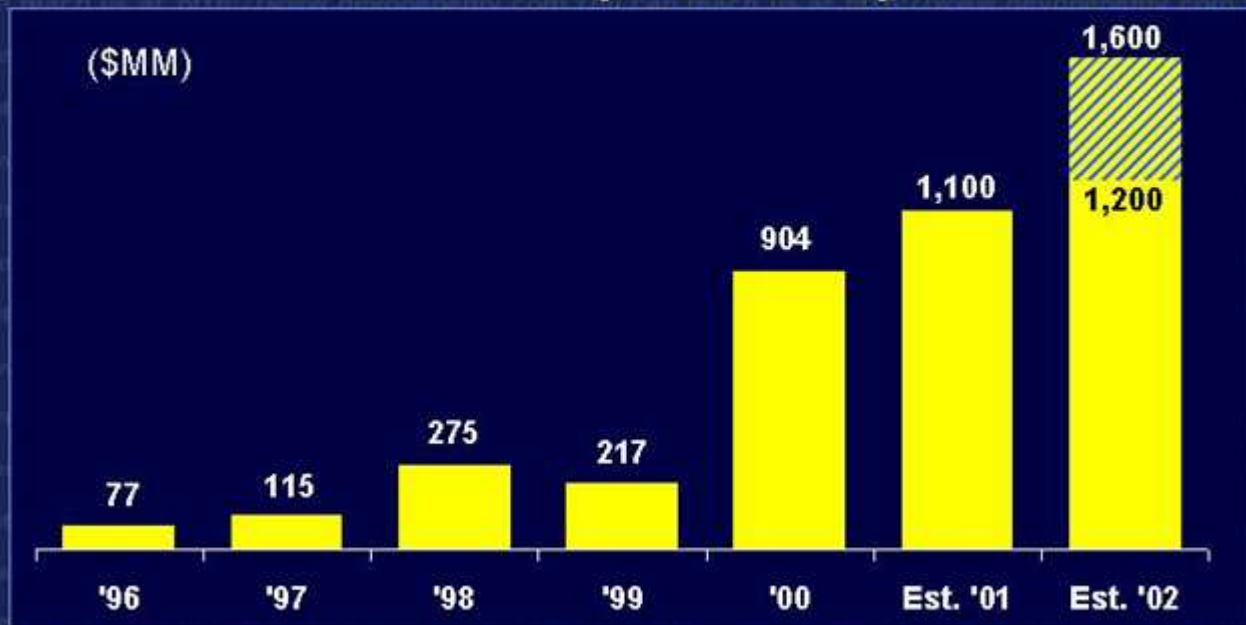


51 Exploration  
Wells Drilled



■ Successful  
■ Dry

# E&P Capital Expenditures



Notes: 1996-1997 represents historical Devon as reported prior to the 1998 Northstar merger. 1998-1999 represents historical Devon as reported prior to the 2000 Santa Fe Snyder merger.



- Devon Canada management team in-place at closing
  - Mitchell integration plans developed for implementation at closing
  - Mitchell + Anderson:  $\approx$  \$50 MM synergies
-

