DEVON ENERGY CORP/DE

FORM S-3/A

(Securities Registration Statement (simplified form))

Filed 09/17/99

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 S-3/A

(Securities Registration Statement (simplified form))

Filed 9/17/1999

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

As Filed with the Securities and Exchange Commission on September 17, 1999
Registration No. 333-86065

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Amendment No. 1
to

FORM S-3
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

DEVON ENERGY CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE	73-1567067
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102-8260
(405) 235-3611
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

J. Larry Nichols
President and Chief Executive Officer
Devon Delaware Corporation
20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102-8260
(405) 235-3611
(Name, Address, Including Zip Code, and Telephone Number,Including Area Code, of Agent For Service)

COPIES TO:

Jerry A. Warren	Thomas P. Mason
McAfee & Taft A Professional Corporation	Andrews & Kurth L.L.P.
Two Leadership Square, 10th Floor	600 Travis, Suite 4200
211 North Robinson	Houston, Texas 77002

Oklahoma City, Oklahoma 73102-7103

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If the only securities being registered on the Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. [_]

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. [_]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If delivery of the prospectus is expected to be made pursuant to Rule 434 under the Securities Act of 1933, check the following box. [_]

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share(2)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(2)(3)
Devon Common Stock(1)	10,000,000 Shares	$38.46875	$384,687,500	$106,943

(1) Includes the stock purchase rights associated with the Devon Common Stock.
(2) Estimated pursuant to Rule 457(c) solely for the purposes of computing the registration fee based upon the average of the high and low prices of the Devon Common Stock, as reported on the American Stock Exchange Composite Transactions on August 26, 1999.
(3) The filing fee of $106,943.00 has been previously paid on August 26, 1999.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

+The information in this prospectus is not complete and may be changed. We may +

+not sell these securities until the registration statement filed with the +
+Securities and Exchange Commission is effective. This prospectus is not an +
+offer to sell these securities and is not soliciting an offer to buy these +
+securities in any state where the offer or sale is not permitted. +

PROSPECTUS (Subject to Completion)

Issued September 17, 1999

8,700,000 Shares

Devon Energy Corporation Logo

COMMON STOCK

Devon Energy Corporation is offering 8,700,000 shares of its common stock.

Our common stock is listed on the American Stock Exchange under the symbol "DVN." On September 16, 1999, the reported last sale price of the common stock on the American Stock Exchange was $41 11/16 per share.

Investing in our common stock involves risks. See "Risk Factors" beginning on page 14.

PRICE $ A SHARE

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Devon
Per Share	$	$	$
Total	$	$	$

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Devon Energy Corporation has granted the underwriters the right to purchase up to an additional 1,300,000 shares of common stock to cover over-allotments. Morgan Stanley & Co. Incorporated expects to deliver the shares of common stock to purchasers on . , 1999.

MORGAN STANLEY DEAN WITTER
J.P. MORGAN & CO.

PAINEWEBBER INCORPORATED

BEAR, STEARNS & CO. INC.
SCHRODER & CO. INC.

. , 1999

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You should rely only on the information contained in or incorporated by reference in this prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information provided by this prospectus is accurate as of any date other than the date on the front of this prospectus.

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ABOUT THIS PROSPECTUS

This prospectus provides you with a general description of our common stock which we are offering. You should read this prospectus together with the additional information described under the heading "Where You Can Find More Information" on page 40.

In this prospectus, the terms "Devon", "we", "us" and "our" generally mean Devon Energy Corporation, a Delaware corporation, and its consolidated subsidiaries. Some references to Devon in this prospectus are made as of a time or period before the PennzEnergy merger. Those references to Devon mean, unless the context otherwise requires, our predecessor company before the PennzEnergy merger. The predecessor company became a wholly-owned subsidiary of Devon in the PennzEnergy merger.

Unless otherwise indicated, all dollar amounts in this prospectus are expressed in U.S. dollars.

PROSPECTUS SUMMARY

This summary highlights selected information from this prospectus. It may not contain all of the information that is important to you. You should read the summary together with the more detailed information about Devon and the common stock being sold in this offering in the rest of this prospectus and the documents to which we have referred you. See "Where You Can Find More Information" on page 40.

Devon

Devon is an independent oil and gas company engaged in the acquisition, exploration, exploitation and development of prospective and proved oil and gas properties, and the production and sale of crude oil, condensate, natural gas and natural gas liquids. On August 17, 1999, we completed our merger with PennzEnergy Company. We believe that Devon now ranks solidly in the top ten of all U.S.-based independent oil and gas producers in terms of market capitalization, total proved reserves and annual production.

The following references to our oil and gas reserves and properties are on a pro forma basis as if the merger was completed on December 31, 1998. As of December 31, 1998, we had proved oil and gas reserves of approximately 660 million barrels of oil equivalent. Approximately 52% of these reserves were natural gas and 48% were oil and natural gas liquids. Approximately 64% of the proved reserves, or 422 million equivalent barrels, were located in the United States. These reserves were concentrated in four primary operating areas: the Permian Basin, the Rocky Mountain Region, the Gulf Coast/East Texas Region and the Offshore Gulf of Mexico. Approximately 22% of the combined reserves, or 144 million equivalent barrels, were located in the Western Canadian Sedimentary Basin. The balance of proved reserves, approximately 94 million equivalent barrels, was located outside North America, primarily in Azerbaijan. In addition to the proved oil and gas properties, we had a substantial inventory of exploration acreage totaling approximately 15 million acres as of the end of 1998.

We have significant expertise with regard to various oilfield technologies, including coal bed methane extraction, enhanced oil recovery, deep onshore natural gas drilling, shallow water offshore drilling and other exploration, production and processing technologies. We also have significant international operations and experience in Canada and outside North America. We believe our property base and expertise give us the ability to acquire, explore for, develop and exploit oil and natural gas reserves domestically both onshore and offshore, as well as internationally.

The "Risk Factors" section of this prospectus, beginning on page 14, discusses potential risks associated with an investment in Devon. You should consider these potential risks before you decide to invest in the common stock offered by this prospectus. The prospectus incorporates by reference detailed information about the merger contained in the merger proxy statement. To request a copy of the merger proxy statement, see "Where You Can Find More Information" on page 40 of this prospectus.

Our principal executive offices are located at 20 North Broadway, Suite 1500, Oklahoma City, Oklahoma 73102-8260. Our telephone number at that location is (405) 235-3611.

Strategy

Our primary objectives are to build reserves, production, cash flow and earnings per share by acquiring oil and gas properties, exploring for new oil and gas reserves and seeking optimal production from existing oil and gas properties. Our management seeks to achieve these objectives by:

. concentrating our properties in core areas to achieve economies of scale,

. acquiring and developing high profit margin properties,

. continually disposing of marginal and non-strategic properties,

. balancing reserves and production between oil and gas, and

. keeping debt levels reasonable.

Through our predecessors, we began operations in 1971 as a privately held company. During 1988, we expanded our capital base by issuing common stock to the public for the first time. This transaction began a substantial expansion program that has continued through the years. We have used a two-pronged strategy of acquiring producing properties and engaging in drilling activities to achieve this expansion. Approximately two-thirds of our total capital spent during this period was for property acquisitions and one-third was for drilling. Total proved reserves increased from 8.1 million barrels of oil equivalent at the end of 1987 to 660 million pro forma barrels of oil equivalent at the end of 1998.

Our objective is to increase value per share, in addition to increasing total assets. Reserves have grown from 1.31 barrels of oil equivalent per diluted share at the end of 1987 to 8.83 pro forma barrels of oil equivalent per diluted share at the end of 1998. At the same time, our net debt, or long-term debt less working capital, has remained relatively low. At the end of 1998, our pro forma net debt was $2.10 per barrel of oil equivalent. This number excludes $742.4 million of debentures which are exchangeable for shares of Chevron Corporation common stock owned by Devon.

Our merger with Northstar

On December 10, 1998, we completed a merger with Canadian-based Northstar Energy Corporation. The merger was accounted for under the "pooling of interests" method of accounting and Northstar became our subsidiary. Northstar's properties are located primarily in the Western Canada Sedimentary Basin in Alberta. Through the merger, we expanded our reserves by approximately 115 million barrels of oil equivalent, or by 62% at the time, and nearly tripled our undeveloped leasehold inventory. In addition, we retained the experienced Northstar management team to continue to direct our Canadian operations.

Our merger with Northstar placed us in a unique position to take advantage of growth opportunities both in the United States and in Canada. With 64% of our pro forma proved reserves in the United States and 22% in Canada, we have considerable exposure to growing North American natural gas markets, while retaining substantial oil reserves, particularly in the Permian Basin of the United States. In addition, we own a large inventory of acreage and have the financial flexibility to pursue the opportunities for drilling on this acreage.

As part of the Northstar merger consideration, we issued, through Northstar, 16.1 million exchangeable shares. These shares are exchangeable at any time, on a one-for-one basis, for shares of our common stock. The exchangeable shares are essentially equivalent to our common stock, but, because they were issued by Northstar, they qualify as a domestic Canadian investment for Canadian institutional stockholders. The exchangeable shares trade on The Toronto Stock Exchange under the symbol "NSX." Our common stock trades on the American Stock Exchange under the symbol "DVN."

The Offering

Common stock offered.....	8,700,000 shares (1)
Common stock to be outstanding after the offering.....	79,172,068 shares (1)(2)
Over-allotment option.....	1,300,000 shares
Use of proceeds.....	The proceeds will be used to reduce long-term debt.

(1) Assuming the underwriters do not exercise the over-allotment option granted by us to purchase up to 1,300,000 additional shares in this offering.

(2) Based on the number of shares actually outstanding as of September 16, 1999. This number includes 4,815,224 shares issuable upon the exchange of all of our outstanding Northstar exchangeable shares. This number excludes
(a) 4,901,503 shares issuable upon the conversion of all our outstanding trust convertible preferred securities, (b) shares subject to outstanding options or reserved for issuance under our employee benefit plans, and (c) the exercise of the over-allotment option by the underwriters.

Summary Unaudited Pro Forma Financial and Other Information

The following unaudited pro forma financial information has been prepared to assist in your analysis of the financial effects of this offering of additional Devon common stock and the PennzEnergy merger. This pro forma information is based on the historical financial statements of Devon and PennzEnergy.

The information was prepared based on the following:

. The assumed net proceeds from this offering of 8.7 million common shares are $349.2 million. This is based on an assumed offering price of $41.6875 per share (the closing price as of September 16, 1999), less $13.5 million for the underwriting discount and other estimated offering costs and expenses.

. Devon utilizes the full cost method of accounting for its oil and gas activities.

. The PennzEnergy merger was accounted for as a purchase of PennzEnergy by Devon.

. Targeted annual general and administrative expense and lease operating expense savings from the merger of $50 to $60 million have not been reflected as an adjustment to the historical data. These cost savings are expected to result from the consolidation of the corporate headquarters of Devon and PennzEnergy and the elimination of duplicate staff and expenses.

. As of June 30, 1999, the merger did not cause a pro forma reduction of the carrying value of oil and gas properties under the full cost accounting "ceiling test." The June 30, 1999 ceiling test was calculated based on a posted West Texas Intermediate oil price of $16.50 per barrel and a Texas Gulf Coast index gas price of $2.14 per Mcf. However, the pro forma ceiling "cushion" as of June 30, 1999, in Devon's non-Canadian cost centers was less than $20 million. Therefore, future reductions in oil and gas prices or changes to the preliminary allocation of the purchase price of PennzEnergy's oil and gas properties could cause a reduction of the carrying value to be recorded as of September 30, 1999, or in subsequent periods.

No pro forma adjustments have been made with respect to the following unusual items. These items are reflected in the historical results of Devon or PennzEnergy, as applicable, and should be considered when making period-to- period comparisons:

. In 1998, PennzEnergy realized pretax gains on the sale and exchange of Chevron Corporation common stock of $230.1 million. The summary unaudited pro forma operations data does not include the $207.0 million after-tax extraordinary loss resulting from the early extinguishment of related debentures exchangeable for such common stock.

. In 1998, PennzEnergy incurred $24.3 million of nonrecurring general and administrative expenses in connection with the spin-off of Pennzoil- Quaker State Company on December 30, 1998.

. In 1998, Devon incurred $13.1 million of nonrecurring expenses related to the merger with Northstar.

. In 1998, Devon reduced the carrying value of its oil and gas properties by $126.9 million ($88.0 million after-tax) due to the full cost ceiling limitation.

. In the second quarter of 1999, PennzEnergy recognized a gain of $46.7 million ($29.8 million after-tax) from the sale of land, timber and mineral rights in Pennsylvania and New York.

The unaudited pro forma information is presented for illustrative purposes only. If this offering of additional Devon common stock and the PennzEnergy merger had occurred in the past, Devon's financial position or operating results might have been different from those presented in the unaudited pro forma information. You should not rely on the unaudited pro forma information as an indication of the financial position or operating results that Devon would have achieved if this offering and the merger had occurred on June 30, 1999, or January 1, 1998. You also should not rely on the unaudited pro forma information as an indication of the future results that Devon will achieve after this offering and the merger.

	As of June 30, 1999		
		Devon Pro Forma With the PennzEnergy Merger	
	Devon Historical	Without the Offering	With the Offering
	(In Thousands, Except Per Share Data)		
Balance Sheet Data:			
Investment in common stock of Chevron Corporation (see note 4 on page 27)	$ --	$ 674,224	$ 674,224
Total assets	1,305,163	4,733,482	4,733,482
Debentures exchangeable into shares of Chevron Corporation common stock (see note 4 on page 27)	--	775,519	775,519
Other long-term debt	448,013	1,390,242	1,041,005
Convertible preferred securities of subsidiary trust	149,500	149,500	149,500
Stockholders' equity	555,240	1,431,539	1,780,776
Book value per share	11.37	20.36	22.54

	Year Ended December 31, 1998		
		Devon Pro Forma With the PennzEnergy Merger	
	Devon Historical	Without the Offering	With the Offering
	(In Thousands, Except Per Share Data)		
Operations Data:			
Operating Results			
Oil sales	$ 143,624	$ 302,918	$ 302,918
Gas sales	209,344	553,938	553,938
NGL sales	16,692	63,703	63,703
Other revenue	17,848	295,803	295,803
Total revenue	387,508	1,216,362	1,216,362
Lease operating expenses	113,484	294,739	294,739
Production taxes	13,916	28,148	28,148
Depreciation, depletion and amortization	123,844	510,064	510,064
General and administrative expenses	23,544	139,378	139,378
Northstar combination expenses	13,149	13,149	13,149
Interest expense	22,632	176,659	141,515
Deferred effect of changes in foreign currency exchange rate on subsidiary's long-term debt	16,104	16,104	16,104
Distributions on preferred securities of subsidiary trust	9,717	9,717	9,717
Reduction of carrying value of oil and gas properties	126,900	126,900	126,900
Total costs and expenses	463,300	1,314,858	1,279,714
Loss before income taxes	(75,792)	(98,496)	(63,352)
Income tax expense (benefit):			
Current	7,687	10,324	10,324
Deferred	(23,194)	(28,198)	(14,843)
Total income tax expense	(15,507)	(17,874)	(4,519)
Net loss	(60,285)	(80,622)	(58,833)
Preferred stock dividends	--	5,625	5,625
Net loss applicable to common shareholders	$ (60,285)	$ (86,247)	$ (64,458)
Net loss per share--basic and diluted	(1.25)	(1.24)	(0.82)
Cash dividends per share	0.15	0.17	0.17
Weighted average common shares outstanding	48,376	69,729	78,429
Cash Flow Data			
Net cash provided by operating			

activities	$ 191,571	$ 388,992	$ 424,136
Net cash used in investing activities	(271,960)	(222,959)	(222,959)
Net cash provided (used) by financing activities	57,618	(143,300)	(145,040)
Modified EBITDA	223,405	740,948	740,948
Cash margin	183,369	544,248	579,392

	Year Ended December 31, 1998		
		Devon Pro Forma With the PennzEnergy Merger	
	Devon Historical	Without the Offering	With the Offering
Production, Price and Other Data			
Production:			
Oil (MBbls)	11,903	26,128	26,128
Gas (MMcf)	133,065	303,693	303,693
NGL (MBbls)	1,939	7,128	7,128
MBoe	36,020	83,872	83,872
Average prices:			
Oil (per Bbl)	$ 12.07	$ 11.59	$ 11.59
Gas (per Mcf)	1.57	1.82	1.82
NGL (per Bbl)	8.61	8.94	8.94
Per Boe	10.26	10.98	10.98
Costs per Boe:			
Operating costs	3.54	3.85	3.85
Depreciation, depletion and amortization of oil and gas properties	3.32	6.02	6.02
General and administrative expenses	0.65	1.66	1.66

