DEVON ENERGY CORP/DE

FORM S-4

(Securities Registration: Business Combination)

Filed 12/14/01

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

DEVON ENERGY CORP/DE

FORM S-4

(Securities Registration: Business Combination)

Filed 12/14/2001

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

As filed with the Securities and Exchange Commission on December 14, 2001
Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form S-4

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Devon Financing Corporation, U.L.C.	Devon Energy Corporation
(Exact Name of Registrant as Specified in Its Charter)	(Exact Name of Registrant as Specified in Its Charter)
Nova Scotia, Canada	Delaware
(State or Other Jurisdiction of Incorporation or Organization)	(State or Other Jurisdiction of Incorporation or Organization)
1311	1311
(Primary Standard Industrial Classification Code Number)	(Primary Standard Industrial Classification Code Number)
N/A	73-1567067
(I.R.S. Employer Identification Number)	(I.R.S. Employer Identification Number)
20 North Broadway, Suite 1500	20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102-8260	Oklahoma City, Oklahoma 73102-8260
(405) 235-3611	(405) 235-3611
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)	(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

DUKE R. LIGON
Senior Vice President and
General Counsel

Devon Energy 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:
SCOTT J. DAVIS
DAVID A. SCHUETTE
Mayer, Brown & Platt
190 South LaSalle Street
Chicago, Illinois 60603-3441
(312) 782-0600

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

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, 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, 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(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Security(1)	Proposed Maximum Offering Price(1)	Amount of Registration Fee
6.875% Notes due 2011.....	$1,750,000,000	100%	$1,750,000,000	$418,250
7.875% Debentures due 2031.....	$1,250,000,000	100%	$1,250,000,000	$298,750
Guarantees of the 6.875% Notes.....	--	--	--	(2)
Guarantees of the 7.875% Debentures	--	--	--	(2)

(1) Calculated in accordance with Rule 457(f) promulgated under the Securities Act of 1933, as amended.
(2) Pursuant to Rule 457(n), no registration fee will be paid in connection with the guarantees.

The registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrants 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 the Registration Statement shall become effective on such date as the 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 it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion dated December 14, 2001

DEVON FINANCING CORPORATION, U.L.C.

OFFER TO EXCHANGE

$1,750,000,000
6.875% Notes due 2011
for
$1,750,000,000
6.875% Notes due 2011

that have been registered under the Securities Act of 1933

and

$1,250,000,000 7.875% Debentures due 2031 for $1,250,000,000 7.875% Debentures due 2031 that have been registered under the Securities Act of 1933

Fully and unconditionally guaranteed by Devon Energy Corporation

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Terms of the exchange offer:

. The exchange offer will expire at 5:00 p.m., New York City time, on , 2002 unless we extend the offer.

. We will exchange the exchange securities for all outstanding unregistered securities that are validly tendered and not withdrawn prior to the expiration of the exchange offer. You may withdraw tenders of unregistered securities at any time prior to the expiration of the exchange offer.

. The exchange of securities will not be a taxable exchange for U.S. federal income tax purposes.

. We will not receive any cash proceeds from the exchange offer.

. The terms of the exchange securities to be issued are identical in all material respects to those of the outstanding unregistered securities, except that the exchange securities do not have any transfer restrictions or rights to additional interest.

. There is no established trading market for the exchange securities or the unregistered securities. We do not intend to apply for listing of the exchange securities on any securities exchange.

See "Risk Factors" beginning on page 10 for a discussion of risks you should consider before you participate in the exchange offer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is 2002.

Each holder of an unregistered security wishing to accept the exchange offer must deliver the unregistered securities to be exchanged, together with the letter of transmittal that accompanies this prospectus and any other required documentation, to the exchange agent identified in this prospectus. Alternatively, you may effect a tender of unregistered securities by book-entry transfer into the exchange agent's account at Euroclear Bank S.A./N.A., as operator of the Euroclear System ("Euroclear"), Clearstream Banking, S.A. ("Clearstream Banking") or The Depository Trust Company, New York, New York ("DTC"). All deliveries are at the risk of the holder. You can find detailed instructions concerning delivery in the section called "The Exchange Offer" in this prospectus and in the accompanying letter of transmittal.

Each broker-dealer that receives exchange securities for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of the exchange securities. The letter of transmittal accompanying this prospectus states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange securities received in exchange for unregistered securities where the unregistered securities were acquired by the broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days after the date of this prospectus, we will make this prospectus available to any broker-dealer for use in connection with any resale.