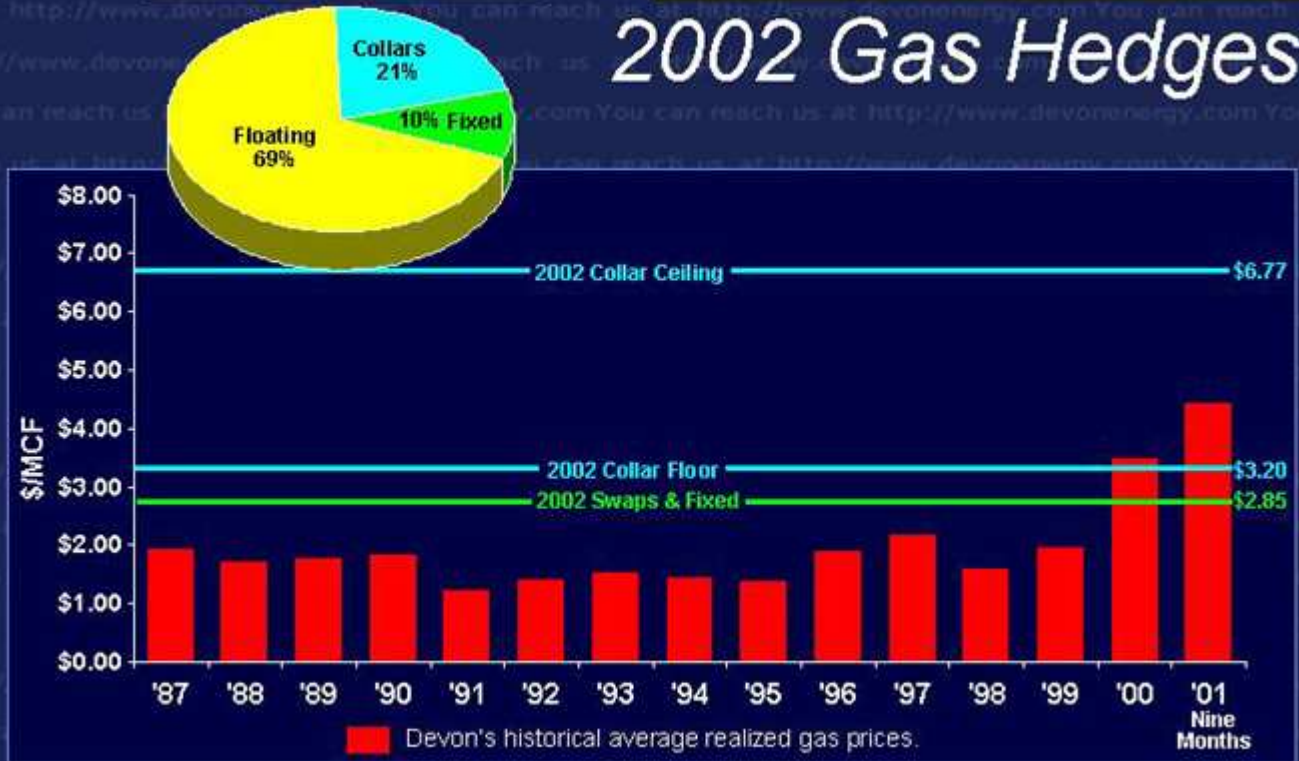
# Debt Reduction Plan

- Excess Cash Flow
    - Protect with hedges
    - Optimize capital budget
  - Divest > \$1 billion non-core properties
    - All five divisions contributing
-

Q2 '01 Pro Forma Production



# 2002 Gas Hedges

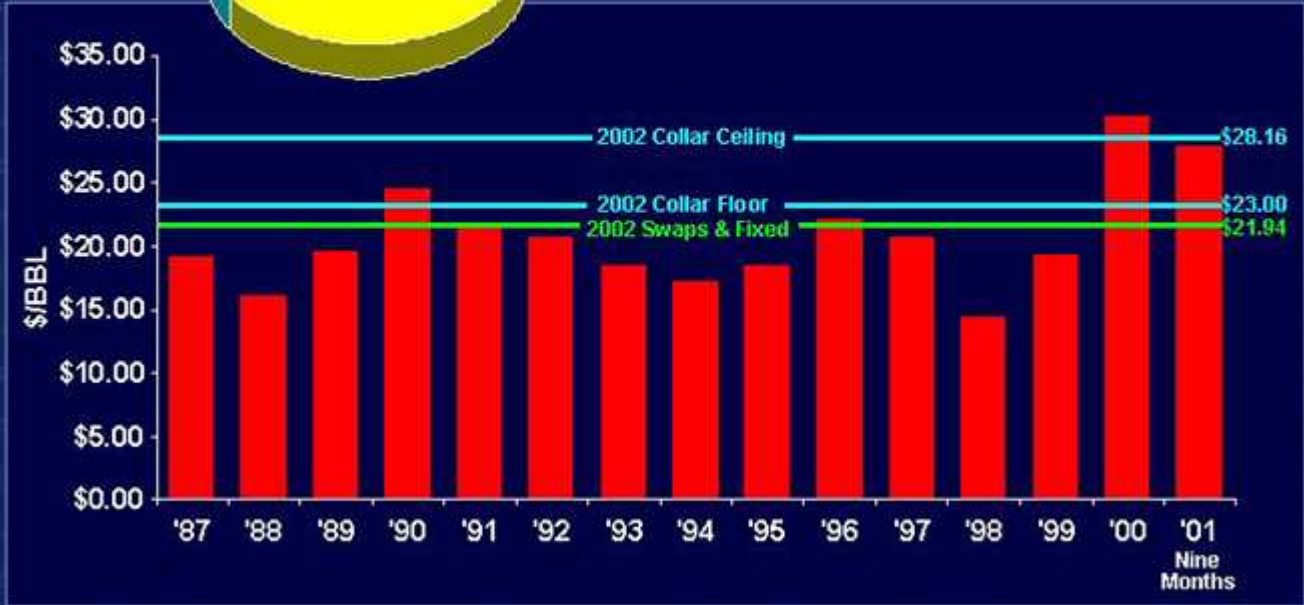


Pro forma data for the combination of Devon, Mitchell and Anderson.