	As of December 31, 1998		
		Devon Pro Forma With the PennzEnergy Merger	
	Devon Historical	Without the Offering	With the Offering
Property Data			
Proved reserves:			
Oil (MBbls)	83,457	272,688	272,688
Gas (MMcf)	1,198,894	2,050,528	2,050,528
NGL (MBbls)	16,079	45,654	45,654
Total (MBoe)	299,351	660,096	660,096
SEC 10% present value (thousands)	$1,009,039	$2,087,666	$2,087,666
Standardized measure of discounted future net cash flows (thousands)	931,588	1,816,542	1,816,542

	Six Months Ended June 30, 1999		
		Devon Pro Forma With the PennzEnergy Merger	
	Devon Historical	Without the Offering	With the Offering
	(In Thousands, Except Per Share Data)		
Operations Data:			
Operating Results			
Oil sales	$ 64,784	$ 149,898	$ 149,898
Gas sales	112,938	263,822	263,822
NGL sales	9,764	28,496	28,496
Other revenue	4,092	65,654	65,654
Total revenue	191,578	507,870	507,870
Lease operating expenses	54,520	130,996	130,996
Production taxes	6,415	13,179	13,179
Depreciation, depletion and amortization	69,321	247,368	247,368
General and administrative expenses	13,175	57,895	57,895
Interest expense	13,779	74,232	56,660
Deferred effect of changes in foreign currency exchange rate on subsidiary's long-term debt	(8,746)	(8,746)	(8,746)
Distributions on preferred securities of subsidiary trust	4,859	4,859	4,859
Total costs and expenses	153,323	519,783	502,211
Earnings (loss) before income taxes	38,255	(11,913)	5,659
Income tax expense (benefit):			
Current	4,302	4,268	4,268
Deferred	11,764	(8,057)	(1,380)
Total income tax expense (benefit)	16,066	(3,789)	2,888
Net earnings (loss)	22,189	(8,124)	2,771
Preferred stock dividends	--	4,868	4,868
Net earnings (loss) applicable to common shareholders	$ 22,189	$ (12,992)	$ (2,097)
Net earnings (loss) per share--basic and diluted	0.46	(0.19)	(0.03)
Cash dividends per share	0.10	0.10	0.10
Weighted average common shares outstanding	48,575	70,021	78,721
Cash Flow Data			
Net cash provided by operating activities	$ 85,911	$ 107,508	$ 125,080
Net cash used in investing activities	(134,419)	(172,599)	(172,599)
Net cash provided by financing activities	43,281	53,188	52,318
Modified EBITDA	117,468	305,800	305,800
Cash margin	94,528	223,441	240,013

	Six Months Ended June 30, 1999		
		Devon Pro Forma With the PennzEnergy Merger	
	Devon Historical	Without the Offering	With the Offering
Production, Price and Other Data			
Production:			
Oil (MBbls)	5,071	11,962	11,962
Gas (MMcf)	71,402	153,452	153,452
NGL (MBbls)	991	3,271	3,271
MBoe	17,962	40,808	40,808
Average prices:			
Oil (per Bbl)	$12.78	$ 12.53	$ 12.53
Gas (per Mcf)	1.58	1.72	1.72
NGL (per Bbl)	9.85	8.71	8.71
Per Boe	10.44	10.84	10.84
Costs per Boe:			
Operating costs	3.39	3.53	3.53
Depreciation, depletion and amortization of oil and gas properties	3.75	6.00	6.00
General and administrative expenses	0.73	1.42	1.42

Summary Historical Selected Financial and Production Data

The following selected financial information (not covered by the independent auditors' reports) for the fiscal years has been derived from Devon's audited consolidated financial statements. The following information for the interim periods has been derived from Devon's unaudited financial statements.

	Year Ended December 31,			Six Months Ended June 30,	
	1996	1997	1998	1998	1999
	(In Thousands, Except Per Share Data)				
Balance Sheet Data:					
Total assets	$1,183,290	$1,248,986	$1,226,356	$1,295,766	$1,305,163
Long-term debt	83,000	305,337	405,271	302,315	448,013
Convertible preferred securities of subsidiary trust	149,500	149,500	149,500	149,500	149,500
Stockholders' equity	678,772	596,546	522,963	617,847	555,240
Statement of Operations Data:					
Oil sales	136,023	207,725	143,624	75,573	64,784
Gas sales	101,443	219,459	209,344	106,555	112,938
NGL sales	19,299	24,920	16,692	9,687	9,764
Other revenue	34,570	47,555	17,848	13,397	4,092
Total revenues	291,335	499,659	387,508	205,212	191,578
Lease operating expenses	58,734	100,897	113,484	57,679	54,520
Production taxes	10,880	19,227	13,916	7,266	6,415
Depreciation, depletion and amortization	70,307	169,108	123,844	61,158	69,321
General and administrative expenses	15,111	24,381	23,554	11,784	13,175
Northstar Combination expenses	--	--	13,149	--	--
Interest expense	12,662	18,788	22,632	10,837	13,779
Deferred effect of changes in foreign currency exchange rate on subsidiary's long-term debt	199	5,860	16,104	6,921	(8,746)
Distributions on preferred securities of subsidiary trust	4,753	9,717	9,717	4,859	4,859
Reduction of carrying value of oil and gas properties	--	625,514	126,900	--	--
Total costs and expenses	172,646	973,492	463,300	160,504	153,323
Earnings (loss) before income taxes	118,689	(473,833)	(75,792)	44,708	38,255
Income tax expense (benefit):					
Current	7,834	26,857	7,687	5,331	4,302
Deferred	43,252	(200,699)	(23,194)	12,979	11,764
Total	51,086	(173,842)	(15,507)	18,310	16,066
Net earnings (loss)	$ 67,603	$ (299,991)	$ (60,285)	$ 26,398	$ 22,189
Net earnings (loss) per share:					
Basic	$ 2.06	$ (6.38)	$ (1.25)	$ 0.55	$ 0.46
Diluted	1.99	(6.38)	(1.25)	0.55	0.46
Cash dividends per common share	0.15	0.14	0.15	0.07	0.10
Weighted average common shares outstanding--basic	32,812	47,040	48,376	48,338	48,575

	Year Ended December 31,			Six Months Ended June 30,	
	1996	1997	1998	1998	1999
	(In Thousands, Except Per Share and Per Unit Data)				
Cash Flow Data:					
Net cash provided by operating activities	$ 144,248	$ 253,056	$ 191,571	$102,832	$ 85,911
Net cash used by investing activities	(243,451)	(147,583)	(271,960)	(74,988)	(134,419)
Net cash provided (used) by financing activities	96,420	(77,141)	57,618	(47,111)	43,281
Modified EBITDA	206,610	355,154	223,405	128,483	117,468
Cash margin	181,361	299,792	183,369	107,456	94,528
Production, Price and Other Data:					
Production:					
Oil (MBbls)	6,780	11,783	11,903	6,105	5,071
Gas (MMcf)	62,186	121,810	133,065	66,662	71,402
NGL (MBbls)	1,255	1,891	1,939	1,043	991
MBoe	18,399	33,976	36,020	18,258	17,962
Average prices:					
Oil (Per Bbl)	$ 20.06	$ 17.63	$ 12.07	$ 12.38	$ 12.78
Gas (Per Mcf)	1.63	1.80	1.57	1.60	1.58
NGL (Per Bbl)	15.38	13.18	8.61	9.29	9.85
Per Boe	13.96	13.31	10.26	10.51	10.44
Costs per Boe:					
Operating costs	3.78	3.54	3.54	3.56	3.39
Depreciation, depletion and amortization of oil and gas properties	3.69	4.86	3.32	3.24	3.75
General and administrative expenses	0.82	0.72	0.65	0.65	0.73

	As of December 31,		
	1996	1997	1998
Property Data:			
Proved reserves:			
Oil (MBbls)	80,155	97,041	83,457
Gas (MMcf)	898,319	1,150,604	1,198,894
NGL (MBbls)	14,190	17,178	16,079
Total (MBoe)	244,065	305,986	299,351
SEC 10% present value (thousands)	$1,999,748	$1,340,644	$1,009,039
Standardized measure of discounted future net cash flows (thousands)	1,454,974	1,100,676	931,588

RISK FACTORS

You should carefully consider the following factors, in addition to the other information contained or incorporated by reference in this prospectus, before deciding to invest in our common stock.

Risks Relating to the Oil and Gas Industry

Our results depend on oil and gas prices, which are volatile and beyond our control

Our revenues, results of operations and financial condition depend largely on the prices we receive for our oil and gas production. Extended periods of low prices could adversely affect the ultimate return on past investments. Our ability or willingness to continue or complete our current and planned drilling programs and acquisitions may also be affected.

Our calculations of proved reserves are only estimates

Many uncertainties exist when estimating quantities of oil and gas reserves. The estimates of future net cash flows from our proved reserves and their present value are based on assumptions about future production levels, prices and costs that may prove to be inaccurate. Our estimated reserves may be subject to upward or downward revision based upon our production, results of future exploration and development, prevailing oil and gas prices, operating and development costs and other factors.

Our exploration, development and acquisition activities might not result in significant additional reserves

The rate of production from oil and gas properties generally declines as reserves are depleted. Our proved reserves will decline materially as oil and gas are produced unless we acquire additional properties with proved reserves, conduct successful exploration and development activities or our reserve estimates increase. Our future oil and gas production depends on our success in acquiring or finding additional reserves.

Potential hazards could damage or destroy our oil and gas wells or production facilities or damage or injure property, persons and the environment

The exploration for and production of oil and gas can be hazardous, involving natural disasters, blowouts, cratering, fires and losses of well control. These hazards can damage or destroy oil and gas wells and production facilities, injure or kill people and cause damage to property and the environment. We maintain insurance against many potential losses and liabilities in accordance with customary industry practices, however our insurance does not protect us against all operational risks.

Government regulations, including environmental regulations, may adversely affect our results

Our exploration and production operations are regulated at the federal, state and local levels in the United States as well as by governments in other countries. We make large expenditures to comply with the requirements of these regulations. Future changes in the regulation of the oil and gas industry could significantly increase these costs.

We are subject to various federal, state, local and foreign regulations relating to the protection of the environment. We may be liable for the cost to clean-up pollution resulting from our operations and for the cost of pollution damages. We also may be required to suspend or cease operations in affected areas. Additional future regulations for the protection of the environment could adversely affect our operations and results.

Risks Relating to an Investment in Devon

Devon has charter and other provisions that may make it difficult to cause a change of control

Some provisions of Devon's certificate of incorporation and by-laws and of the Delaware General Corporation Law, as well as Devon's stockholder rights plan, may make it difficult for stockholders to cause a change in control of Devon and replace incumbent management. These provisions include:

. a classified board, the members of which serve staggered three-year terms and may be removed by stockholders only for cause;

. a prohibition on stockholders calling special meetings and acting by written consent; and

. rights issued under its rights plan, which would "flip in" if a hostile bidder acquired 15% of Devon's common stock.

The interest of Devon's largest stockholder may conflict with the interests of Devon's other stockholders

Kerr-McGee Corporation currently owns 9,954,000 shares, or 14.1%, of our outstanding Devon common stock. After completion of this offering, assuming the underwriters do not exercise the over-allotment option, Kerr-McGee would own approximately 12.6% of our common stock. On August 2, 1999, Kerr-McGee completed an offering of exchangeable notes which are due on August 2, 2004. These notes are exchangeable into the Devon common shares owned by Kerr-McGee or, at Kerr-McGee's option, the cash equivalent of the value of such Devon common shares.

As a substantial stockholder, Kerr-McGee may have the power to influence the outcome of matters submitted to a vote of the Devon stockholders. Kerr-McGee's interests may not reflect the interests of other stockholders. Devon and Kerr- McGee have not implemented any specific procedures to deal with conflicts that may arise in the future between Kerr-McGee's interests and those of other Devon stockholders. In the event a conflict arises, we will implement procedures we deem appropriate to deal with the specific situation.

Risks Relating to the Recent Merger with PennzEnergy

We may not successfully integrate the operations of Devon and PennzEnergy or achieve the benefits we are seeking

The success of the merger will partially depend upon the integration of the management and operations of Devon and PennzEnergy. Our management team does not have experience with the combined businesses of Devon and PennzEnergy. Devon may not be able to integrate the operations of PennzEnergy without losing key employees, customers or suppliers; loss of revenues; increases in operating or other costs; or other difficulties. In addition, we may not be able to realize the operating efficiencies and other benefits sought from the merger.

Significant charges and expenses will be incurred as a result of the merger

We expect to incur approximately $71.5 million of costs related to the merger. These costs, which will be included as part of the cost of the oil and gas properties acquired, will include investment banking expenses, severance, legal and accounting fees, financial printing expenses and other related charges. In addition, we expect to incur an estimated $20 to $30 million in costs to combine the two companies. We may incur additional unanticipated expenses in connection with the merger.

We also may incur a noncash after-tax charge to earnings related to a full cost ceiling limitation. Under the full cost method of accounting followed by Devon, the net book value of oil and gas properties, less related deferred income taxes, may not exceed a calculated "ceiling." The ceiling is the estimated after-tax future net revenues from proved oil and gas properties, discounted at 10% per year. The ceiling limitation is applied

separately by country. In calculating future net revenues, prices and costs in effect at the time of the calculation are held constant indefinitely, except for changes that are fixed and determinable by existing contracts. The net book value, less deferred tax liabilities, is compared to the ceiling on a quarterly basis. Any excess of the net book value, less deferred taxes, is written off as an expense. An expense recorded in one period may not be reversed in a subsequent period even though higher oil and gas prices may have increased the ceiling applicable to the subsequent period.

On a pro forma basis as of June 30, 1999, the merger would not have caused a charge to earnings due to the ceiling limitation. This pro forma calculation was based on a posted West Texas Intermediate oil price of $16.50 per barrel and a Texas Gulf Coast index gas price of $2.14 per Mcf. However, the pro forma ceiling "cushion" as of June 30, 1999, in our non-Canadian cost centers was less than $20 million. Therefore, future reductions in oil and gas prices or changes to the preliminary allocation of the purchase price of PennzEnergy's oil and gas properties could cause a charge to earnings as of September 30, 1999, or in subsequent periods.

Devon may incur a tax liability for a prior PennzEnergy transaction as a result of the merger

If PennzEnergy's distribution to its stockholders of the stock of Pennzoil- Quaker State Company in December 1998 were to be considered part of a plan or series of related transactions that includes the merger, Devon would recognize gain under Section 355(e) of the Internal Revenue Code. We believe the distribution and the merger should not be considered part of such a plan or series of related transactions because, among other things, neither Devon nor PennzEnergy contemplated a business combination with the other and until April 1999 the parties had no discussions regarding a business combination. However, any transaction within a four-year period beginning two years before the distribution is presumed to be part of such a plan. We cannot assure you that we will be able to overcome this presumption. We currently estimate our potential tax liability upon such a transaction at $16 million in additional tax for 1998 and the elimination of approximately $183 million in net operating loss carryovers through 1998.

Devon stockholders are exposed to risks of offshore operations

As a result of the merger some of our production and reserves are now located offshore in the Gulf of Mexico. Operations in this area are subject to tropical weather disturbances. Some of these disturbances can be severe enough to cause substantial damage to facilities and possibly interrupt production. In accordance with customary industry practices, Devon will maintain insurance against some, but not all, of these risks. Losses could occur for uninsurable or uninsured risks or in amounts in excess of existing insurance coverage. We cannot assure you that Devon will be able to maintain adequate insurance in the future at rates it considers reasonable or that any particular types of coverage will be available. An event that is not fully covered by insurance could have a material adverse effect on Devon's financial position and results of operations.

We are subject to uncertainties of foreign operations

As a result of the merger, we now have international operations in Australia, Azerbaijan, Brazil, Canada, Egypt, Qatar and Venezuela. Local political, economic and other uncertainties may adversely affect these operations. These uncertainties include:

. the risk of war, general strikes, civil unrest, expropriation, forced renegotiation or modification of existing contracts, and import, export and transportation regulations and tariffs;

. taxation policies, including royalty and tax increases and retroactive tax claims;

. exchange controls, currency fluctuations, devaluation or other activities that limit or disrupt markets and restrict payments or the movement of funds, and other uncertainties arising out of foreign government sovereignty over international operations;

. laws and policies of the United States affecting foreign trade, taxation and investment;

. the possibility of being subject to the exclusive jurisdiction of foreign courts in connection with legal disputes and the possible inability to subject foreign persons to the jurisdiction of courts in the United States; and

. difficulties in enforcing our rights against a governmental agency because of the doctrine of sovereign immunity.

The merger has increased our debt level, which may result in a lower debt rating and require a substantial portion of operating cash flow to pay interest and principal

The merger has resulted in higher levels of debt and interest expense than we had on a stand-alone basis prior to the merger. Our total indebtedness after the merger may have a negative impact on our ability to realize the expected benefits of the merger, including a possible downgrade in our credit rating. Standard & Poor's has announced that, because of our higher leverage, it may assign a debt rating that is lower than our current senior debt rating of "BBB+." The increased debt level will also require us to use a substantial portion of our operating cash flow to pay interest and principal on our debt instead of for other corporate purposes.