You should rely only on the information contained in, or incorporated by reference into, this prospectus. Neither we nor Devon Energy have authorized anyone to provide you with different or additional information and if anyone does give you information of this sort, you should not rely on it. Neither we nor Devon Energy are making an offer of the securities in any jurisdiction where the offer or sale of the securities is not permitted. You should assume that the information contained or incorporated by reference in this prospectus is only accurate as of the date of this prospectus or the date of the document incorporated by reference. Our business, financial condition, results of operations and prospects may have changed since then.

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For purposes of this prospectus, references to "we," "us" and "our" mean Devon Financing Corporation, U.L.C. and references to "Devon Energy" mean Devon Energy Corporation, together with its consolidated subsidiaries, including us, unless the context indicates the reference is specifically to Devon Energy Corporation. Unless the context indicates otherwise, the financial information presented in this prospectus relating to the business of Devon Energy is the consolidated financial information of Devon Energy. In addition, references to "Anderson" in this prospectus mean Anderson Exploration Ltd. and its consolidated subsidiaries, and references to "Mitchell" in this prospectus mean Mitchell Energy & Development Corp. and its consolidated subsidiaries. Unless the context otherwise indicates, when we refer to the "combined company" in this prospectus, we are including Devon Energy, Anderson and Mitchell.

For an explanation of oil and gas terms used in this prospectus, see "Commonly Used Oil and Gas Terms."

All references to "U.S.$," "$" or "dollars" in this prospectus are references to United States dollars unless stated as "C$," "Canadian $" or "Canadian dollars," which are references to Canadian dollars.

Whenever we refer in this prospectus to the 6.875% notes due 2011 issued on October 3, 2001 or the 7.875% debentures due 2031 issued on October 3, 2001, we will refer to them as the "unregistered notes" or the "unregistered debentures," respectively, and collectively as the "unregistered securities." Whenever we refer in this prospectus to the registered 6.875% notes due 2011 or the registered 7.875% debentures due 2031, we will refer to them as the "exchange notes" or the "exchange debentures" respectively, and collectively as the "exchange securities."

WHERE YOU CAN FIND MORE INFORMATION

Devon Energy files reports, proxy statements and other information with the SEC under the Securities Exchange Act of 1934. You may read and copy this information at the SEC's public reference room at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549. Please call the SEC at (800) 732-0330 for further information on the public reference room.

The SEC also maintains an Internet world wide website that contains reports, proxy statements and other information about issuers, including Devon Energy, that file electronically with the SEC. The address of that site is http://www.sec.gov.

In accordance with U.S. securities laws, we are not obligated to file annual, quarterly and current reports, proxy statements and other information with the SEC. Accordingly, we do not file separate financial statements with the SEC and do not independently publish our financial statements. Our financial condition, results of operations and cash flows are consolidated into the financial statements of Devon Energy.

We and Devon Energy have filed with the SEC a Registration Statement on Form S-4, of which this prospectus forms a part, under the Securities Act, in connection with our offering of the exchange securities. This prospectus does not contain all of the information in the registration statement. You will find additional information about us, Devon Energy and the exchange securities in the registration statement. Any statements made in this prospectus concerning the provisions of legal documents are not necessarily complete and you should read the documents that are filed as exhibits to the registration statement.

DOCUMENTS INCORPORATED BY REFERENCE

This prospectus incorporates by reference certain information that Devon Energy has filed with the SEC. This means that we can disclose important information by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this prospectus, except for any information that is superseded by information that is included directly in this prospectus.

This prospectus incorporates by reference the documents listed below that Devon Energy has previously filed with the SEC and any future filing made with the SEC by Devon Energy pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until completion of this exchange offer. The documents contain important information about Devon Energy and its financial condition.

. Devon Energy's Annual Report on Form 10-K for the year ended December 31, 2000;

. Devon Energy's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2001, June 30, 2001 and September 30, 2001; and

. Devon Energy's Current Reports on Form 8-K filed on January 30, 2001, September 20, 2001, September 26, 2001, September 27, 2001, October 3, 2001, October 11, 2001, October 12, 2001, October 26, 2001, October 31, 2001, November 1, 2001 (two filings), November 28, 2001, December 3, 2001(Form 8-K/A) and December 12, 2001.

You may obtain any of the documents incorporated by reference into this prospectus through Devon Energy or from the SEC's website at http://www.sec.gov. Documents incorporated by reference are available from Devon Energy without charge, excluding any exhibits to those documents, by requesting them in writing or by telephone from Devon Energy as follows:

Devon Energy Corporation 20 North Broadway, Suite 1500 Attn: Investor Relations Oklahoma City, Oklahoma 73102-8260 Telephone: (405) 552-4570

FORWARD-LOOKING STATEMENTS

We and Devon Energy, as the case may be, have made forward-looking statements in this prospectus and in the documents incorporated by reference into this prospectus, which are subject to risks and uncertainties and are based on the beliefs and assumptions of our and Devon Energy's management and on the information currently available to us and them.