Q2 '01 Pro Forma Production

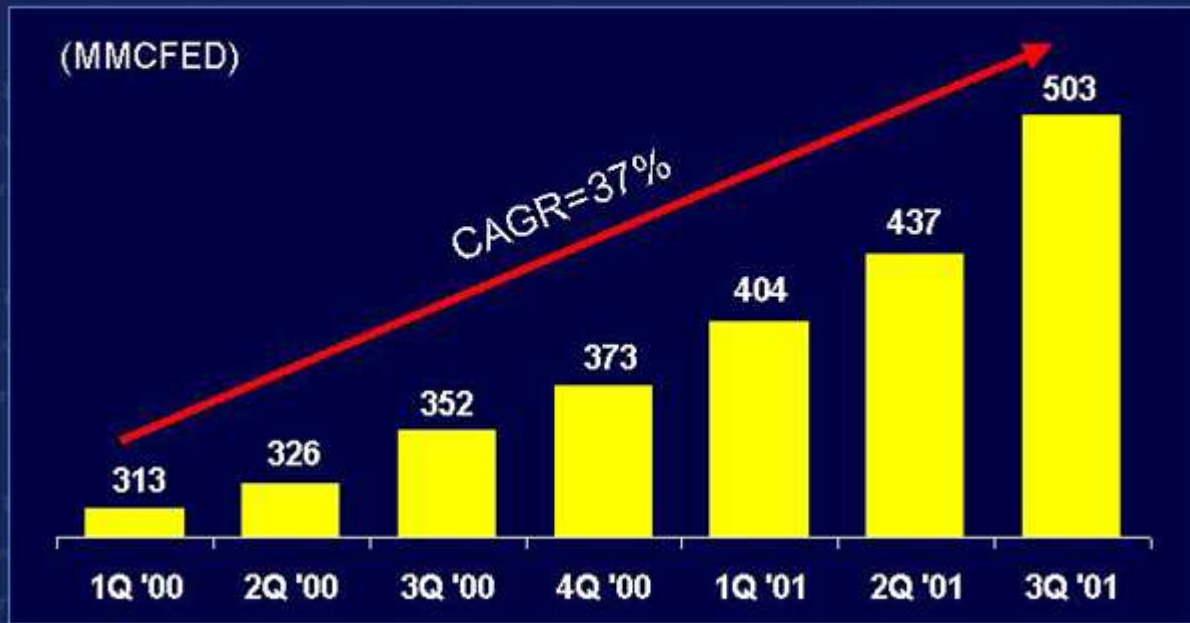


# 2002 Oil Hedges



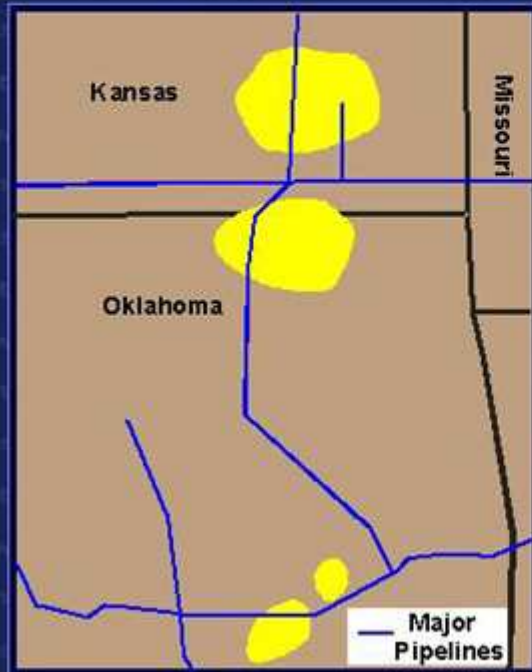
Pro forma data for the combination of Devon, Mitchell and Anderson.