USE OF PROCEEDS

We estimate that the net proceeds to us after deducting the underwriting discount and other estimated offering expenses payable by us from the sale of the 8.7 million shares of common stock in this offering will be approximately $349.2 million ($401.5 million if the underwriters' over-allotment is exercised in full), at an assumed public offering price of $41.6875 per share. We intend to use the net proceeds from this offering, plus an additional $0.8 million of borrowings from credit facilities, to retire $350 million of long-term debt that bears interest at approximately 10% per year. The additional credit available as a result of the reduction in debt will be used primarily for capital expenditures and acquisitions as they occur.

Pending these uses, the net proceeds will be used to reduce outstanding debt under our revolving credit facilities or invested in short-term investment- grade instruments, certificates of deposit or direct or guaranteed obligations of the U.S. government.

CAPITALIZATION

The following table compares our actual capitalization as of June 30, 1999, to our capitalization after we sell the 8.7 million shares we are offering. The table includes our pro forma capitalization after the PennzEnergy merger, both with and without the offering. In preparing the following table, we have assumed that we will receive net proceeds of $349.2 million from the sale of 8.7 million Devon common shares at $41.6875 per share (the closing price as of September 16, 1999), less $13.5 million for the underwriting discount and other estimated offering costs and expenses. We have assumed that the $349.2 million of net proceeds plus an additional $0.8 million of borrowings under our credit facilities, would be used to retire $350 million of existing notes payable that bear interest at approximately 10% per year. The additional credit available as a result of the reduction in debt will be used primarily for capital expenditures and acquisitions as they occur.

The capitalization as adjusted for the offering assumes that the underwriter's over-allotment option is not exercised. You should read the following table in conjunction with the historical consolidated financial statements of Devon which are filed with the SEC and incorporated by reference in this document and the unaudited pro forma financial information included in this document.

	As of June 30, 1999		
		Devon Pro Forma With the PennzEnergy Merger	
	Devon Historical	Without the Offering	With the Offering
	(In Thousands)		
Long-term debt:			
Borrowings under credit facilities with banks	$ 223,013	$ 319,077	$ 319,840
Notes:			
6.76% due July 19, 2005	75,000	75,000	75,000
6.79% due March 2, 2009	150,000	150,000	150,000
Debentures:			
9.625% due November 15, 1999, principal amount of $200 million	--	200,000	--
10.625% due June 1, 2001, principal amount of $150 million	--	150,000	--
10.25% due November 1, 2005, principal amount of $250 million	--	275,825	275,825
10.125% due November 15, 2009, principal amount of $200 million	--	220,340	220,340
Debentures exchangeable into shares of Chevron Corporation common stock (see note 4 on page 27)			
4.90% due August 15, 2008, principal amount of $443.8 million	--	452,683	452,683
4.95% due August 15, 2008, principal amount of $316.5 million	--	322,836	322,836
Total long-term debt	448,013	2,165,761	1,816,524
Devon-obligated mandatorily redeemable trust convertible preferred securities	149,500	149,500	149,500
Stockholders' equity:			
Preferred stock, $1.00 par value	--	1,500	1,500
Common stock, $0.10 par value	4,882	7,030	7,900
Additional paid-in capital	807,270	1,679,921	2,028,288
Accumulated deficit	(225,582)	(225,582)	(225,582)
Accumulated other comprehensive loss	(31,330)	(31,330)	(31,330)
Total stockholders' equity	555,240	1,431,539	1,780,776
Total capitalization	$1,305,163	$3,746,800	$3,746,800
Shares authorized:			
Preferred stock	3,000	4,500	4,500
Common stock	400,000	400,000	400,000
Shares outstanding:			
Preferred stock	--	1,500	1,500
Common stock	48,820	70,296	78,996
Common shares reserved for issuance of options under Devon's stock option plans	1,800	4,800	4,800
Employee stock options outstanding	2,974	5,059	5,059

The above pro forma capitalization with the PennzEnergy merger includes six debentures issued by PennzEnergy which were assumed by Devon. Of these six debentures, four will be outstanding after the proceeds from this offering are used to retire two debentures totaling $350 million. The aggregate pro forma amount recorded for the four remaining debentures is $61.4 million higher than their aggregate principal amount. The excess amount is the amount by which the debentures' estimated fair value at June 30, 1999 exceeded the principal amounts.

Because the PennzEnergy merger was accounted for using the purchase method of accounting for business combinations, Devon recorded these debentures at their fair values at the date the merger was closed. The difference will be amortized over the debentures' lives as adjustments to interest expense.

MARKET PRICE DATA

Devon common stock is listed on the AMEX under the symbol "DVN." We began paying regular quarterly cash dividends on our common stock on June 30, 1993, in the amount of $0.03 per share. Effective December 31, 1996, we increased our quarterly dividend payment to $0.05 per share. We anticipate that we will continue to pay regular quarterly dividends in the foreseeable future. Dividends are also paid on our exchangeable shares at the same rate and on the same dates as dividends paid on our common stock.

The following table sets forth the quarterly high and low sales prices for the Devon common stock as reported by the AMEX for the fiscal periods indicated.

	High	Low	Volume
			(In Thousands)
1996:			
Quarter Ended March 31, 1996	$25 3/4	$19 7/8	2,825
Quarter Ended June 30, 1996	$26 1/8	$22	2,474
Quarter Ended September 30, 1996	$27 1/2	$22 3/4	4,715
Quarter Ended December 31, 1996	$35 1/2	$25 1/4	6,011
1997:			
Quarter Ended March 31, 1997	$38 7/8	$29 1/2	4,458
Quarter Ended June 30, 1997	$38 1/2	$27 3/8	5,619
Quarter Ended September 30, 1997	$45 1/4	$36 1/8	3,851
Quarter Ended December 31, 1997	$49 1/8	$35	4,460
1998:			
Quarter Ended March 31, 1998	$41 1/8	$32 7/8	5,542
Quarter Ended June 30, 1998	$40 1/2	$32 5/8	6,144
Quarter Ended September 30, 1998	$36 5/8	$26 1/8	10,170
Quarter Ended December 31, 1998	$36	$27 3/4	9,017
1999:			
Quarter Ended March 31, 1999	$31 3/4	$20 1/8	14,271
Quarter Ended June 30, 1999	$37 7/16	$25 15/16	14,221
Quarter Ended September 30, 1999 (through September 16, 1999)	$44 15/16	$33	25,704

On September 16, 1999, the last full trading day prior to the date of this prospectus, the last reported sales price on the American Stock Exchange of shares of Devon common stock was $41 11/16.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following unaudited pro forma financial information has been prepared to assist in the analysis of the financial effects of this offering of additional Devon common stock and the PennzEnergy merger. This pro forma information is based on the historical financial statements of Devon and PennzEnergy.

The information was prepared based on the following:

. The assumed net proceeds from this offering of 8.7 million common shares are $349.2 million. This is based on an assumed offering price of $41.6875 per share (the closing price as of September 16, 1999), less $13.5 million for the underwriting discount and other estimated offering costs and expenses.

. Devon utilizes the full cost method of accounting for its oil and gas activities.

. The merger was accounted for as a purchase of PennzEnergy by Devon.

. The unaudited pro forma balance sheet has been prepared as if the public offering and the merger occurred on June 30, 1999. The unaudited pro forma statements of operations have been prepared as if the public offering and the merger occurred on January 1, 1998.

. Targeted annual general and administrative expense and lease operating expense savings from the merger of $50 to $60 million have not been reflected as an adjustment to the historical data. These cost savings are expected to result from the consolidation of the corporate headquarters of Devon and PennzEnergy and the elimination of duplicate staff and expenses.

. As of June 30, 1999, the merger did not cause a pro forma reduction of the carrying value of oil and gas properties under the full cost accounting "ceiling test." The June 30, 1999, ceiling test was calculated based on a posted West Texas Intermediate oil price of $16.50 per barrel and a Texas Gulf Coast index gas price of $2.14 per Mcf. However, the pro forma ceiling "cushion" as of June 30, 1999, in Devon's non-Canadian cost centers was less than $20 million. Therefore, future reductions in oil and gas prices or changes to the preliminary allocation of the purchase price of PennzEnergy's oil and gas properties could cause a reduction of the carrying value to be recorded as of September 30, 1999, or in subsequent periods.

No pro forma adjustments have been made with respect to the following unusual items. These items are reflected in the historical results of Devon or PennzEnergy, as applicable, and should be considered when making period-to- period comparisons:

. In 1998, PennzEnergy realized pretax gains on the sale and exchange of Chevron Corporation common stock of $230.1 million. The unaudited pro forma statement of operations does not include the $207.0 million after- tax extraordinary loss resulting from the early extinguishment of related debentures exchangeable for such common stock.

. In 1998, PennzEnergy incurred $24.3 million of nonrecurring general and administrative expenses in connection with the spin-off of Pennzoil- Quaker State Company on December 30, 1998.

. In 1998, Devon incurred $13.1 million of nonrecurring expenses related to the merger with Northstar.

. In 1998, Devon reduced the carrying value of its oil and gas properties by $126.9 million ($88.0 million after-tax) due to the full cost ceiling limitation.

. In the second quarter of 1999, PennzEnergy recognized a gain of $46.7 million ($29.8 million after-tax) from the sale of land, timber and mineral rights in Pennsylvania and New York.

The unaudited pro forma financial statements and related notes are presented for illustrative purposes only. If this offering of additional Devon common stock and the PennzEnergy merger had occurred in the past, Devon's financial position or operating results might have been different from those presented in the unaudited pro forma information. The unaudited pro forma information should not be relied upon as an indication of the financial position or operating results that Devon would have achieved if this offering and the merger had occurred as of June 30, 1999 or January 1, 1998. You also should not rely on the unaudited pro forma information as an indication of the future results that Devon will achieve after this offering and the merger.

Unaudited Pro Forma Balance Sheet

June 30, 1999
(In Thousands)

	Devon Historical	PennzEnergy Historical Reclassified (Note 6)	Pro Forma Adjustments (Note 2)	Devon Pro Forma With the PennzEnergy Merger	
				Without the Offering	With the Offering (Note 3)
Assets:					
Current assets	$ 104,760	$ 128,912	$(10,300)(a) 10,300 (c)	$ 233,672	$ 233,672
Oil and gas properties, net	1,162,164	1,616,916	385,545 (a) 553,489 (c)	3,718,114	3,718,114
Other properties, net	23,465	--	5,000 (a)	28,465	28,465
Investment in common stock of Chevron Corporation (Note 4)	--	674,224	--	674,224	674,224
Other assets	14,774	34,054	30,179 (a)	79,007	79,007
Total assets	$1,305,163	$2,454,106	$974,213	$4,733,482	$4,733,482
Liabilities:					
Current liabilities	$ 73,677	$ 145,167	$ (5,374)(a)	$ 213,470	$ 213,470
Debentures exchangeable into shares of Chevron Corporation common stock (Note 4)	--	740,361	35,158 (a)	775,519	775,519
Other long-term debt	448,013	822,652	48,032 (a) 71,545 (a)	1,390,242	1,041,005
Other long-term liabilities	34,584	133,280	(2,590)(a)	165,274	165,274
Deferred income taxes	44,149	187,257	(187,257)(a) 563,789 (c)	607,938	607,938
Company-obligated mandatorily redeemable convertible preferred securities of subsidiary trust holding solely 6.5% convertible junior subordinated debentures of Devon Energy Corporation	149,500	--		149,500	149,500
Stockholders' equity:					
Preferred stock	--	1,500		1,500	1,500
Common stock	4,882	43,507	2,148 (a) (43,507)(b)	7,030	7,900
Additional paid-in capital	807,270	354,504	710,151 (a) 14,000 (a) 148,500 (a) (354,504)(b)	1,679,921	2,028,288
Accumulated deficit	(225,582)	(23,743)	23,743 (b)	(225,582)	(225,582)
Accumulated other comprehensive earnings (loss)	(31,330)	275,743	(275,743)(b)	(31,330)	(31,330)
Treasury stock	--	(226,122)	226,122 (b)	--	--
Total stockholders' equity	555,240	425,389	450,910	1,431,539	1,780,776
Total liabilities and stockholders' equity	$1,305,163	$2,454,106	$974,213	$4,733,482	$4,733,482

Unaudited Pro Forma Statement of Operations

Year Ended December 31, 1998

(In Thousands, Except Per Share Data)

	Devon Historical	PennzEnergy Historical Reclassified (Note 6)	Pro Forma Adjustments (Note 2)	Devon Pro Forma With the PennzEnergy Merger	
				Without the Offering	With the Offering (Note 3)
Revenues:					
Oil sales	$143,624	$159,294		$ 302,918	$ 302,918
Gas sales	209,344	344,594		553,938	553,938
NGL sales	16,692	47,011		63,703	63,703
Other	17,848	286,468	(8,513)(g)	295,803	295,803
Total revenues	387,508	837,367	(8,513)	1,216,362	1,216,362
Costs and expenses:					
Lease operating expenses	113,484	181,255		294,739	294,739
Production taxes	13,916	14,232		28,148	28,148
Depreciation, depletion and amortization	123,844	208,009	178,211 (d)	510,064	510,064
General and administrative expenses	23,554	126,124	(10,300)(g)	139,378	139,378
Northstar combination expenses	13,149	--		13,149	13,149
Interest expense	22,632	156,272	4,114 (e) (6,359)(f)	176,659	141,515
Exploration expenses	--	139,970	(139,970)(g)	--	--
Deferred effect of changes in foreign currency exchange rate on subsidiary's long-term debt	16,104	--		16,104	16,104
Distributions on preferred securities of subsidiary trust	9,717	--		9,717	9,717
Reduction of carrying value of oil and gas properties	126,900	74,739	(74,739)(g)	126,900	126,900
Total costs and expenses	463,300	900,601	(49,043)	1,314,858	1,279,714
Earnings (loss) before income tax expense (benefit)	(75,792)	(63,234)	40,530	(98,496)	(63,352)
Income tax expense (benefit):					
Current	7,687	2,637	--	10,324	10,324
Deferred	(23,194)	(20,405)	15,401 (h)	(28,198)	(14,843)
Total income tax expense (benefit)	(15,507)	(17,768)	15,401	(17,874)	(4,519)
Net earnings (loss)	(60,285)	(45,466)	26,029	(80,622)	(58,833)
Preferred stock dividends	--	5,625	--	5,625	5,625
Net earnings (loss) applicable to common shareholders	$(60,285)	$(51,091)	$ 26,029	$ (86,247)	$ (64,458)
Net loss per average common share outstanding--basic and diluted	$ (1.25)	$ (1.07)		$ (1.24)	$ (0.82)
Weighted average common shares outstanding--					

basic (Note 5).....	48,376	47,716	69,729	78,429

Unaudited Pro Forma Statement of Operations

Six Months Ended June 30, 1999

(In Thousands, Except Per Share Data)

	Devon Historical	PennzEnergy Historical Reclassified (Note 6)	Pro Forma Adjustments (Note 2)	Devon Pro Forma With the PennzEnergy Merger	
				Without the Offering	With the Offering (Note 3)
Revenues:					
Oil sales	$64,784	$ 85,114		$149,898	$149,898
Gas sales	112,938	150,884		263,822	263,822
NGL sales	9,764	18,732		28,496	28,496
Other	4,092	67,119	(5,557)(g)	65,654	65,654
Total revenues	191,578	321,849	(5,557)	507,870	507,870
Costs and expenses:					
Lease operating expenses	54,520	76,476		130,996	130,996
Production taxes	6,415	6,764		13,179	13,179
Depreciation, depletion and amortization	69,321	131,450	46,597 (d)	247,368	247,368
General and administrative expenses	13,175	49,870	(5,150)(g)	57,895	57,895
Interest expense	13,779	61,811	2,057 (e) (3,415)(f)	74,232	56,660
Exploration expenses	--	17,537	(17,537)(g)	--	--
Deferred effect of changes in foreign currency exchange rate on subsidiary's long-term debt	(8,746)	--		(8,746)	(8,746)
Distributions on preferred securities of subsidiary trust	4,859	--		4,859	4,859
Total costs and expenses	153,323	343,908	22,552	519,783	502,211
Earnings (loss) before income tax expense (benefit)	38,255	(22,059)	(28,109)	(11,913)	5,659
Income tax expense (benefit):					
Current	4,302	(34)	--	4,268	4,268
Deferred	11,764	(9,140)	(10,681)(k)	(8,057)	(1,380)
Total income tax expense (benefit)	16,066	(9,174)	10,681	(3,789)	2,888
Net earnings (loss)	22,189	(12,885)	(17,428)	(8,124)	2,771
Preferred stock dividends	--	4,868	--	4,868	4,868
Net earnings (loss) applicable to common shareholders	$22,189	$(17,753)	$(17,428)	$(12,992)	$ (2,097)
Net earnings (loss) per average common share outstanding--basic and diluted	$ 0.46	$ (0.37)		$ (0.19)	$ (0.03)
Weighted average common shares outstanding--basic (Note 5)	48,575	47,923		70,021	78,721

NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION

December 31, 1998 and June 30, 1999

1. Method of Accounting for the Merger

Devon accounted for the merger using the purchase method of accounting for business combinations. Accordingly, PennzEnergy's assets acquired and liabilities assumed by Devon were revalued and recorded at their estimated "fair values." In the merger, Devon issued 0.4475 shares of Devon common stock for each outstanding share of PennzEnergy common stock. This resulted in Devon issuing approximately 21.4 million shares of its common stock to PennzEnergy stockholders.

