

# DEVON ENERGY CORP/DE

## FORM 8-K (Current report filing)

Filed 01/30/01 for the Period Ending 01/29/01

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 1/30/2001 For Period Ending 1/29/2001

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

# 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): January 29, 2001

## DEVON ENERGY CORPORATION

(Exact Name of Registrant as specified in its charter)

DELAWARE	000-30176	73-1567067
DELAWARE	000-30176	73-1567067

(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(IRS Employer Identification Number)
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20 NORTH BROADWAY, SUITE 1500, OKLAHOMA CITY, OK	73102
(Address of Principal Executive Offices)	(Zip Code)

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

## Item 5. Other Events

### Year End 2000 Reserve Quantities

Following are summaries of the changes in the net quantities of Devon's crude oil, natural gas and NGLs proved reserves for 2000.

	Consolidated			
	Oil	Gas	NGLs	Total
	(MBbls)	(MMcf)	(MBbls)	(Mboe)
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As of December 31, 1999:				
Proved developed	301,149	2,500,985	52,102	770,082
Proved undeveloped	195,568	448,642	15,715	286,058
Total proved	496,717	2,949,627	67,817	1,056,140
Production	(42,561)	(426,146)	(7,400)	(120,985)
Discoveries and extensions	33,939	601,317	6,041	140,200
Divestitures	(48,861)	(66,981)	(8,046)	(68,071)
Acquisitions	24,145	301,144	33	74,369
Revisions	(4,135)	99,223	3,312	15,713
Net increase (decrease)	(37,473)	508,557	(6,060)	41,226
As of December 31, 2000:				
Proved developed	261,432	2,631,267	46,256	746,233
Proved undeveloped	197,812	826,917	15,501	351,133
Total proved	459,244	3,458,184	61,757	1,097,366
Rocky Mountain Division				
	Oil	Gas	NGLs	Total
	(MBbls)	(MMcf)	(MBbls)	(Mboe)
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As of December 31, 1999:				
Proved developed	37,444	774,993	5,235	171,844
Proved undeveloped	9,359	223,104	418	46,961
Total proved	46,803	998,097	5,653	218,805
Production	(2,928)	(91,699)	(693)	(18,904)
Discoveries and extensions	1,461	296,835	172	51,106
Divestitures	0	0	0	0
Acquisitions	153	9,038	4	1,663
Revisions	129	36,263	(641)	5,532
Net increase (decrease)	(1,185)	250,437	(1,158)	39,397
As of December 31, 2000:				
Proved developed	36,082	952,612	3,925	198,776
Proved undeveloped	9,536	295,922	570	59,426
Total proved	45,618	1,248,534	4,495	258,202
Permian/Mid Continent Division				
	Oil	Gas	NGLs	Total
	(MBbls)	(MMcf)	(MBbls)	(Mboe)
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As of December 31, 1999:				
Proved developed	144,234	750,541	38,019	307,343
Proved undeveloped	13,148	38,804	1,864	21,480
Total proved	157,382	789,345	39,883	328,823
Production	(13,958)	(114,415)	(4,137)	(37,164)
Discoveries and extensions	9,816	94,261	4,898	30,424
Divestitures	(28,591)	(51,606)	(7,979)	(45,171)
Acquisitions	133	14,945	5	2,629
Revisions	7,797	89,488	6,605	29,316
Net increase (decrease)	(24,803)	32,673	(608)	(19,966)
As of December 31, 2000:				
Proved developed	122,633	760,294	36,500	285,849
Proved undeveloped	9,946	61,724	2,775	23,008
Total proved	132,579	822,018	39,275	308,857

Gulf Division

	Oil (MBbls)	Gas (MMcf)	NGLs (MBbls)	Total (Mboe)
As of December 31, 1999:				
Proved developed	32,589	433,997	4,983	109,905
Proved undeveloped	12,650	52,947	285	21,760
Total proved	45,239	486,944	5,268	131,665
Production	(11,676)	(148,973)	(1,872)	(38,377)
Discoveries and extensions	9,153	113,881	22	28,155
Divestitures	(4,386)	(5,136)	(2)	(5,244)
Acquisitions	20,132	28,946	0	24,956
Revisions	(11,122)	(24,907)	(1,668)	(16,941)
Net increase (decrease)	2,101	(36,189)	(3,520)	(7,451)

As of December 31, 2000:

Proved developed	33,475	374,381	1,730	97,602
Proved undeveloped	13,865	76,374	18	26,612
Total proved	47,340	450,755	1,748	124,214

#### Canada

	Oil (MBbls)	Gas (MMcf)	NGLs (MBbls)	Total (Mboe)
As of December 31, 1999:				
Proved developed	29,268	501,376	3,865	116,696
Proved undeveloped	2,864	4,842	148	3,819
Total proved	32,132	506,218	4,013	120,515
Production	(4,760)	(62,284)	(682)	(15,823)
Discoveries and extensions	2,787	64,566	571	14,119
Divestitures	(136)	(6,361)	(65)	(1,261)
Acquisitions	3,597	27,224	24	8,158
Revisions	2,872	(5,854)	343	2,239
Net increase (decrease)	4,360	17,291	191	7,432

As of December 31, 2000:

Proved developed	29,721	507,703	4,072	118,410
Proved undeveloped	6,771	15,806	132	9,537
Total proved	36,492	523,509	4,204	127,947