# Mitchell Production Growth





# Cherokee Basin CBM

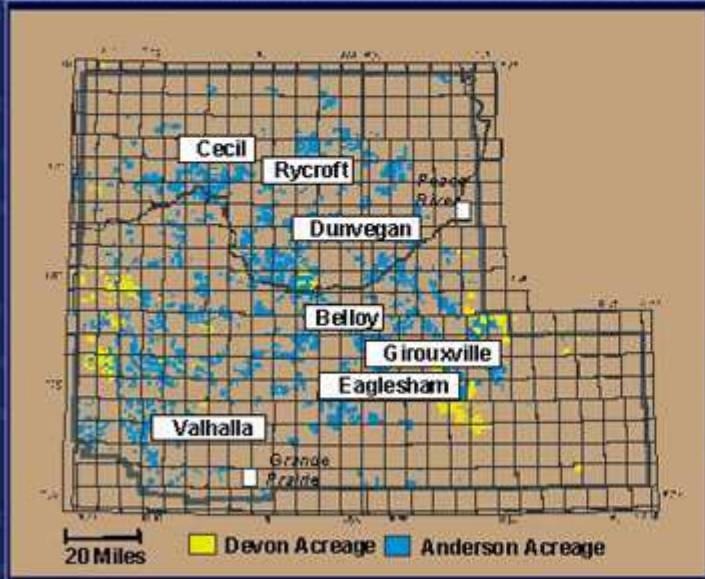


- 400,000 net acres
- Geology:
  - Depths 800 - 3,000'
  - Pennsylvanian coals
- Current Status:
  - 3 rigs drilling; acquiring fourth
  - Drilling
    - 2001: 100 wells
    - 2002: 400 - 500 wells



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# Peace River Arch

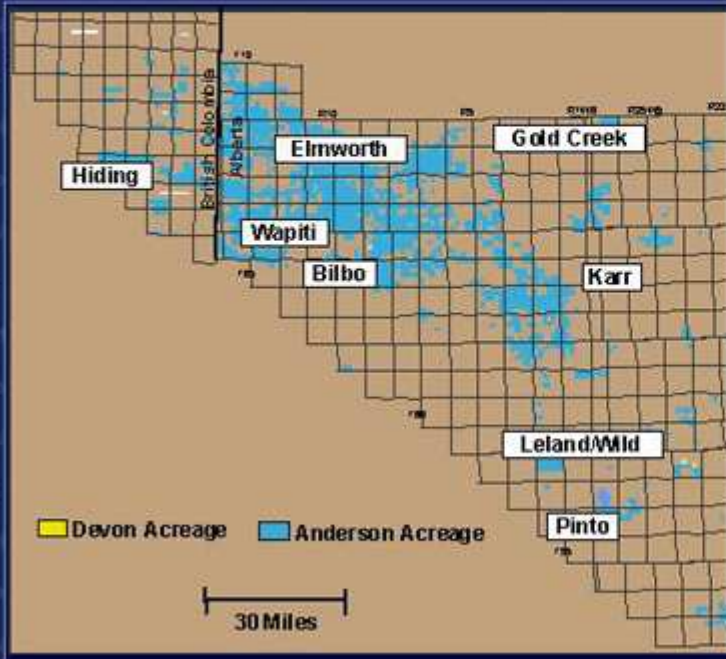


- 900,000 net undeveloped acres
- Drilling rigs utilized
  - Current: 4
  - '01/'02 winter plans: 8
- Q2 '01 pro forma production
  - Gas: 142 MMCFD
  - Liquids: 6,460 BOD
- Moderate well depths
- Ownership in key infrastructure
- Significant recent success