The purchase price of PennzEnergy's net assets acquired was based on the value of the Devon common stock issued to the PennzEnergy stockholders. The value of the Devon common stock issued was based on the average trading price of Devon's common stock for a period of three days before and after the public announcement of the merger. This average trading price equaled $33.40 per share.

2. Pro Forma Adjustments Related to the Merger

The unaudited pro forma balance sheet includes the following adjustments:

(a) This entry adjusts the historical book values of PennzEnergy's assets and liabilities to their estimated fair values as of June 30, 1999. The calculation of the total purchase price and the preliminary allocation to assets and liabilities are shown below.

	(In Thousands, Except Share Price)
Calculation and preliminary allocation of purchase price:	
Shares of Devon common stock issued to PennzEnergy stockholders	21,476
Average Devon stock price	$ 33.40
Fair value of common stock issued	717,298
Plus preferred stock assumed by Devon	150,000
Plus estimated merger costs to be incurred	71,545
Plus fair value of PennzEnergy employee stock options assumed by Devon	14,000
Less estimated stock registration and issuance costs to be incurred	(4,999)
Total purchase price	947,844
Plus fair value of liabilities assumed by Devon:	
Current liabilities	139,793
Debentures exchangeable into Chevron Corporation common stock	775,519
Other long-term debt	870,684
Other long-term liabilities	130,690
	2,864,530
Less fair value of non oil and gas assets acquired by Devon:	
Current assets	118,612
Non oil and gas properties	5,000
Investment in common stock of Chevron Corporation	674,224
Other assets	64,233
	862,069
Fair value allocated to oil and gas properties, including $111 million of undeveloped leasehold	$2,002,461

The total purchase price includes the value of the Devon common stock issued, net of $5.0 million of estimated registration and issuance costs. The purchase price also includes:

. $150 million of Devon preferred stock issued in exchange for the same amount of PennzEnergy preferred stock. The unaudited pro forma balance sheet includes $1.5 million of PennzEnergy's historical aggregate par value of the preferred stock, plus $148.5 million of additional paid-in capital.

. $71.5 million of estimated merger costs. These costs include advisory fees, severance and other merger-related costs. These costs are added to long-term debt in the unaudited pro forma balance sheet.

. $14 million of Devon employee stock options issued in exchange for existing vested PennzEnergy employee stock options. The value of these options is added to additional paid-in capital in the unaudited pro forma balance sheet.

(b) This adjustment includes a $43.5 million reduction to par value, a $354.5 million reduction of additional paid-in capital, a $23.7 million reduction of accumulated deficit, a $275.7 million reduction of accumulated other comprehensive earnings and a $226.1 million reduction of treasury stock. These adjustments eliminate PennzEnergy's historical book values of those accounts.

(c) This adjustment increases the value of PennzEnergy's oil and gas properties acquired by $553.5 million, and increases current assets by $10.3 million, both for related deferred income taxes. This adjustment equals the deferred income tax effect of the difference between the fair values assigned to PennzEnergy's assets and liabilities and their bases for income tax purposes. Due to the tax-free nature of the merger, Devon's tax basis in those assets and liabilities is the same as PennzEnergy's tax basis.

The unaudited pro forma statements of operations include the following adjustments:

(d) This adjustment reflects the pro forma depreciation, depletion and amortization expense using the full cost method of accounting based on the preliminary allocation of the purchase price.

(e) This adjustment increases interest expense due to the $71.5 million of merger costs assumed to be funded with borrowings from credit facilities.

(f) This adjustment reduces interest expense for the year 1998 and the first quarter of 1999 by $6.4 million and $1.7 million, respectively. These amounts represent the amortization of the pro forma premium recorded in long-term debt as of January 1, 1998 as part of pro forma adjustment (a) to record PennzEnergy's assets and liabilities at their estimated fair values.

(g) This adjustment eliminates historical amounts recorded by PennzEnergy under the successful efforts accounting method for gains on property sales, general and administrative expenses, exploration expenses and asset impairments to conform to the full cost method of accounting followed by Devon. Under the full cost method, proceeds from the sale of oil and gas properties are generally recorded as an adjustment of the carrying value of the properties, with no gain or loss recognized. Also, general and administrative expenses incurred for property acquisition, exploration and development activities are capitalized under the full cost method. In addition, exploration expenses, which include items such as dry hole costs and lease expirations or impairment expenses, are capitalized under the full cost method. The $74.7 million reduction of oil and gas properties recorded by PennzEnergy in the year 1998 was calculated under the successful efforts method and therefore has been eliminated in the pro forma statement of operations for 1998.

(h) This adjustment records the net tax effect of all pro forma adjustments at an effective income tax rate of 38%.

3. Pro Forma Effects of this Offering of Additional Shares of Devon Common Stock

The accompanying pro forma financial statements include a column titled "Devon Pro Forma With the PennzEnergy Merger--With the Offering." The amounts included in this column on the pro forma balance sheet include the effects of issuing 8.7 million additional shares of Devon common stock and applying the estimated net proceeds of $349.2 million against long-term debt. The pro forma balance sheet assumes that the offering occurred on June 30, 1999.

The amounts included in this column on the pro forma statements of operations include the effects of lower interest expense and the related change in income tax expense due to the assumed reduction of long-term debt with the proceeds from this offering. The pro forma statements of operations assume that the offering occurred on January 1, 1998.

4. Investment in Chevron Common Stock and Related Exchangeable Debentures

As of June 30, 1999 and December 31, 1998, PennzEnergy beneficially owned approximately 7.1 million shares of Chevron Corporation common stock. These shares have been deposited with an exchange agent for possible exchange for $761.2 million principal amount of exchangeable debentures of PennzEnergy. Each $1,000 principal amount of the exchangeable debentures is exchangeable into 9.3283 shares of Chevron common stock, an exchange rate equivalent to $107 7/32 per share of Chevron common stock.

The exchangeable debentures consist of $443.8 million of 4.90% debentures and $316.5 million of 4.95% debentures. The exchangeable debentures were issued on August 3, 1998 and mature August 15, 2008. The exchangeable debentures are callable beginning on August 15, 2000. The exchangeable debentures are exchangeable at the option of the holders at any time prior to maturity for shares of Chevron common stock. In lieu of delivering Chevron common stock, PennzEnergy may, at its option, pay to any holder an amount in cash equal to the market value of the Chevron common stock to satisfy the exchange request.

5. Common Shares Outstanding

Net earnings (loss) per average share outstanding have been calculated based upon the pro forma weighted average number of shares outstanding as follows:

	Year Ended December 31, 1998	Six Months Ended June 30, 1999
	(In Thousands)	
Devon's weighted average common shares outstanding	48,376	48,575
Devon shares issued in exchange for all outstanding shares of PennzEnergy	21,353	21,446
Pro forma weighted average Devon shares outstanding with the PennzEnergy merger	69,729	70,021
Additional Devon common shares to be issued in this offering	8,700	8,700
Pro forma weighted average Devon common shares with the PennzEnergy merger and the shares to be issued in this offering	78,429	78,721

Pro forma common shares outstanding at June 30, 1999, are as follows:

	(In Thousands)
Devon's common shares outstanding	48,820
Devon shares issued in exchange for all outstanding shares of PennzEnergy	21,476
Pro forma Devon common shares outstanding with the PennzEnergy merger	70,296
Additional Devon common shares to be issued in this offering	8,700
Pro forma Devon common shares outstanding with the PennzEnergy merger and the shares to be issued in this offering	78,996

6. PennzEnergy Historical and Reclassified Balances

Devon and PennzEnergy record certain revenues and expenses differently in their respective consolidated financial statements. To make the unaudited pro forma financial information consistent, we have reclassified certain of PennzEnergy's balances to conform to Devon's financial presentation. The following tables present PennzEnergy's balances as presented in its historical financial statements and the reclassified balances which are included in the accompanying unaudited pro forma statements of operations.

Securities and Exchange Commission rules regarding pro forma presentation require that the pro forma statements of operations disclose income or loss from continuing operations. As shown in the tables below, PennzEnergy's historical results for the year 1998 included a loss from discontinued operations and extraordinary items that are not included in the reclassified balances presented in the accompanying unaudited pro forma statement of operations for 1998.

In addition to the reclassifications shown below for the unaudited pro forma statements of operations, a reclassification has been made to PennzEnergy's historical balance sheet for the accompanying unaudited pro forma balance sheet as of June 30, 1999. PennzEnergy had $38.4 million classified as minority interest in its June 30, 1999 historical consolidated balance sheet. To conform to Devon's presentation, this amount is included as other long-term liabilities in the accompanying unaudited pro forma balance sheet.

	Year Ended December 31, 1998			Six Months Ended June 30, 1999		
	PennzEnergy Historical	Reclassifications	PennzEnergy Historical Reclassified	PennzEnergy Historical	Reclassifications	PennzEnergy Historical Reclassified
	(Unaudited) (In Thousands)					
Revenues:						
Net sales	$ 550,899	$(550,899)	$ --	$254,730	$(254,730)	$ --
Oil sales	--	159,294	159,294	--	85,114	85,114
Gas sales	--	344,594	344,594	--	150,884	150,884
NGL sales	--	47,011	47,011	--	18,732	18,732
Investment and other income	286,468	--	286,468	67,119	--	67,119
Total revenues	837,367	--	837,367	321,849	--	321,849
Costs and expenses:						
Lease operating expenses	217,194	(35,939)	181,255	90,782	(14,306)	76,476
Production taxes	--	14,232	14,232	--	6,764	6,764
General and administrative expenses	52,228	73,896	126,124	19,676	30,194	49,870
Depreciation, depletion and amortization	208,009	--	208,009	131,450	--	131,450
Impairment of long-lived assets	74,739	--	74,739	--	--	--
Exploration expenses	161,615	(21,645)	139,970	25,921	(8,384)	17,537
Taxes, other than income	30,544	(30,544)	--	14,268	(14,268)	--
Interest charges, net	156,272	--	156,272	61,811	--	61,811
Total costs and expenses	900,601	--	900,601	343,908	--	343,908
Loss from continuing operations before income tax	(63,234)	--	(63,234)	(22,059)	--	(22,059)
Income tax benefit	(17,768)	--	(17,768)	(9,174)	--	(9,174)
Loss from continuing operations	$ (45,466)	$ --	$(45,466)	$(12,885)	$ --	$(12,885)
Loss from discontinued operations	(3,246)			--		
Loss before extraordinary items	(48,712)			(12,885)		
Extraordinary items	(206,963)			--		
Net loss	(255,675)			(12,885)		
Preferred stock dividends	5,625			4,868		
Net loss available to common shareholders	$(261,300)			$(17,753)		

The following table shows the total proved reserves of Devon on a pro forma basis as of December 31, 1998:

	Proved Reserves as of December 31, 1998					
Primary Operating Areas	Devon Historical	PennzEnergy Historical	Devon Pro Forma	MBoe%	10% Present Value	10% Present Value %
					(In Thousands)	
North America--MBoe						
Western Canadian Sedimentary Basin	143,908	--	143,908	22%	$ 462,921	22%
Permian Basin	53,375	61,351	114,726	17%	292,951	14%
Rocky Mountain Region	78,973	23,677	102,650	16%	355,902	17%
Gulf Coast/East Texas Region	1,800	86,927	88,727	13%	390,560	19%
Offshore Gulf of Mexico	--	78,674	78,674	12%	339,995	16%
Other U.S.	21,295	16,477	37,772	6%	107,583	5%
Total--North America	299,351	267,106	566,457	86%	1,949,912	93%
International--MBoe						
Azerbaijan	--	76,082	76,082	11%	135,867	7%
Other International	--	17,557	17,557	3%	1,887	0%
Total International	--	93,639	93,639	14%	137,754	7%
Total North America and International	299,351	360,745	660,096	100%	$2,087,666	100%
Oil--MBbls						
U.S.	44,451	95,969	140,420	21%		
Western Canadian Sedimentary Basin	39,006	--	39,006	6%		
Azerbaijan	--	76,082	76,082	11%		
Other International	--	17,180	17,180	3%		
Total	83,457	189,231	272,688	41%		
Gas--MMcf						
U.S.	596,987	849,368	1,446,355	37%		
Western Canadian Sedimentary Basin	601,907	--	601,907	15%		
Other International	--	2,266	2,266	0%		
Total	1,198,894	851,634	2,050,528	52%		
NGLs--MBbls						
U.S.	11,494	29,575	41,069	6%		
Western Canadian Sedimentary Basin	4,585	--	4,585	1%		
Total	16,079	29,575	45,654	7%		
Total--MBoe	299,351	360,745	660,096	100%		

Primary Operating Areas--North America

Our North American property base is concentrated in five primary operating areas: the Western Canadian Sedimentary Basin, which encompasses portions of British Columbia, Alberta, Saskatchewan and Manitoba; the Permian Basin of southeastern New Mexico and west Texas; the Rocky Mountain Region, which spans from northeast Wyoming to northwest New Mexico; the offshore Gulf of Mexico; and the Gulf Coast/East Texas Region in portions of Texas and Louisiana.

Western Canadian Sedimentary Basin

Our single largest reserve position is in the Western Canadian Sedimentary Basin with proved reserves of 143.9 million barrels of oil equivalent, or 22% of the total company on a pro forma basis as of December 31, 1998. This basin is a large geologic feature encompassing portions of British Columbia, Alberta, Saskatchewan and Manitoba. This basin feature forms a wedge-shaped depression that tapers from a maximum thickness of 17,000 feet on the western and southern margins to a zero edge along the northeast. Devon's properties in this

basin range from shallow oil and natural gas production in Northern Alberta to deep, long-lived gas reservoirs in the Foothills area near the Alberta/British Columbia border. In addition, approximately 2.2 million net acres of undeveloped leasehold in the Western Canadian Sedimentary Basin should continue to provide Devon with numerous exploration and development opportunities.

Permian Basin

This region encompasses approximately 66,000 square miles in southeastern New Mexico and west Texas and contains more than 500 major oil and gas fields. Since 1987, we have made several significant acquisitions of properties in the Permian Basin that have established prospective acreage in areas in which leasehold positions could not otherwise be obtained. The Permian Basin represents one of our largest reserve positions with total reserves of 114.7 million barrels of oil equivalent, or 17% of our total reserves on a pro forma basis as of December 31, 1998. In addition, several hundred thousand acres of undeveloped leasehold should continue to provide us with numerous exploration and development opportunities in the Permian Basin.

Rocky Mountain Region

The Rocky Mountain Region includes oil and gas producing basins that are grouped together because of their geographic location rather than their geological characteristics. The region generally encompasses all or portions of the states of Colorado, Montana, New Mexico, North Dakota, Utah and Wyoming. Our properties are primarily located in the San Juan Basin in northwest New Mexico, the Raton Basin in northeast New Mexico and southeast Colorado, and the Big Horn and Powder River basins in northeast Wyoming. The Rocky Mountain Region represents one of our largest reserve areas with 102.7 million barrels of oil equivalent, or 16% of the total company on a pro forma basis as of December 31, 1998. We will also have over one million acres of net undeveloped leasehold in the Rocky Mountain Region.

Our single largest natural gas reserve position in the Rocky Mountain Region relates to its interests in two federal units in the San Juan Basin. The San Juan Basin is a densely drilled area covering 3,700 square miles. It has been historically considered the second largest gas producing basin in the United States. Prior to 1990, the basin's gas production primarily came from conventional sandstone formations at a depth of about 5,500 feet. However, in the early 1980's, development of the shallower Fruitland coal formation began. Coal seam gas production has increased total production so significantly that the San Juan Basin could be considered the largest gas producing basin in the United States.

Our coal seam expertise will also play an important role in both the Powder River and Raton basins. These basins, which are less developed than the San Juan Basin, have become two of the more active domestic onshore exploration areas in the United States. During the next five years, we plan to drill several thousand coalbed methane wells in the Powder River and Raton basins which could, in the aggregate, add proved natural gas reserves in excess of two trillion cubic feet. Peak production for the Powder River Basin is anticipated for 2003, while peak production in the Raton Basin is estimated for 2004 to 2006. Additionally, we anticipate initial operation of a 126-mile gas gathering system servicing the Powder River Basin in the fourth quarter of 1999. When it is fully developed in 2001, this system will have an estimated capacity of 450 million cubic feet of gas per day and will have access to multiple interstate pipelines.