Statements and calculations concerning oil and natural gas reserves and their present value also are forward-looking statements in that they reflect the determination, based on estimates and assumptions, that oil and natural gas reserves may be profitably exploited in the future. When used or referred to in this prospectus or the documents incorporated by reference into this prospectus, 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. Forward-looking statements in this prospectus also include statements relating to:

. Devon Energy's expectation that the acquisition of Mitchell will be accretive to its reserves per share, production per share and cash margin per share;

. the cost savings that Devon Energy anticipates from the acquisitions;

. the number and location of undrilled well locations and planned wells;

. future reserve replacement;

. various actions to be taken or requirements to be met in connection with completing the acquisitions or integrating Devon Energy, Anderson and Mitchell; and

. revenue, income and operations of the combined company.

These forward-looking statements are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. The following factors, among others, could cause actual results to differ materially from those described in the forward-looking statements:

. expected cost savings from the acquisitions may not be fully realized within the expected time frame;

. revenue of the combined company may be lower than expected;

. assumptions about energy markets, production levels, reserve levels, operating results, competitive conditions, technology, the availability of capital resources and capital expenditure obligations may prove to be incorrect;

. changes may occur in the supply and demand for oil, natural gas, NGLs and the other products or services provided or consumed by Devon Energy, Anderson or Mitchell;

. changes may occur in the price of oil, natural gas, NGLs and the other products or services provided or consumed by Devon Energy, Anderson or Mitchell;

. costs or difficulties related to obtaining regulatory approvals for completing the acquisitions and, following the acquisitions, to the integration of the businesses of Devon Energy, Anderson and Mitchell, may be greater than expected;

. general economic conditions, either internationally, nationally or in the jurisdictions in which Devon Energy, Anderson or Mitchell are doing business, may be less favorable than expected;

. legislative or regulatory changes, including changes in environmental regulation, may adversely affect the businesses in which Devon Energy, Anderson or Mitchell are engaged;

. there may be environmental risks and liability under federal, state and foreign environmental laws and regulations; and

. changes may occur in the securities or capital markets.

Except for our and Devon Energy's ongoing obligations to disclose material information as required by the federal securities laws, we and Devon Energy have no intention or obligation to update these forward-looking statements after the distribution of this prospectus.

PROSPECTUS SUMMARY

This summary may not contain all of the information that you should consider before participating in this exchange offer. You should carefully read this entire prospectus, the accompanying letter of transmittal and the documents incorporated by reference.

Our Company

We were formed as an unlimited liability company under the Companies Act of Nova Scotia on September 12, 2001. We are a wholly owned finance subsidiary of Devon Energy Corporation (Oklahoma), which in turn is a wholly owned subsidiary of Devon Energy. Our registered office is located at 1959 Upper Water Street, Suite 800, Halifax, Nova Scotia B3J 2X2 and our principal executive office is located at 20 North Broadway, Suite 1500, Oklahoma City, Oklahoma 73102-8260. Our telephone number is (405) 235-3611. We are a holding company whose only business is to access bank and capital markets on behalf of the Canadian subsidiaries of Devon Energy. Otherwise, we conduct no independent business and own no properties.

The Guarantor

Devon Energy is an independent energy company engaged primarily in oil and natural gas exploration, development and production and in the acquisition of producing properties. Devon Energy currently ranks among the five largest U.S.-based independent oil and natural gas companies in terms of oil and natural gas reserves, oil and natural gas production, equity market capitalization and enterprise value (meaning total equity market capitalization plus long-term debt). As of December 31, 2000, Devon Energy owned proved oil and natural gas reserves of 1.1 billion Boe. Approximately 53% of these reserves were natural gas and 47% were oil and NGLs. North American proved reserves accounted for 75% of Devon Energy's total reserves and were weighted 62% to natural gas.

Devon Energy's common stock is traded on the American Stock Exchange under the symbol "DVN." Devon Energy is a Delaware corporation, and its principal offices are located at 20 North Broadway, Suite 1500, Oklahoma City, Oklahoma 73102-8260. Devon Energy's telephone number is (405) 235-3611.