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# Deep Basin



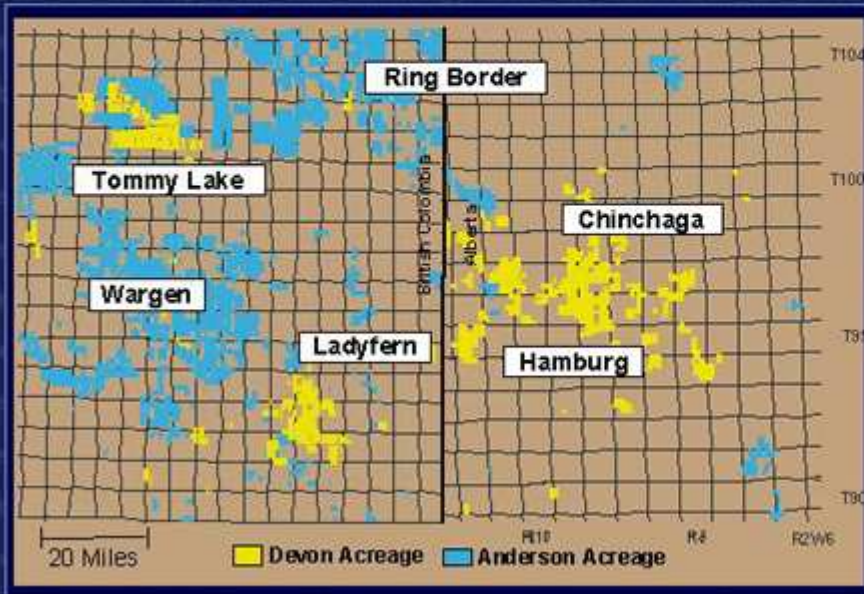
- 700,000 net undeveloped acres
- '01/'02 winter plans: 13 rig program
- Q2 '01 pro forma production
  - Gas: 80 MMCFD
  - Liquids: 4,200 BLD
- Mid-depth, liquid rich gas targets to deep lean gas
- Year-round access
- Ownership in key infrastructure
- Significant recent success





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# NW Alberta/NE B.C.



- Significant operational synergy
- Q2 '01 pro forma production
  - Gas: 150 MMCFD
  - Liquids: 6,600 BLD
- Strong growth potential from multi-zone gas targets

I. Track Record

II. Growth Strategy

III. Near-term Growth Projects

IV. Long-term/High-potential Projects

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# Northern Foothills



- Multi-zone sour & sweet gas potential
- 2001 activity: yielded 4 sour & 6 sweet gas wells
- > 90 MMCFD of shut-in gas production
- Infrastructure:
  - 134 MMCFD
  - 42% WI, operated
  - Est. on-stream Q2 '02
- Westcoast sour line planned on-stream late 2002

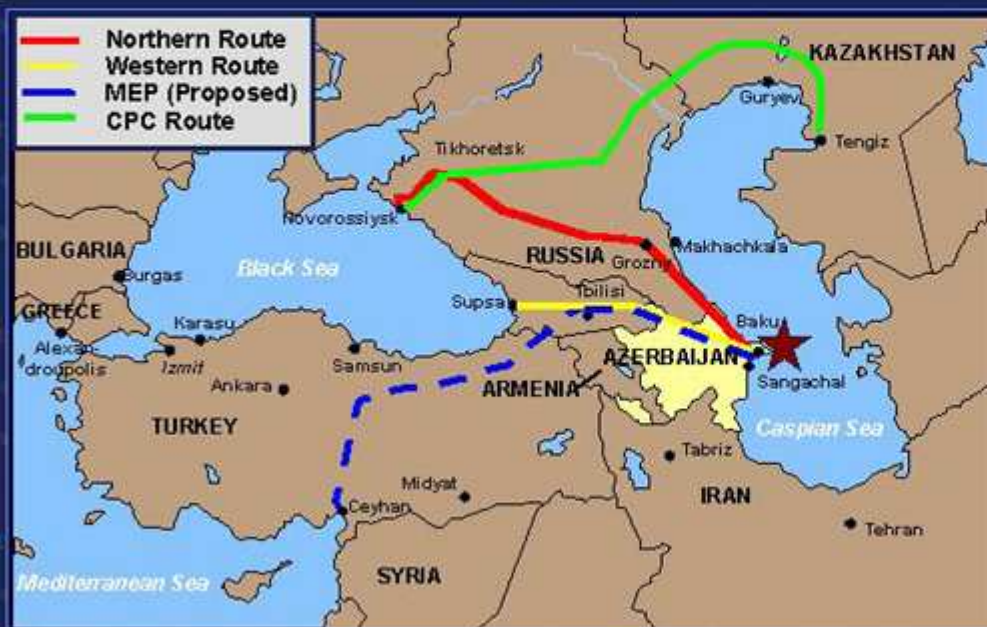


# West Africa



- Marine IX Block
  - 150 MMBOE gross target
  - 37.5% working interest
  - Expected spud: Q1 '02
- Agali Block
  - On trend w/Triton's La Ceiba
  - 150 MMBOE gross target
  - 50% working interest
  - Expected spud: mid-'02

# Azerbaijan



- Operator: BP Amoco
- 5.6% carried interest
- Current production: 115 MBOD (gross)
- Gross proven reserves: > 4 BBO
- Ultimate gross potential: > 6 BBO

End of Filing

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