Gulf Coast/East Texas Region

Our interest in the Gulf Coast/East Texas Region consists of over 465,000 net acres in portions of the states of Texas and Louisiana and includes both oil and gas producing zones. On a pro forma basis as of December 31, 1998, our Gulf Coast/East Texas reserves were 88.7 million barrels of oil equivalent, or 13% of our total reserves. In south Texas, where exploration by the oil and gas industry is accelerating, 3-D seismic data covers our major acreage positions underlain by Charco Lobo, the Middle Wilcox and the Frio-Vicksburg formations.

Offshore Gulf of Mexico

We are one of the ten largest producers on the shelf in the Offshore Gulf of Mexico with operations on 75 blocks. On a pro forma basis as of December 31, 1998, proved reserves in the Gulf totaled 78.7 million barrels of oil equivalent, or 12% of our total reserves. We operate more than 40 fields and 80 platforms on the central and western shelf. We also hold interests in another 98 exploratory blocks, 39 of which are deepwater. Of the 39 deepwater blocks, two blocks are in production and two blocks are undergoing development. We conduct both shallow and deepwater exploration and development drilling in the Gulf of Mexico.

Primary Operating Areas--International

Our property base outside North America includes approximately 94 million barrels of oil equivalent reserves, or 14% of our total reserves on a pro forma basis as of December 31, 1998. We also have 10.5 million net undeveloped acres outside of North America. While our international operations are focused primarily in Azerbaijan, we also have interests in Venezuela, Brazil, Egypt, Qatar and Australia.

Azerbaijan

Most of our proved reserves that lie outside North America are in Azerbaijan. On a pro forma basis as of December 31, 1998, proved reserves in Azerbaijan totaled 76.1 million barrels of oil equivalent, or 11% of our total reserves. Our properties in Azerbaijan are located in the Caspian Basin, which is considered home to some of the world's last known major undeveloped hydrocarbon reserves. We hold a 4.8% carried interest in the Azeri-Chirag-Gunashli joint development area, which is estimated to contain five billion barrels of crude oil. Peak production for Azerbaijan is estimated sometime between 2005 and 2008.

Developed and Undeveloped Acreage

The following table sets forth our developed and undeveloped oil and gas lease and mineral acreage on a pro forma basis as of December 31, 1998. Gross acres are the total number of acres in which we own a working interest. Net refers to gross acres multiplied by our fractional working interests.

	Developed		Undeveloped	
	Gross	Net	Gross	Net
	(In Thousands of Acres)			
United States--Onshore	2,815	1,583	3,049	1,789
United States--Offshore	328	204	532	384
Canada	1,120	584	2,995	2,175
Australia	--	--	679	271
Azerbaijan	10	--	202	39
Egypt	--	--	9,111	8,842
Qatar	--	--	519	389
Venezuela	23	12	1,434	1,004
Total	4,296	2,383	18,521	14,893

DIRECTORS AND EXECUTIVE OFFICERS OF DEVON

Directors

Our certificate of incorporation classifies the Devon board into three classes with staggered terms of three years each. The number of directors will be fixed from time to time by resolution of the Devon board. The Devon board is currently set at fourteen members consisting of the following:

Name	Age	Previous Board Membership	Expiration of First Term
Thomas F. Ferguson(1)	63	Devon	2001
David M. Gavrin(2)	64	Devon	2001
Michael E. Gellert(3)	68	Devon	2002
John A. Hagg	51	Devon	2000
Henry R. Hamman	61	PennzEnergy	2000
William J. Johnson(4)	64	--	2002
Michael M. Kanovsky	50	Devon	2002
Robert A. Mosbacher, Jr	48	PennzEnergy	2002
J. Larry Nichols	57	Devon	2000
James L. Pate(5)	63	PennzEnergy	2002
H.R. Sanders, Jr	67	Devon	2002
Terry L. Savage	54	PennzEnergy	2001
Brent Scowcroft	74	PennzEnergy	2001
Robert B. Weaver	60	PennzEnergy	2000

(1) Chairman of the Audit Committee. The Audit Committee also consists of one additional former Devon board member and one former PennzEnergy board member.
(2) Chairman of the Compensation and Stock Option Committee. The Compensation and Stock Option Committee also consists of one additional former Devon board member and two former PennzEnergy board members.
(3) Chairman of the Nominating Committee. The Nominating Committee also consists of one additional former Devon board member and two former PennzEnergy board members.
(4) Designated by PennzEnergy and mutually approved by PennzEnergy's chairman of the board and Devon's president prior to the merger. Mr. Johnson is a private consultant for the oil and gas industry and is President and a director of JonLoc Inc., an oil and gas company of which he and his family are the sole shareholders. He also serves as a director of Tesoro Petroleum and J. Ray McDermott, S.A. From 1991 to 1994, Mr. Johnson was President, Chief Operating Officer and a director of Apache Corporation.
(5) Chairman of the Board and Chairman of the Executive Committee. The Executive Committee consists of Mr. Pate and Mr. Nichols.

Our certificate of incorporation provides, that until our annual stockholder meeting in 2000, (1) the initial directors of Devon designated by pre-merger Devon and their designated successors will nominate successors to, and fill any vacancies in, that group of directors and (2) the initial directors of Devon designated by PennzEnergy and their designated successors will nominate successors to, and fill any vacancies in, that group of directors. One member of the PennzEnergy group of directors must be a person mutually agreed to by Devon's chairman and president. Our certificate provides that at and after the annual stockholder meeting in 2000, a majority of the whole board, will nominate successors and fill vacancies.

Executive Officers

Our board will elect executive officers annually to serve in their respective capacities until their successors are duly elected and qualified or until their earlier resignation or removal. The following currently serve as executive officers of Devon:

Name	Age	Office	Pre-merger Company Affiliation
J. Larry Nichols...	57	President and Chief Executive Officer	Devon
J. Michael Lacey...	53	Vice President--Operations and Exploration	Devon
Duke R. Ligon.....	58	Vice President--General Counsel	Devon
Darryl G. Smette...	52	Vice President--Marketing and Administrative Planning	Devon
H. Allen Turner....	46	Vice President--Corporate Development	Devon
William T. Vaughn..	52	Vice President--Finance	Devon
Danny J. Heatly....	43	Controller	Devon
Gary L. McGee.....	50	Treasurer	Devon
Marian J. Moon.....	49	Secretary	Devon

CERTAIN UNITED STATES FEDERAL TAX CONSIDERATIONS TO NON-UNITED STATES HOLDERS

General

This is a summary of certain U.S. federal tax considerations of the ownership and disposition of our common stock by a non-U.S. holder as we define that term below. We assume in this summary that our common stock will be held as a capital asset (generally, property held for investment). We do not discuss all aspects of U.S. federal taxation that may be important to particular non-U.S. holders in light of their individual investment circumstances, such as special tax rules that would apply if, for example, a non-U.S. holder is a dealer in securities, financial institution, bank, insurance company, tax-exempt organization, partnership or owner of more than 5% of our common stock.

For purposes of this summary, a "non-U.S. holder" means a holder of our common stock who, for U.S. federal income tax purposes, is not a U.S. person. The term "U.S. person" means any one of the following:

. a citizen or resident of the U.S.;

. a corporation, partnership, or other entity created or organized in the U.S. or under the laws of the U.S. or of any political subdivision of the U.S.;

. an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or

. a trust, if (A) a court within the U.S. is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (B) the trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

This summary is based upon the Internal Revenue Code of 1986, as amended, U.S. Treasury Regulations, judicial precedent, administrative rulings and pronouncements, and other applicable authorities, all as in effect on the date of this prospectus. These authorities are subject to differing interpretations or change, possibly with retroactive effect. We have not sought, and will not seek, any ruling from the U.S. Internal Revenue Service, which we refer to in this summary as the IRS, with respect to the tax considerations discussed below. There can be no assurance that the IRS will not take a position contrary to the tax considerations discussed below or that any position taken by the IRS would not be sustained.

We strongly urge you to consult your tax advisor about the U.S. federal tax consequences of holding and disposing of our common stock, as well as any tax consequences that may arise under the laws of any foreign, state, local, or other taxing jurisdiction.

Dividends

Dividends paid to a non-U.S. holder will generally be subject to withholding of U.S. federal income tax at a rate of 30% of the gross amount paid. If, however, the dividend is effectively connected with the conduct of a trade or business in the U.S. by the non-U.S. holder, the dividend will be subject to U.S. federal income tax imposed on net income on the same basis that applies to U.S. persons generally, and, for corporate holders under certain circumstances, the branch profits tax.

Non-U.S. holders should consult any applicable income tax treaties that may provide for a reduction of, or exemption from, withholding taxes. Under recently finalized U.S. Treasury Regulations, which in general will apply to dividends that we pay after December 31, 2000, to obtain a reduced rate of withholding under an income tax treaty, a non-U.S. holder generally will be required to provide certification as to that non-U.S. holder's entitlement to treaty benefits. These U.S. Treasury Regulations also provide special rules to determine whether, for purposes of applying an income tax treaty, dividends that we pay to a non-U.S. holder that is an entity should be treated as paid to holders of interests in that entity.

Gain on Disposition

A non-U.S. holder will generally not be subject to U.S. federal income tax, including by way of withholding, on gain recognized on a sale or other disposition of our common stock unless any one of the following is true:

. the gain is effectively connected with the conduct of a trade or business in the U.S. by the non-U.S. holder;

. the non-U.S. holder is a nonresident alien individual present in the U.S. for 183 or more days in the taxable year of the disposition and certain other requirements are met;

. the non-U.S. holder is subject to tax pursuant to provisions of the U.S. federal income tax law applicable to certain U.S. expatriates; or

. we are or have been during certain periods a "U.S. real property holding corporation" for U.S. federal income tax purposes.

If we are or have been a U.S. real property holding corporation, a non-U.S. holder will generally not be subject to U.S. federal income tax on gain recognized on a sale or other disposition of our common stock provided that:

. the non-U.S. holder does not hold, and has not held during certain periods, directly or indirectly, more than 5% of our outstanding common stock; and

. our common stock is and continues to be traded on an established securities market for U.S. federal income tax purposes.

We believe that our common stock will be traded on an established securities market for this purpose in any quarter during which it is listed on the American Stock Exchange.

If we are or have been during certain periods a U.S. real property holding corporation and the above exception does not apply, a non-U.S. holder will be subject to U.S. federal income tax with respect to gain realized on any sale or other disposition of our common stock as well as to a withholding tax, generally at a rate of 10% of the proceeds. Any amount withheld pursuant to a withholding tax will be creditable against a non-U.S. holder's U.S. federal income tax liability.

Gain that is effectively connected with the conduct of a trade or business in the U.S. by the non-U.S. holder will be subject to the U.S. federal income tax imposed on net income on the same basis that applies to U.S. persons generally, and, for corporate holders under certain circumstances, the branch profits tax, but will generally not be subject to withholding. Non-U.S. holders should consult any applicable income tax treaties that may provide for different rules.

United States Federal Estate Taxes

Our common stock that is owned or treated as owned by an individual who is not a citizen or resident of the U.S., as specifically defined for U.S. federal estate tax purposes, on the date of that person's death will be included in his or her estate for U.S. federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

Information Reporting and Backup Withholding

We must report annually to the IRS and to each non-U.S. holder the amount of dividends that we paid to a holder, and the amount of tax that we withheld on those dividends. This information may also be made available to the tax authorities of a country in which the non-U.S. holder resides. Backup withholding tax will generally not apply to dividends that we pay on our common stock to a non-U.S. holder at an address outside the U.S.

Payments of the proceeds of a sale or other taxable disposition of our common stock by a U.S. office of a broker are subject to both backup withholding at a rate of 31% and information reporting, unless the holder certifies as to its non-U.S. holder status under penalties of perjury or otherwise establishes an exemption. Information reporting requirements, but not backup withholding tax, will also apply to payments of the proceeds of a sale or other taxable disposition of our common stock by a foreign office of a U.S. broker or a foreign broker with certain types of relationships to the U.S., unless the broker has documentary evidence in its records that the holder is a non-U.S. holder and certain other conditions are met or the holder otherwise establishes an exemption.

The U.S. Treasury Department has promulgated final regulations regarding the withholding and information reporting rules discussed above. In general, those regulations do not significantly alter the substantive withholding and information reporting requirements, but unify current certification procedures and forms and clarify reliance standards. The final U.S. Treasury Regulations are generally effective for payments made after December 31, 2000, subject to transition rules.

Backup withholding is not an additional tax. Any amounts that we withhold under the backup withholding rules will be refunded or credited against the non-U.S. holder's U.S. federal income tax liability if certain required information is furnished to the IRS.

UNDERWRITERS

Under the terms and subject to the conditions contained in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. Incorporated, J.P. Morgan Securities Inc., PaineWebber Incorporated, Bear, Stearns & Co. Inc. and Schroder & Co. Inc. are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them, severally, the number of shares indicated below:

Name	Number of Shares
Morgan Stanley & Co. Incorporated	
J.P. Morgan Securities Inc.	
PaineWebber Incorporated	
Bear, Stearns & Co. Inc.	
Schroder & Co. Inc.	
Total	8,700,000

The underwriters are offering the shares of common stock subject to their acceptance of the shares from Devon and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters over-allotment option described below.

The underwriters initially propose to offer part of the shares of common stock directly to the public at the public offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of $. a share under the public offering price. Any underwriter may allow, and such dealers may reallow, a concession not in excess of $. a share to other underwriters or to certain dealers. After the initial offering of the shares of common stock, the offering price and other selling terms may from time to time be varied by the representatives.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to an aggregate of 1,300,000 additional shares of common stock at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over- allotments, if any, made in connection with the offering of the shares of common stock offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of common stock as the number listed next to the underwriter's name in the preceding table bears to the total number of shares of common stock, listed next to the names of all underwriters in the preceding table. If the underwriters' option is exercised in full, the total price to the public would be $. , the total underwriters' discounts and commissions would be $. and total proceeds to Devon would be $ . .

The common stock has been approved for listing, subject to official notice of issuance, on the American Stock Exchange under the symbol "DVN."

Each of Devon and the directors and executive officers of Devon have agreed that, without the prior written consent of Morgan Stanley & Co. Incorporated on behalf of the underwriters, it will not during the period ending . days after the date of this prospectus:

. offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock; or

. enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock;

whether any transaction described above is to be settled by delivery of common stock or such other securities in cash or otherwise.

The restrictions described in this paragraph do not apply to:

. the sale of shares to the underwriters;

. the issuance by Devon of shares of common stock upon the exercise of an option or a warrant or the conversion of a security outstanding on the date of this prospectus of which the underwriters have been advised in writing; or

. transactions by any person other than Devon relating to shares of common stock or other securities acquired in open market transactions after the completion of the offering of the shares.

In order to facilitate the offering of the common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock. Specifically, the underwriters may over-allot in connection with the offering, creating a short position in the common stock for their own account. In addition, to cover over-allotments or to stabilize the price of the common stock, the underwriters may bid for, and purchase, shares of common stock in the open market. Finally, the underwriting syndicate may reclaim selling concessions allowed to an underwriter or a dealer for distributing the common stock in the offering, if the syndicate repurchases previously distributed common stock in transactions to cover syndicate short positions, in stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of the common stock above independent market levels. The underwriters are not required to engage in these activities, and may end any of these activities at any time.

From time to time, Morgan Stanley & Co. Incorporated and PaineWebber Incorporated have provided, and continue to provide, investment banking services to Devon, including acting as financial advisor to Devon in connection with the merger with PennzEnergy.

Devon and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

LEGAL MATTERS

Certain legal matters in connection with the shares of common stock being offered by this prospectus will be passed upon for us by McAfee & Taft A Professional Corporation. Certain legal matters in connection with this offering will be passed upon for the underwriters by Andrews & Kurth L.L.P.

EXPERTS

The consolidated financial statements of Devon as of and for each of the years ended December 31, 1998, 1997 and 1996 have been incorporated by reference herein in reliance upon the reports of KPMG LLP, independent certified public accountants, and Deloitte & Touche LLP and PricewaterhouseCoopers LLP, chartered accountants, incorporated by reference in this document, and upon the authority of said firms as experts in accounting and auditing.

The audited consolidated financial statements of PennzEnergy and its subsidiaries incorporated by reference in this registration statement/prospectus have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto, and are incorporated by reference herein in reliance upon the authority of said firm as experts in accounting and auditing in giving said report.

Certain information with respect to our oil and gas reserves derived from the reports of LaRoche Petroleum Consultants, Ltd., AMH Group Ltd., Paddock Lindstrom & Associates Ltd. and John P. Hunter & Associates, Ltd., independent consulting petroleum engineers, has been included and incorporated by reference herein upon the authority of said firms as experts with respect to matters covered by such reports and in giving such reports.