#### International

	Oil (MBbls)	Gas (MMcf)	NGLs (MBbls)	Total (Mboe)
As of December 31, 1999:				
Proved developed	57,614	40,078	-	64,294
Proved undeveloped	157,547	128,945	13,000	192,038
Total proved	215,161	169,023	13,000	256,332
Production	(9,239)	(8,775)	(16)	(10,718)
Discoveries and extensions	10,722	31,774	378	16,396
Divestitures	(15,748)	(3,878)	0	(16,394)
Acquisitions	130	220,991	0	36,962
Revisions	(3,811)	4,233	(1,327)	(4,433)
Net increase (decrease)	(17,946)	244,345	(965)	21,813

As of December 31, 2000:

Proved developed	39,521	36,277	29	45,596
Proved undeveloped	157,694	377,091	12,006	232,549
Total proved	197,215	413,368	12,035	278,145

## Fixed Prices of Future Oil and Natural Gas Production

Devon has recently entered into various financial transactions which hedge the future prices received for some its natural gas production in 2001 and 2002. Certain of Devon's 2001 and 2002 oil and natural gas production was previously hedged by prior agreements. Devon's total hedged positions as of January 29, 2001 are set forth below for each of Devon's operating divisions.

Fixed Prices - Natural Gas Production Through various price swaps and fixed-price physical delivery contracts, Devon has fixed the price it

will receive on a portion of its natural gas production in 2001 and 2002. The following tables include information on this fixed-price production by division. Where necessary, the prices have been adjusted for certain transportation costs that are netted against the price recorded by Devon, and the price has also been adjusted for the Btu content of the gas production that has been hedged.

Division	First Half of 2001		Second Half of 2001	
	Mcf/Day	Price/Mcf	Mcf/Day	Price/Mcf
Rocky Mountain	20,661	\$1.90	57,955	\$3.68
Gulf	-	\$ -	40,000	\$5.45
Canada	60,011	\$1.53	56,888	\$1.52

Division	First Half of 2002		Second Half of 2002	
	Mcf/Day	Price/Mcf	Mcf/Day	Price/Mcf
Rocky Mountain	26,395	\$4.06	26,395	\$4.06
Gulf	15,000	\$4.62	15,000	\$4.62
Canada	48,735	\$1.51	37,932	\$1.51

Fixed Prices - Oil Production Devon has fixed the price it will receive on a portion of its 2001 and 2002 oil production through certain forward oil sales. From January 2001 through August 2002, 311,000 barrels of oil production per month have been fixed at an average price of \$16.84 per barrel. These fixed-price barrels are attributable to the Permian/Mid-Continent Division.

Costless Price Collars Devon has also entered into costless price collars that set a floor and ceiling price for a portion of its 2001 and 2002 natural gas production. The following tables include information on these collars for each division. The floor and ceiling prices related to domestic production are based on various regional first-of-the-month price indices as published monthly by "Inside F.E.R.C.'s Gas Market Report." The floor and ceiling prices related to Canadian production are based on the AECO index as published by the "Canadian Gas Price Reporter."

If the applicable monthly price indices are outside of the ranges set by the floor and ceiling prices in the various collars, Devon and the counterparty to the collars will settle the difference. Any such settlements will either increase or decrease Devon's gas revenues for the period. Because Devon's gas volumes are often sold at prices that differ from the related regional indices, and due to differing Btu content of gas production, the floor and ceiling prices of the various collars do not reflect actual limits of Devon's realized prices for the production volumes related to the collars.

Division	MMBtu/Day	First Half of 2001		Second Half of 2001	
		Floor Price Per MMBtu	Ceiling Price Per MMBtu	Floor Price Per MMBtu	Ceiling Price Per MMBtu

**Rocky Mountain-El Paso - \$ - \$ - 20,000 \$4.10 \$8.00**

Division	MMBtu/Day	First Half of 2002		Second Half of 2002		
		Floor Price Per MMBtu	Ceiling Price Per MMBtu	Floor Price Per MMBtu	Ceiling Price Per MMBtu	
Rocky Mountain-El Paso	25,000	\$3.25	\$7.85	25,000	\$3.25	\$7.85
Rocky Mountain-CIG Permian/Mid-Continent	80,000	\$2.90	\$6.75	80,000	\$2.90	\$6.75
Gulf	81,800	\$3.49	\$7.25	81,800	\$3.49	\$7.25
Canada	98,200	\$3.49	\$7.23	98,200	\$3.49	\$7.23
	18,964	\$3.27	\$6.54	18,964	\$3.27	\$6.54

Basis Swap Devon has entered into a basis swap on 20,000 MMBtu of gas production per day that expires at the end of August 2004. Under the terms of the basis swap, the counterparty pays Devon the average NYMEX price for the last three trading days of each month, less \$0.30, per MMBtu. In return, Devon pays the counterparty the Colorado Interstate Gas Co. ("CIG") index price published in "Inside F.E.R.C.'s Gas Market Report." The effect of this swap is included in Rocky Mountain Division gas revenues. This basis swap does not qualify as a hedge under the provisions of Statement of Financial Accounting Standards No. 133. Accordingly, fluctuations in the fair value of this basis swap will be recorded in earnings beginning in the first quarter of 2001.

**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 hereto duly authorized.

**DEVON ENERGY CORPORATION**

By: /s/ Danny J. Heatly  
Danny J. Heatly  
Vice President - Accounting

Date: January 29, 2001

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**End of Filing**

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