Certain information with respect to PennzEnergy's oil and gas reserves derived from the report of Ryder Scott Company, L.P., independent consulting petroleum engineers, has been included and incorporated by reference herein upon the authority of said firm as experts with respect to matters covered by such report and in giving such report.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any reports, statements or other information we file at the SEC's public reference rooms in Washington, D.C., New York, New York and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Our SEC filings are also available to the public from commercial document retrieval services and at the web site maintained by the SEC at "http://www.sec.gov".

We filed with the SEC a registration statement on Form S-3 with respect to the common stock offered by this prospectus. This prospectus is a part of that registration statement. As allowed by SEC rules, this prospectus does not contain all the information you can find in the registration statement or the exhibits to the registration statement.

The SEC allows us to "incorporate by reference" information into this prospectus, which means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus, except for any information superseded by information in, or incorporated by reference in, this prospectus. This prospectus incorporates by

reference the documents set forth below that we or PennzEnergy have previously filed with the SEC. These documents contain important information about our companies and their finances.

Devon SEC Filings

(File No. 001-30176)	Period
Current Report on Form 8-K	Filed on August 18, 1999
Current Report on Form 8-K	Filed on August 31, 1999
(File No. 001-10067)	
Annual Report on Form 10-K	Year ended December 31, 1998
Quarterly Report on Form 10-Q	Quarter ended March 31, 1999
Current Report on Form 8-K/A	Filed on February 2, 1999
Current Report on Form 8-K	Filed on February 8, 1999
Current Report on Form 8-K	Filed on February 22, 1999
Proxy Statement on Schedule 14A	Filed on April 9, 1999
Current Report on Form 8-K	Filed on April 28, 1999
Current Report on Form 8-K	Filed on May 21, 1999
Current Report on Form 8-K	Filed on June 1, 1999
Proxy Statement on Schedule 14A	Filed on July 16, 1999
Current Report on Form 8-K	Filed on July 22, 1999
Quarterly Report on Form 10-Q	Quarter ended June 30, 1999
Current Report on Form 8-K	Filed on August 13, 1999

PennzEnergy SEC Filings

(File No. 001-05591)	
Part II, Item 8. "Financial Statements and Supplementary Data" of the Annual Report on Form 10-K	Fiscal year ended December 31, 1998
Part I, Item 1. "Financial Statements" of the Quarterly Report on Form 10-Q.	Quarter ended March 31, 1999
Proxy Statement on Schedule 14A	Filed on March 25, 1999
Part I, Item 1. "Financial Statements" of the Quarterly Report on Form 10-Q	Quarter ended June 30, 1999
Current Report on Form 8-K	Filed on August 17, 1999

We are also incorporating by reference additional documents that we file with the SEC between the date of this prospectus and the termination of the offering.

Documents incorporated by reference are available from us without charge, excluding all exhibits unless we have specifically incorporated by reference an exhibit in this prospectus. You may obtain documents incorporated by reference in this prospectus by requesting them in writing, by e-mail or by telephone from us at the following address:

Devon Energy Corporation
20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102-8260
Attention: Corporate Secretary
Tel: (405) 235-3611
moonm@dvn.com

You can also get more information by visiting our web site at "http://www.devonenergy.com". Web site materials are not part of this prospectus.

CAUTIONARY STATEMENT CONCERNING

FORWARD-LOOKING STATEMENTS

We have made forward-looking statements in this document and in the documents referred to in this document which are subject to risks and uncertainties, including those discussed under the caption "Risk Factors." These statements are based on the beliefs and assumptions of our management and on the information currently available to them.

Statements and calculations concerning oil and gas reserves and their present value also may be deemed to be forward-looking statements in that they reflect the determination, based on estimates and assumptions, that oil and gas reserves may be profitably exploited in the future. When used or referred to in this document, these forward-looking statements may be preceded by, followed by, or otherwise include the words "believes," "expects," "anticipates," "intends," "plans," "estimates," "projects" or similar expressions, or statements that certain events or conditions "will" or "may" occur.

Except for our ongoing obligations to disclose material information as required by the federal securities laws, we do not have any intention or obligation to update forward-looking statements after we distribute this document.

COMMONLY USED OIL AND GAS TERMS

"Bbl" means barrel.

"Bbl/d" means Bbl per day.

"Bcf" means billion cubic feet.

"Boe" means equivalent barrels of oil, calculated by converting gas to equivalent Bbls. The U.S. convention for this conversion is six Mcf equals one Boe.

"Boe/d" means Boe per day.

"Cash margin" means total revenues less cash expenses. Cash expenses are all expenses other than the non-cash expenses of depreciation, depletion and amortization, deferred effect of changes in foreign currency exchange rate on subsidiary's long-term debt, reduction of carrying value of oil and gas properties and deferred income tax expense.

"MBbls" means thousand barrels.

"MBoe" means thousand Boe.

"Mcf" means thousand cubic feet.

"Mcfe" means thousand equivalent cubic feet of gas, calculated by converting

oil and NGLs to equivalent Mcf. The U.S. convention for this conversion is one- sixth Bbl equals one Mcfe.

"MMBbls" means million barrels.

"MMBoe" means million Boe.

"MMBtu" means million British thermal units, a measure of heating value.

"MMcf" means million cubic feet.

"MMcf/d" means MMcf per day.

"Modified EBITDA" means earnings before interest (including deferred effect of changes in foreign currency exchange rate on subsidiary's long-term debt, and distributions on preferred securities of subsidiary trust), taxes, depreciation, depletion and amortization and reduction of carrying value of oil and gas properties.

"NGL" means natural gas liquids.

"Oil" includes crude oil and condensate.

"SEC 10% present value" is the pre-tax present value of future net cash flows from proved reserves, discounted at 10% per year. Oil, gas and NGL prices used to calculate future revenues are based on year-end prices held constant, except where fixed and determinable price changes are provided by contractual arrangements. Future development and production costs are also based on year- end costs and assume the continuation of existing economic conditions.

"Standardized measure of discounted future net cash flows" is the SEC 10% present value defined above, less applicable income taxes.

"Tcf" means trillion cubic feet.

Devon Energy Corporation Logo

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following is a statement of estimated expenses incurred in connection with the shares of common stock being registered hereby. Devon will pay for the fees and expenses of the offering of the shares of common stock offered hereby.

SEC Registration Fee	$106,943
Legal Fees and Expenses	175,000
Printing and Engraving Expenses	150,000
Accounting Fees and Expenses	50,000
Transfer Agent and Registrar Fees and Expenses	5,000
Blue Sky Fees and Expenses (including legal fees)	10,000
Miscellaneous	253,057
Total	$750,000

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Except to the extent indicated below, there is no charter provision, by-law, contract, arrangement or statute under which any director or officer of Registrant is insured or indemnified in any manner against any liability which he or she may incur in his or her capacity as such.

Article VIII of the Restated Certificate of Incorporation of Registrant contains a provision, permitted by Section 102(b)(7) of the Delaware General Corporation Law (the "DGCL"), limiting the personal monetary liability of directors for breach of fiduciary duty as a director. The DGCL and the Restated Certificate of Incorporation of the Registrant provide that such provision does not eliminate or limit liability,

(1) for any breach of the director's duty of loyalty to Registrant or its stockholders,

(2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law,

(3) for unlawful payments of dividends or unlawful stock repurchases or redemptions, as provided in Section 174 of the DGCL, or

(4) for any transaction from which the director derived an improper benefit.

Section 145 of the DGCL permits indemnification against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with actions, suits or proceedings in which a director, officer, employee or agent is a party by reason of the fact that he or she is or was such a director, officer, employee or agent, if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation and with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. However, in connection with actions by or in the right of the corporation, such indemnification is not permitted if such person has been adjudged liable to the corporation unless the court determines that, under all of the circumstances, such person is nonetheless fairly and reasonably entitled to indemnity for such expenses as the court deems proper. Article X of the Registrant's Restated Certificate of Incorporation provides for such indemnification.

Section 145 also permits a corporation to purchase and maintain insurance on behalf of its directors and officers against any liability which may be asserted against, or incurred by, such persons in their capacities as

directors or officers of the corporation whether or not Registrant would have the power to indemnify such persons against such liabilities under the provisions of such sections. Registrant intends to purchase such insurance.

Section 145 further provides that the statutory provision is not exclusive of any other right to which those seeking indemnification or advancement of expenses may be entitled under any by-law, agreement, vote of stockholders or independent directors, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office.

Article XIII of the by-laws of Registrant contains provisions regarding indemnification which parallel those described above.

The merger agreement provides that for seven years after the effective time, Registrant will indemnify and hold harmless each person who was a director or officer of Devon or PennzEnergy prior to the effective time from their acts or omissions in those capacities occurring prior to the effective time to the fullest extent permitted by applicable law.

ITEM 16. EXHIBITS

Exhibit No.	Document
1.1	Form of Underwriting Agreement.*
2.1	Amended and Restated Agreement and Plan of Merger among Registrant, Devon Energy Corporation (Oklahoma) (formerly Devon Energy Corporation, an Oklahoma corporation), Devon Oklahoma Corporation and PennzEnergy Company dated as of May 19, 1999 (incorporated by reference to Exhibit 2 to Registrant's Form S-4, File No. 333-82903).
4.1	Registrant's Restated Certificate of Incorporation (incorporated by reference to Exhibit 3 to Registrant's Form 8-K filed on August 18, 1999).
4.2	Registrant's By-laws (incorporated by reference to Exhibit 3.3 to Registrant's Registration Statement on Form S-4, File No. 333-82903).
4.3	Form of Common Stock Certificate (incorporated by reference to Exhibit 4.1 to Registrant's Form 8-K, filed on August 18, 1999).
4.4	Rights Agreement between Registrant and BankBoston, N.A. (incorporated by reference to Exhibit 4.2 to Registrant's Form 8-K filed on August 18, 1999).
4.5	Certificate of Designations of Series A Junior Participating Preferred Stock of Registrant (incorporated by reference to Exhibit 4.3 to Registrant's Form 8-K filed on August 18, 1999).
4.6	Certificate of Designations of the 6.49% Cumulative Preferred Stock, Series A of Registrant (incorporated by reference to Exhibit 4.4 to Registrant's Form 8-K filed on August 18, 1999).
4.7	Amending Support Agreement, dated August 17, 1999, between the Registrant and Northstar Energy Corporation (incorporated by reference to Exhibit 4.5 to Registrant's Form 8-K filed on August 18, 1999).
4.8	Description of Capital Stock of Devon Energy Corporation (incorporated by reference to Exhibit 4.9 to Registrant's Form 8-K filed on August 18, 1999).
5.1	Opinion of McAfee & Taft A Professional Corporation.*
23.1	Consent of KPMG LLP.*
23.2	Consent of Deloitte & Touche LLP.*
23.3	Consent of PricewaterhouseCoopers LLP.*
23.4	Consent of Arthur Andersen LLP.*
23.5	Consent of LaRoche Petroleum Consultants, Ltd.
23.6	Consent of AMH Group Ltd.
23.7	Consent of Paddock Lindstrom & Associates Ltd.
23.8	Consent of John P. Hunter & Associates, Ltd.
23.9	Consent of Ryder Scott Company, L.P.
23.10	Consent of McAfee & Taft A Professional Corporation (contained in opinion in Exhibit 5.1).*
24.1	Power of Attorney.

* Filed with this amendment.

ITEM 17. UNDERTAKINGS

(a) The undersigned registrant hereby undertakes

(1) That, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13 (a) or 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in this Registration Statement shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof;

(2) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the undersigned registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective;

(3) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offer of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(b) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by any such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether or not such indemnification is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of Securities Act of 1933, the registrant has duly caused this amended Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Oklahoma City, State of Oklahoma, on the 15th day of September, 1999.

DEVON ENERGY CORPORATION

*/s/ *

By: _____

J. Larry Nichols
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this amended Registration Statement has been signed by the following persons in the capacities indicated on September 15, 1999.

Signature	*Title*
*/s/ * *James L. Pate*	*Chairman of the Board and Director*
*/s/ * *J. Larry Nichols*	*President, Chief Executive Officer and Director*
*/s/ * *William T. Vaughn*	*Vice President Finance*
*/s/ * *Danny J. Heatly*	*Controller*
*/s/ * *Thomas F. Ferguson*	*Director*
*/s/ * *David M. Gavrin*	*Director*
*/s/ * *Michael E. Gellert*	*Director*
*/s/ * *John A. Hagg*	*Director*
*/s/ * *Henry R. Hamman*	*Director*
*/s/ * *William J. Johnson*	*Director*
*/s/ * *Michael M. Kanovsky*	*Director*
*/s/ *	*Director*

Signature	Title
/s/ *	Director
H.R. Sanders, Jr.	
/s/ *	Director
Terry L. Savage	
/s/ *	Director
Brent Scowcrowft	
/s/ *	Director
Robert B. Weaver	

*By /s/ H. Allen Turner
H. Allen Turner Attorney in Fact

EXHIBIT INDEX

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24.1	Power of Attorney.

* Filed with this amendment.

Exhibit 1.1

8,700,000 SHARES

DEVON ENERGY CORPORATION

COMMON STOCK, PAR VALUE $0.10

UNDERWRITING AGREEMENT

September ___, 1999

September ___, 1999

Morgan Stanley & Co. Incorporated
J.P. Morgan Securities, Inc.
PaineWebber Incorporated
Bear, Stearns & Co. Inc.
Schroder & Co. Inc.
c/o Morgan Stanley & Co. Incorporated
1585 Broadway
New York, New York 10036

Dear Sirs and Mesdames:

Devon Energy Corporation, a Delaware corporation (the "COMPANY"), proposes to issue and sell to the several Underwriters (as defined below) 8,700,000 shares of its Common Stock, par value $0.10 (the "FIRM SHARES").

It is understood that, subject to the conditions hereinafter stated, 8,700,000 Firm Shares (the "FIRM SHARES") will be sold to the several Underwriters named in Schedule I hereto (the "UNDERWRITERS") in connection with the offering and sale of such Firm Shares. Morgan Stanley & Co. Incorporated, J.P. Morgan Securities, Inc., PaineWebber Incorporated, Bear, Stearns & Co. Inc. and Schroder & Co. Inc. shall act as representatives (the "REPRESENTATIVES") of the several Underwriters.

The Company also proposes to issue and sell to the several Underwriters not more than an additional 1,300,000 shares of its Common Stock, par value $0.10 (the "ADDITIONAL SHARES"), if and to the extent that the Representatives shall have determined to exercise, on behalf of the Underwriters, the right to purchase such shares of common stock granted to the Underwriters in Section 2 hereof. The Firm Shares and the Additional Shares are hereinafter collectively referred to as the "SHARES." The shares of Common Stock, par value $0.10, of the Company to be outstanding after giving effect to the sales contemplated hereby are hereinafter referred to as the "COMMON STOCK."

The Company has filed with the Securities and Exchange Commission (the "COMMISSION") a registration statement relating to the Shares. The registration statement as amended at the time it becomes effective, including the information (if any) deemed to be part of the registration statement at the time of effectiveness pursuant to Rule 430A under the Securities Act of 1933, as amended (the "SECURITIES ACT"), is hereinafter referred to as the "REGISTRATION STATEMENT;" the prospectus included in the Registration Statement in the form first used to confirm sales of Shares is hereinafter referred to as the "PROSPECTUS." If the Company has filed an abbreviated registration statement to register additional shares of Common Stock pursuant to

Rule 462(b) under the Securities Act (the "RULE 462 REGISTRATION STATEMENT"), then any reference herein to the term "Registration Statement" shall be deemed to include such Rule 462 Registration Statement (including, in the case of all references to the Registration Statement and the Prospectus, documents incorporated by reference).

1. Representations and Warranties. The Company represents and warrants to and agrees with each of the Underwriters that:

(a) The Registration Statement has become effective; no stop order suspending the effectiveness of the Registration Statement is in effect, and no proceedings for such purpose are pending before or threatened by the Commission.

(b) (i) Each document, if any, filed or to be filed pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act") and incorporated by reference in the Prospectus, complied or will comply when so filed in all material respects with the Exchange Act and the applicable rules and regulations of the Commission thereunder, (ii) the Registration Statement, when it became effective, did not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (iii) the Registration Statement and the Prospectus comply and, as amended or supplemented, if applicable, will comply in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder and (iv) the Prospectus does not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the representations and warranties set forth in this paragraph do not apply to statements or omissions in the Registration Statement or the Prospectus based upon information relating to any Underwriter furnished to the Company in writing by such Underwriter through you expressly for use therein.

(c) The Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own its property and to conduct its business as described in the Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(d) Each subsidiary of the Company has been duly incorporated, is validly existing and in good standing under the laws of the jurisdiction in which it is chartered or organized, has the corporate power and authority to own its property and to conduct its business as described in the Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or

leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the Company and its subsidiaries, taken as a whole; all of the issued shares of capital stock of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and are owned, directly or indirectly, by the Company, free and clear of all liens, encumbrances, equities or claims.

(e) This Agreement has been duly authorized, executed and delivered by the Company.

(f) The authorized capital stock of the Company conforms as to legal matters to the description thereof contained in the Prospectus.

(g) The shares of Common Stock outstanding prior to the issuance of the Shares have been duly authorized and are validly issued, fully paid and non-assessable.

(h) The Shares have been duly authorized and, when issued and delivered in accordance with the terms of this Agreement, will be validly issued, fully paid and non-assessable, and the issuance of such Shares will not be subject to any preemptive or similar rights.

(i) The execution and delivery by the Company of, and the performance by the Company of its obligations under, this Agreement will not contravene any provision of applicable law or the certificate of incorporation or by- laws of the Company or any agreement or other instrument binding upon the Company or any of its subsidiaries that is material to the Company and its subsidiaries, taken as a whole, or any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company or any subsidiary, and no consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the performance by the Company of its obligations under this Agreement, except such as has been obtained under the Securities Act and such as may be required by the securities or Blue Sky laws of the various states in connection with the offer and sale of the Shares.

(j) There has not occurred any material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the Prospectus (exclusive of any amendments or supplements thereto subsequent to the date of this Agreement).

(k) There are no legal or governmental proceedings pending or threatened to which the Company or any of its subsidiaries is a party or to which any of the properties of the Company or any of its subsidiaries is subject that are required to be described in the Registration Statement or the Prospectus and are not so described or any statutes, regulations, contracts or other documents that are required to be described in the Registration Statement

or the Prospectus or to be filed as exhibits to the Registration Statement that are not described or filed as required.

(l) Each preliminary prospectus filed as part of the registration statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the Securities Act, complied when so filed in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder.

(m) The Company is not and, after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as described in the Prospectus, will not be an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(n) The Company and its subsidiaries (i) are in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants, including, without limitation, the regulations of the United States Mineral Management Service ("ENVIRONMENTAL LAWS"), (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) are in compliance with all terms and conditions of any such permit, license or approval, except where such noncompliance with Environmental Laws, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals would not, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(o) There are no costs or liabilities associated with Environmental Laws (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties) which would, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(p) There are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company or to require the Company to include such securities with the Shares registered pursuant to the Registration Statement, other than pursuant to the Registration Rights Agreement between the Company and Kerr-McGee Corporation.

(q) There are no defects in title to, or encumbrances upon the leasehold interests in, the oil and gas producing properties of the Company and its subsidiaries or the assets or facilities used by the Company and its subsidiaries in the production and marketing of oil and gas which, individually or in the aggregate, have a material adverse effect on the Company

and its subsidiaries, taken as a whole, except any such defects and encumbrances that are customary in the oil and gas industry and are in the ordinary course of business of the Company.

(r) The Company has reviewed its operations and that of its subsidiaries to evaluate the extent to which the business or operations of the Company or any of its subsidiaries will be affected by the Year 2000 Problem (that is, any significant risk that computer hardware or software applications used by the Company and its subsidiaries will not, in the case of dates or time periods occurring after December 31, 1999, function at least as effectively as in the case of dates or time periods occurring prior to January 1, 2000); as a result of such review, (i) the Company has no reason to believe, and does not believe, that (A) there are any issues related to the Company's preparedness to address the Year 2000 Problem that are of a character required to be described or referred to in the Registration Statement or Prospectus which have not been accurately described in the Registration Statement or Prospectus and (B) the Year 2000 Problem will have a material adverse effect on the condition, financial or otherwise, or on the earnings, business or operations of the Company and its subsidiaries, taken as a whole, or result in any material loss or interference with the business or operations of the Company and its subsidiaries, taken as a whole; and (ii) the Company reasonably believes, after due inquiry, that the suppliers, vendors, customers or other material third parties used or served by the Company and such subsidiaries are addressing or will address the Year 2000 Problem in a timely manner, except to the extent that a failure to address the Year 2000 Problem by any supplier, vendor, customer or material third party would not have a material adverse effect on the condition, financial or otherwise, or on the earnings, business or operations of the Company and its subsidiaries, taken as a whole.

2. Agreements to Sell and Purchase. The Company hereby agrees to sell to the several Underwriters, and each Underwriter, upon the basis of the representations and warranties herein contained, but subject to the conditions hereinafter stated, agrees, severally and not jointly, to purchase from the Company the respective numbers of Firm Shares set forth in Schedules I and II hereto opposite its names at U.S.$_____ a share ("PURCHASE PRICE").

On the basis of the representations and warranties contained in this Agreement, and subject to its terms and conditions, the Company agrees to sell to the U.S. Underwriters the Additional Shares, and the U.S. Underwriters shall have a one-time right to purchase, severally and not jointly, up to 1,500,000 Additional Shares at the Purchase Price. If the U.S. Representatives, on behalf of the U.S. Underwriters, elect to exercise such option, the U.S. Representatives shall so notify the Company in writing not later than 30 days after the date of this Agreement, which notice shall specify the number of Additional Shares to be purchased by the U.S. Underwriters and the date on which such shares are to be purchased. Such date may be the same as the Closing Date (as defined below) but not earlier than the Closing Date nor later than ten business days after the date of such notice. Additional Shares may be purchased as provided in Section 4 hereof solely for the purpose of covering over- allotments made in connection with the offering of the Firm Shares. If any Additional Shares are to be purchased, each U.S. Underwriter agrees, severally and not jointly, to

purchase the number of Additional Shares (subject to such adjustments to eliminate fractional shares as the U.S. Representatives may determine) that bears the same proportion to the total number of Additional Shares to be purchased as the number of U.S. Firm Shares set forth in Schedule I hereto opposite the name of such U.S. Underwriter bears to the total number of U.S. Firm Shares.

The Company hereby agrees that, without the prior written consent of Morgan Stanley & Co. Incorporated on behalf of the Underwriters, it will not, during the period ending [____] days after the date of the Prospectus, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise. The foregoing sentence shall not apply to (A) the Shares to be sold hereunder or (B) the issuance by the Company of shares of Common Stock upon the exercise of an option or warrant or the conversion of a security outstanding on the date hereof of which the Underwriters have been advised in writing or which is disclosed in the Prospectus.

3. Terms of Public Offering. The Company is advised by you that the Underwriters propose to make a public offering of their respective portions of the Shares as soon after the Registration Statement and this Agreement have become effective as in your judgment is advisable. The Company is further advised by you that the Shares are to be offered to the public initially at U.S. $_____ a share (the "PUBLIC OFFERING PRICE") and to certain dealers selected by you at a price that represents a concession not in excess of U.S. $____ a share under the Public Offering Price, and that any Underwriter may allow, and such dealers may reallow, a concession, not in excess of U.S. $____ a share, to any Underwriter or to certain other dealers.

4. Payment and Delivery. Payment for the Firm Shares shall be made to the Company in Federal or other funds immediately available in New York City against delivery of such Firm Shares for the respective accounts of the several Underwriters at 10:00 a.m., New York City time, on September ___, 1999, or at such other time on the same or such other date, not later than September ___, 1999, as shall be designated in writing by you. The time and date of such payment are hereinafter referred to as the "CLOSING DATE."

Payment for any Additional Shares shall be made to the Company in Federal or other funds immediately available in New York City against delivery of such Additional Shares for the respective accounts of the several Underwriters at 10:00 a.m., New York City time, on the date specified in the notice described in Section 2 or at such other time on the same or on such other date, in any event not later than October __, 1999, as shall be designated in writing by the U.S. Representatives. The time and date of such payment are hereinafter referred to as the "OPTION CLOSING DATE."

Certificates for the Firm Shares and Additional Shares shall be in definitive form and registered in such names and in such denominations as you shall request in writing not later than one full business day prior to the Closing Date or the Option Closing Date, as the case may be. The certificates evidencing the Firm Shares and Additional Shares shall be delivered to you on the Closing Date or the Option Closing Date, as the case may be, for the respective accounts of the several Underwriters, with any transfer taxes payable in connection with the transfer of the Shares to the Underwriters duly paid, against payment of the Purchase Price therefor.

5. Conditions to the Underwriters' Obligations. The obligations of the Company to sell the Shares to the Underwriters and the several obligations of the Underwriters to purchase and pay for the Shares on the Closing Date are subject to the condition that the Registration Statement shall have become effective not later than 5:00 p.m. (New York City time) on the date hereof.

The several obligations of the Underwriters are subject to the following further conditions:

(a) Subsequent to the execution and delivery of this Agreement and prior to the Closing Date:

(i) there shall not have occurred any downgrading, nor shall any notice have been given of any intended or potential downgrading or of any review for a possible change that does not indicate the direction of the possible change, in the rating accorded any of the Company's securities by any "nationally recognized statistical rating organization," as such term is defined for purposes of Rule 436(g)(2) under the Securities Act; and

(ii) there shall not have occurred any change, or any development involving a prospective change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the Prospectus (exclusive of any amendments or supplements thereto subsequent to the date of this Agreement) that, in your judgment, is material and adverse and that makes it, in your judgment, impracticable to market the Shares on the terms and in the manner contemplated in the Prospectus.

(b) The Underwriters shall have received on the Closing Date a certificate, dated the Closing Date and signed by an executive officer of the Company, to the effect set forth in Section 5(a)(i) above and to the effect that the representations and warranties of the Company contained in this Agreement are true and correct as of the Closing Date and that the Company has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied hereunder on or before the Closing Date.

The officer signing and delivering such certificate may rely upon the best of his or her knowledge as to proceedings threatened.

(c) The Underwriters shall have received on the Closing Date an opinion of McAfee & Taft A Professional Corporation ("McAfee & Taft"), outside counsel for the Company, dated the Closing Date, to the effect that:

(i) the Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own or lease its property and to conduct its business as described in the Prospectus;

(ii) each corporate subsidiary of the Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own its property and to conduct its business as described in the Prospectus;

(iii) the authorized capital stock of the Company conforms as to legal matters to the description thereof contained in the Prospectus;

(iv) the shares of Common Stock outstanding prior to the issuance of the Shares have been duly authorized and are validly issued, fully paid and non-assessable;

(v) all of the issued shares of capital stock of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly by the Company, free and clear of all liens, encumbrances, equities or claims;

(vi) the Shares have been duly authorized and, when paid for, issued, and delivered in accordance with the terms of this Agreement, will be validly issued, fully paid and non-assessable, and the issuance of such Shares will not be subject to any preemptive or similar rights;

(vii) this Agreement has been duly authorized, executed and delivered by the Company;

(viii) the execution and delivery by the Company of, and the performance by the Company of its obligations under, this Agreement will not contravene any provision of applicable law or the certificate of incorporation or by-laws of the Company or any agreement or other instrument binding upon the Company or any of its subsidiaries that is listed as an exhibit to the Registration Statement and is material to the Company and its subsidiaries, taken as a whole, or any judgment, order or decree known to such counsel to be applicable to the Company or any subsidiary of any United States or state governmental body, agency or court having jurisdiction over the Company or any of its U.S. subsidiaries, and no consent, approval, authorization or order of, or qualification with, any United States or state

governmental body or agency is required for the performance by the Company of its obligations under this Agreement, except such as has been obtained under the Securities Act and such as may be required by the securities or Blue Sky laws of the various states in connection with the offer and sale of the Shares by the U.S. Underwriters;

(ix) the statements (A) in the Prospectus under the captions "United States Federal Tax Considerations To Non-United States Holders," (B) in the Registration Statement in Item 15, (C) in the Company's Annual Report on Form 10-K for the year ended December 31, 1998 under the captions "Business-Government Regulation-United States Regulation," and "Properties--Title to Properties," and (D) in Exhibit 4.9, "Description of Capital Stock of Devon Energy Corporation," to the Company's Current Report on Form 8-K filed with the Commission on August 17, 1999 (the "Form 8-K"), in each case insofar as such statements constitute summaries of the legal matters, documents or proceedings referred to therein, fairly present the information called for with respect to such legal matters, documents and proceedings and fairly summarize the matters referred to therein;

(x) after due inquiry, such counsel does not know of any legal or governmental proceedings pending or threatened in the United States to which the Company or any of its subsidiaries is a party or to which any of the properties of the Company or any of its subsidiaries is subject that are required to be described in the Registration Statement or the Prospectus and are not so described; or of any contracts or other documents that are required to be described in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement that are not described or filed as required;

(xi) the Company is not and, after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as described in the Prospectus, will not be an "investment company" as such term is defined in the Investment Company Act of 1940, as amended;

(xii) such counsel (A) is of the opinion that each document filed pursuant to the Exchange Act and incorporated by reference in the Registration Statement and the Prospectus (except for financial statements and schedules and other financial and statistical data and oil and gas reserve data as to which such counsel need not express any opinion) complied when so filed as to form in all material respects with the Exchange Act and the applicable rules and regulations of the Commission thereunder, and (B) is of the opinion that the Registration Statement and Prospectus (except for financial statements and schedules, other financial and statistical data and oil and gas reserve data included therein as to which such counsel need not express any opinion) comply as to form in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder, (C) has no reason

to believe that (except for financial statements and schedules, other financial and statistical data and oil and gas reserve data as to which such counsel need not express any belief) the Registration Statement and the prospectus included therein at the time the Registration Statement became effective contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (D) has no reason to believe that (except for financial statements and schedules, other financial and statistical data and oil and gas reserve data as to which such counsel need not express any belief) the Prospectus contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) The Underwriters shall have received on the Closing Date an opinion of Andrews & Kurth L.L.P., counsel for the Underwriters, dated the Closing Date, covering the matters referred to in Sections 5(c)(vi),
5(c)(vii), 5(c)(ix) (but only as to the statements in the Prospectus under "Underwriters" and the statements in Exhibit 4.9 to the Form 8-K) and clauses (B), (C) and (D) of 5(c)(xii) above.

With respect to Section 5(c)(xii) above, McAfee & Taft may state that their opinion and belief are based upon their participation in the preparation of the Registration Statement and Prospectus and any amendments or supplements thereto and documents incorporated therein by reference and review and discussion of the contents thereof, but is without independent check or verification except as specified; and such counself may also state that they have relied on the opinion of Burnet, Duckworth & Palms as to matters of Canadian law. With respect to clauses (B), (C) and (D) of
Section 5(c)(xii) above, Andrews & Kurth L.L.P. may state that their opinion and belief are based upon their participation in the preparation of the Registration Statement and Prospectus and any amendments or supplements thereto (other than the documents incorporated by reference) and review and discussion of the contents thereof (including documents incorporated by reference), but are without independent check or verification except as specified.

The opinion of McAfee & Taft described in Section 5(c) above shall be rendered to the Underwriters at the request of the Company and shall so state therein.

(e) The Underwriters shall have received, on each of the date hereof and the Closing Date, a letter dated the date hereof or the Closing Date, as the case may be, in form and substance satisfactory to the Underwriters, from KPMG LLP, independent public accountants, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the historical and pro forma financial statements of the Company and certain financial information related to the Company contained or incorporated by reference in the Registration Statement and the Prospectus; provided that the letter delivered on the Closing Date shall use a "cut-off date" not earlier than the date hereof.

(f) The Underwriters shall have received a letter, on each of the date hereof and the Closing Date, as the case may be, in form and substance satisfactory to the Underwriters, from each of Deloitte & Touche LLP and PricewaterhouseCoopers LLP, independent public accountants, stating their independence with respect to the Company.

(g) The Underwriters shall have received, on each of the date hereof and the Closing Date, a letter dated the date hereof or the Closing Date, as the case may be, in form and substance satisfactory to the Underwriters, from Arthur Andersen & Co., independent public accountants, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the historical financial statements of PennzEnergy and certain financial information related to PennzEnergy contained or incorporated by reference in the Registration Statement and the Prospectus; provided that the letter delivered on the Closing Date shall use a "cut-off date" not earlier than the date hereof.

(h) The Company shall have requested and caused LaRoche Petroleum Consultants, Ltd., AMH Group Ltd., Paddock Lindstrom & Associates Ltd., John P. Hunter & Associates, Ltd. and Ryder Scott Company, L.P. to have furnished to the Underwriters, at the date hereof and at the Closing Date, letters, dated respectively as of the date hereof and as of the Closing Date, in form and substance satisfactory to the Underwriters, with respect to reserve information of the Company contained in the Registration Statement and the Prospectus.

(i) The "lock-up" agreements, each substantially in the form of Exhibit A hereto, between you and executive officers and directors of the Company relating to sales and certain other dispositions of shares of Common Stock or certain other securities, delivered to you on or before the date hereof, shall be in full force and effect on the Closing Date.

(j) The several obligations of the U.S. Underwriters to purchase Additional Shares hereunder are subject to the delivery to the U.S. Representatives on the Option Closing Date of such documents as they may reasonably request with respect to the good standing of the Company, the due authorization and issuance of the Additional Shares and other matters related to the issuance of the Additional Shares.

6. Covenants of the Company. In further consideration of the agreements of the Underwriters herein contained, the Company covenants with each Underwriter as follows:

(a) To furnish to you, without charge, signed copies of the Registration Statement (including exhibits thereto and documents incorporated by reference) and for delivery to each other Underwriter a conformed copy of the Registration Statement (without exhibits thereto but including documents incorporated by reference) and to furnish to you in New York City, without charge, prior to 10:00 a.m. New York City time on the business day next succeeding the date of this Agreement and during the period mentioned in Section 6(c) below, as many copies of the Prospectus, and any documents incorporated therein by reference, and any

supplements and amendments thereto or to the Registration Statement as you may reasonably request. The terms "supplement" and "amendment" or "amend" as used in this Agreement shall include all documents subsequently filed by the Company with the Commission pursuant to the Securities Exchange Act of 1934, as amended, that are deemed to be incorporated by reference in the Prospectus.

(b) Before filing any amendment or supplement to the Registration Statement or the Prospectus, to furnish to you a copy of each such proposed amendment or supplement and not to file any such proposed amendment or supplement to which you reasonably object, and to file with the Commission within the applicable period specified in Rule 424(b) under the Securities Act any prospectus required to be filed pursuant to such Rule.

(c) If, during such period after the first date of the public offering of the Shares as in the opinion of counsel for the Underwriters the Prospectus is required by law to be delivered in connection with sales by an Underwriter or dealer, any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Prospectus in order to make the statements therein, in the light of the circumstances when the Prospectus is delivered to a purchaser, not misleading, or if, in the opinion of counsel for the Underwriters, it is necessary to amend or supplement the Prospectus to comply with applicable law, forthwith to prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to the dealers (whose names and addresses you will furnish to the Company) to which Shares may have been sold by you on behalf of the Underwriters and to any other dealers upon request, either amendments or supplements to the Prospectus so that the statements in the Prospectus as so amended or supplemented will not, in the light of the circumstances when the Prospectus is delivered to a purchaser, be misleading or so that the Prospectus, as amended or supplemented, will comply with law.

(d) To endeavor to qualify the Shares for offer and sale under the securities or Blue Sky laws of such jurisdictions as you shall reasonably request.

(e) To make generally available to the Company's security holders and to you as soon as practicable an earning statement covering the twelve-month period ending September 30, 2000 that satisfies the provisions of
Section 11(a) of the Securities Act and the rules and regulations of the Commission thereunder.

(f) Whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, to pay or cause to be paid all expenses incident to the performance of its obligations under this Agreement, including: (i) the fees, disbursements and expenses of the Company's counsel and the Company's accountants in connection with the registration and delivery of the Shares under the Securities Act and all other fees or expenses in connection with the preparation and filing of the Registration Statement, any preliminary prospectus, the Prospectus and amendments and supplements to any of the foregoing, including all printing costs associated therewith, and the mailing and delivering of copies thereof to the Underwriters and dealers, in the quantities hereinabove

specified, (ii) all costs and expenses related to the transfer and delivery of the Shares to the Underwriters, including any transfer or other taxes payable thereon, (iii) the cost of printing or producing any Blue Sky or Legal Investment memorandum in connection with the offer and sale of the Shares under state securities laws and all expenses in connection with the qualification of the Shares for offer and sale under state securities laws as provided in Section 6(d) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky or Legal Investment memorandum, (iv) all filing fees and the reasonable fees and disbursements of counsel to the Underwriters incurred in connection with the review and qualification of the offering of the Shares by the National Association of Securities Dealers, Inc., (v) all costs and expenses incident to listing the Shares on the American Stock Exchange,
(vi) the cost of printing certificates representing the Shares, (vii) the costs and charges of any transfer agent, registrar or depositary, (viii) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the offering of the Shares, including, without limitation, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Company, travel and lodging expenses of the representatives and officers of the Company and any such consultants, and the cost of any aircraft chartered in connection with the road show, (ix) all expenses in connection with any offer and sale of the Shares outside of the United States, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection with offers and sales outside of the United States and (x) all other costs and expenses incident to the performance of the obligations of the Company hereunder for which provision is not otherwise made in this Section. It is understood, however, that except as provided in this Section, Section 7 entitled "Indemnity and Contribution," and the last paragraph of Section 9 below, the Underwriters will pay all of their costs and expenses, including fees and disbursements of their counsel, stock transfer taxes payable on resale of any of the Shares by them and any advertising expenses connected with any offers they may make.

7. Indemnity and Contribution. (a) The Company agrees to indemnify and hold harmless each Underwriter and each person, if any, who controls any Underwriter within the meaning of either Section 15 of the Securities Act or
Section 20 of the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT"), from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof, any preliminary prospectus or the Prospectus (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto), or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information relating to any Underwriter furnished to the Company in writing by or on behalf of any Underwriter through you expressly for use therein.

(b) Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, its directors, its officers who sign the Registration Statement and each person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to such Underwriter, but only with reference to information relating to such Underwriter furnished to the Company in writing by such Underwriter through you expressly for use in the Registration Statement, any preliminary prospectus, the Prospectus or any amendments or supplements thereto.

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Section 7(a) or 7(b), such person (the "INDEMNIFIED PARTY") shall promptly notify the person against whom such indemnity may be sought (the "INDEMNIFYING PARTY") in writing and the indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in respect of the legal expenses of any indemnified party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such indemnified parties and that all such fees and expenses shall be reimbursed as they are incurred. Such firm shall be designated in writing by Morgan Stanley & Co. Incorporated, in the case of parties indemnified pursuant to Section 7(a), and by the Company, in the case of parties indemnified pursuant to Section
7(b). The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by the second and third sentences of this paragraph, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in

respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

(d) To the extent the indemnification provided for in Section 7(a) or 7(b) is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other hand from the offering of the Shares or (ii) if the allocation provided by clause 7(d)(i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 7(d)(i) above but also the relative fault of the Company on the one hand and of the Underwriters on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other hand in connection with the offering of the Shares shall be deemed to be in the same respective proportions as the net proceeds from the offering of the Shares (before deducting expenses) received by the Company and the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover of the Prospectus, bear to the aggregate Public Offering Price of the Shares. The relative fault of the Company on the one hand and the Underwriters on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Underwriters' respective obligations to contribute pursuant to this Section 7 are several in proportion to the respective number of Shares they have purchased hereunder, and not joint.

(e) The Company and the Underwriters agree that it would not be just or equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in Section 7(d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 7, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that such Underwriter has otherwise been required to

pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 7 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(f) The indemnity and contribution provisions contained in this
Section 7 and the representations, warranties and other statements of the Company contained in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Underwriter or any person controlling any Underwriter or by or on behalf of the Company, its officers or directors or any person controlling the Company and (iii) acceptance of and payment for any of the Shares.

8. Termination. This Agreement shall be subject to termination by notice given by you to the Company, if (a) after the execution and delivery of this Agreement and prior to the Closing Date (i) trading generally shall have been suspended or materially limited on or by, as the case may be, any of the New York Stock Exchange, the American Stock Exchange, the National Association of Securities Dealers, Inc., the Chicago Board of Options Exchange, the Chicago Mercantile Exchange or the Chicago Board of Trade, (ii) trading of any securities of the Company shall have been suspended on any exchange or in any over-the-counter market, (iii) a general moratorium on commercial banking activities in New York shall have been declared by either Federal or New York State authorities or (iv) there shall have occurred any outbreak or escalation of hostilities or any calamity or crisis that, in your judgment, materially and adversely affects the financial markets and (b) in the case of any of the events specified in clauses 8(a)(i) through 8(a)(iv), such event, singly or together with any other such event, makes it, in your judgment, impracticable to market the Shares on the terms and in the manner contemplated in the Prospectus.

9. Effectiveness; Defaulting Underwriters. This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

If, on the Closing Date or the Option Closing Date, as the case may be, any one or more of the Underwriters shall fail or refuse to purchase Shares that it has or they have agreed to purchase hereunder on such date, and the aggregate number of Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase is not more than one-tenth of the aggregate number of the Shares to be purchased on such date, the other Underwriters shall be obligated severally, in the proportions that the number of Firm Shares set forth opposite their respective names in Schedule I or Schedule II bears to the aggregate number of Firm Shares set forth opposite the names of all such non-defaulting Underwriters, or in such other proportions as you may specify, to purchase the Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date; provided that in no event shall the number of Shares that any Underwriter has agreed to purchase pursuant to this Agreement be increased pursuant to this Section 9 by an amount in excess of one-ninth of such number of Shares without the written consent

of such Underwriter. If, on the Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Firm Shares and the aggregate number of Firm Shares with respect to which such default occurs is more than one-tenth of the aggregate number of Firm Shares to be purchased, and arrangements satisfactory to you and the Company for the purchase of such Firm Shares are not made within 36 hours after such default, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter or the Company. In any such case either you or the Company shall have the right to postpone the Closing Date, but in no event for longer than seven days, in order that the required changes, if any, in the Registration Statement and in the Prospectus or in any other documents or arrangements may be effected. If, on the Option Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Additional Shares and the aggregate number of Additional Shares with respect to which such default occurs is more than one-tenth of the aggregate number of Additional Shares to be purchased, the non-defaulting Underwriters shall have the option to (i) terminate their obligation hereunder to purchase Additional Shares or (ii) purchase not less than the number of Additional Shares that such non-defaulting Underwriters would have been obligated to purchase in the absence of such default. Any action taken under this paragraph shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

If this Agreement shall be terminated by the Underwriters, or any of them, because of any failure or refusal on the part of the Company to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Company shall be unable to perform its obligations under this Agreement, the Company will reimburse the Underwriters or such Underwriters as have so terminated this Agreement with respect to themselves, severally, for all out-of-pocket expenses (including the fees and disbursements of their counsel) reasonably incurred by such Underwriters in connection with this Agreement or the offering contemplated hereunder.

10. Counterparts. This Agreement may be signed in two or more counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

11. Applicable Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

12. Headings. The headings of the sections of this Agreement have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.

Very truly yours,

DEVON ENERGY CORPORATION

By:

Name:

Title:

Accepted as of the date hereof

MORGAN STANLEY & CO. INCORPORATED
J.P. MORGAN SECURITIES INC.
PAINEWEBBER INCORPORATED
BEAR, STEARNS & CO. INC.
SCHRODER & CO. INC.
Acting severally on behalf of themselves and the several U.S. Underwriters named in Schedule I hereto.

By: Morgan Stanley & Co. Incorporated

By:
Name:
Title:

SCHEDULE I

UNDERWRITERS

UNDERWRITER	NUMBER OF FIRM SHARES TO BE PURCHASED
Morgan Stanley & Co. Incorporated	
J.P. Morgan Securities, Inc.	
PaineWebber Incorporated	
Bear, Stearns & Co. Inc.	
Schroder & Co. Inc.	
Total Firm Shares.....	

EXHIBIT A

[FORM OF LOCK-UP LETTER]

September ___, 1999

Morgan Stanley & Co. Incorporated
J.P. Morgan Securities Inc.
PaineWebber Incorporated
Bear, Stearns & Co. Inc.
Schroder & Co. Inc.
c/o Morgan Stanley & Co. Incorporated
1585 Broadway
New York, NY 10036

Dear Sirs and Mesdames:

The undersigned understands that Morgan Stanley & Co. Incorporated ("MORGAN STANLEY") and Morgan Stanley & Co. International Limited ("MSIL") propose to enter into an Underwriting Agreement (the "UNDERWRITING AGREEMENT") with Devon Energy Corporation, a Delaware corporation (the "COMPANY") providing for the public offering (the "PUBLIC OFFERING") by the several Underwriters, including Morgan Stanley and MSIL (the "UNDERWRITERS") of 8,700,000 shares (the "SHARES") of the Common Stock, par value $0.10 of the Company (the "COMMON STOCK").

To induce the Underwriters that may participate in the Public Offering to continue their efforts in connection with the Public Offering, the undersigned hereby agrees that, without the prior written consent of Morgan Stanley on behalf of the Underwriters, it will not, during the period commencing on the date hereof and ending [90] days after the date of the final prospectus relating to the Public Offering (the "PROSPECTUS"), (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock, or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise. The foregoing sentence shall not apply to (a) the sale of any Shares to the Underwriters pursuant to the Underwriting Agreement or (b) transactions relating to shares of Common Stock or other securities acquired in open market transactions after the completion of the Public Offering. In addition, the undersigned agrees that, without the prior written consent of

Morgan Stanley on behalf of the Underwriters, it will not, during the period commencing on the date hereof and ending 90 days after the date of the Prospectus, make any demand for or exercise any right with respect to, the registration of any shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock.

Whether or not the Public Offering actually occurs depends on a number of factors, including market conditions. Any Public Offering will only be made pursuant to an Underwriting Agreement, the terms of which are subject to negotiation between the Company and the Underwriters.

Very truly yours,

(Name)

(Address)

Exhibit 5.1

Law Offices
McAfee & Taft
A Professional Corporation
10th Floor, Two Leadership
Square
211 North Robinson
Oklahoma City, Oklahoma
73102-7103
(405) 235-9621
Fax (405) 235-0439
http://www.mcafeetaft.com

September 16, 1999

Devon Energy Corporation
20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102-8260

Ladies and Gentlemen:

We have acted as counsel to Devon Energy Corporation (the "Company"), an Oklahoma corporation, in connection with the public offering by the Company of up to 10,000,000 shares of the Company's common stock, par value $0.10 per share (the "Shares"). This opinion letter is furnished to you in connection with a registration statement on Form S-3 (the "Registration Statement") filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended, for the registration of the Shares.

We have examined, and have relied as to matters of fact upon, the Registration Statement (File No. 333-86065), and originals, or duplicates or certified or conformed copies, of the Company's Certificate of Incorporation and such records, agreements, instruments and other documents and such certificates of public officials and of officers and representatives of the Company, and have made such other and further investigations as we have deemed relevant and necessary in connection with the opinions expressed herein.

In such examination, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as duplicates or certified or conformed copies, and the authenticity of the originals of such latter documents.

Based upon and subject to the foregoing, we are of the opinion that when
(i) the Registration Statement becomes effective, (ii) certificates representing the Shares in the form of the specimen certificates examined by us have been manually signed by an authorized officer of the transfer agent and registrar for the common stock and registered by such transfer agent and registrar and (iii) the Shares are issued pursuant to and in accordance with the Underwriting Agreement in substantially the form of Exhibit 1.1 to the registration Statement, the issuance and sale of the Shares will have been duly authorized, and the Shares will be validly issued, fully paid and nonassessable.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement. We also consent to the reference to this firm appearing in the Registration Statement under the caption "Legal Matters."

Very truly yours,

McAfee & Taft A Professional Corporation

Exhibit 23.1

INDEPENDENT AUDITORS' CONSENT

The Board of Directors
Devon Energy Corporation

We consent to incorporation by reference herein of our report dated January 26, 1999, relating to the consolidated balance sheets of Devon Energy Corporation and subsidiaries as of December 31, 1998, 1997 and 1996 and the related consolidated statements of operations, stockholders' equity, and cash flows for the years then ended, which report appears in the December 31, 1998 annual report on Form 10-K of Devon Energy Corporation. We also consent to the reference to our firm under the heading "Experts" in the prospectus.

KPMG LLP

Oklahoma City, Oklahoma

September 14, 1999

Exhibit 23.2

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this registration statement on Form S-3 of Devon Energy Corporation of our report dated January 20, 1999 to the shareholders of Northstar Energy Corporation, relating to the consolidated balance sheets of Northstar Energy Corporation and subsidiaries as at December 31, 1998 and 1997 and the related consolidated statements of operations and comprehensive income (loss), stockholders' equity, and cash flows for each of the years then ended, which report appears in the December 31, 1998 annual report on Form 10-K of Devon Energy Corporation.

We also consent to the reference to our firm under the heading "Experts" in the prospectus.

/s/ DELOITTE & TOUCHE LLP
Chartered Accountants

Calgary, Alberta
Canada

September 14, 1999

Exhibit 23.3

INDEPENDENT AUDITORS' CONSENT

We consent to incorporation by reference in this registration statement on Form S-3 of Devon Energy Corporation of our report dated February 5, 1997, relating to the consolidated balance sheet of Northstar Energy Corporation and subsidiaries as of December 31, 1996 and the related consolidated statements of operations, stockholders' equity, and cash flows for the year then ended, which report appears in the December 31, 1998 annual report on Form 10-K of Devon Energy Corporation. We also consent to the reference to our firm in this prospectus as experts in accounting and auditing.

PRICEWATERHOUSECOOPERS LLP

Calgary, Alberta, Canada

September 14, 1999

Exhibit 23.4

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this registration statement of our report dated March 19, 1999 included in the PennzEnergy Company Form 10-K for the year ended December 31, 1998 and to all references to our Firm included in this registration statement.

ARTHUR ANDERSEN LLP

Houston, Texas

September 14, 1999