Recent Developments

On October 12, 2001, Devon Energy accepted all of the Anderson Exploration Ltd. ("Anderson") common shares tendered by Anderson stockholders pursuant to the Offer to Purchase for Cash and Directors' Circular dated September 6, 2001 (the "Offer to Purchase"). In the Offer to Purchase, Devon Energy offered to purchase each outstanding common share, including the associated rights, of Anderson, for C$40.00 per common share. The total common shares accepted on October 12, 2001 represented approximately 97% of the outstanding Anderson common shares. On October 17, 2001, Devon Energy completed its acquisition of Anderson by a compulsory acquisition under the Canada Business Corporations Act of the remaining 3% of Anderson common shares. The total cost to Devon Energy of acquiring Anderson's outstanding common shares and retiring Anderson's outstanding options and appreciation rights was approximately $3.5 billion.

On August 14, 2001, Devon Energy and Mitchell announced that Devon Energy will acquire Mitchell for cash and stock. In the transaction, Mitchell stockholders would receive, for each Mitchell common share, $31 cash and 0.585 of a share of Devon Energy common stock. The merger agreement requires Devon Energy to pay approximately $1.6 billion in cash and to issue up to approximately 31.8 million shares of Devon Energy's common stock to Mitchell stockholders and option holders. The cash portion of the purchase price will be funded from a new $3.0 billion senior unsecured term loan credit facility. The transaction is subject to approval by the stockholders of both companies, as well as certain regulatory approvals. If approved, the transaction is expected to be consummated shortly after the stockholder meetings.

SUMMARY OF THE EXCHANGE OFFER

On October 3, 2001, we issued $1.75 billion aggregate principal amount of unregistered 6.875% notes due 2011 and $1.25 billion aggregate principal amount of unregistered 7.875% debentures due 2031. Our obligations under the unregistered securities are fully and unconditionally guaranteed by Devon Energy. On the same day, we, Devon Energy and the initial purchasers of the unregistered securities entered into a registration rights agreement in which we and Devon Energy agreed that you, as a holder of unregistered securities, would be entitled to exchange your unregistered securities for exchange securities registered under the Securities Act but otherwise having terms identical in all material respects to the unregistered securities. This exchange offer is intended to satisfy these rights. After the exchange offer is completed, you will no longer be entitled to any registration rights with respect to your securities. The exchange securities will be our obligations and will be entitled to the benefits of the indenture relating to the unregistered securities. Our obligations under the exchange securities will also be fully and unconditionally guaranteed by Devon Energy. The form and terms of the exchange securities are identical in all material respects to the form and terms of the unregistered securities, except:

. the exchange securities have been registered under the Securities Act, and therefore will contain no restrictive legends;

. the exchange securities will not have registration rights; and

. the exchange securities will not have rights to additional interest.

For additional information on the terms of the exchange offer, see "The Exchange Offer."

The Exchange Offer	We are offering to exchange $1,000 principal amount of: . 6.875% notes due 2011 which have been registered under the Securities Act for each $1,000 principal amount of our outstanding unregistered 6.875% notes (as of the date of this prospectus, $1.75 billion in aggregate principal amount of our unregistered 6.875% notes due 2011 are outstanding) . 7.875% debentures due 2031 which have been registered under the Securities Act for each $1,000 principal amount of our outstanding unregistered 7.875% debentures (as of the date of this prospectus, $1.25 billion in aggregate principal amount of our unregistered 7.875% debentures due 2031 are outstanding)
Expiration of the Exchange Offer	The exchange offer will expire at 5:00 p.m., New York City time, on , 2002, unless we decide to extend the expiration date.
Conditions of the Exchange Offer	We will not be required to accept for exchange any unregistered securities, and we may amend or terminate the exchange offer if any of the following conditions or events occurs: . the exchange offer violates applicable law or any applicable interpretation of the staff of the SEC; . any action or proceeding shall have been instituted or threatened which might materially impair our ability to proceed with the exchange offer, or a material adverse development in any existing action or proceeding with respect to us; or

. all governmental approvals, which we deem necessary for the consummation of the exchange offer, have not been obtained.

We will give oral or written notice of any non-acceptance, amendment or termination to the registered holders of the unregistered securities as promptly as practicable. We reserve the right to waive any conditions of the exchange offer.

Resale of Exchange Securities

Based on interpretative letters of the SEC staff to third parties unrelated to us, we believe that you can resell and transfer the exchange securities you receive pursuant to this exchange offer, without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that:

. any exchange securities to be received by you will be acquired in the ordinary course of your business;

. you are not engaged in, do not intend to engage in and have no arrangement or understanding with any person to participate in the distribution of the exchange securities;

. you are not an "affiliate" (as defined in Rule 405 under the Securities Act) of us or Devon Energy or, if you are such an affiliate, you will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable;

. if you are a broker-dealer, you have not entered into any arrangement or understanding with us or Devon Energy or any "affiliate" of us or Devon Energy (within the meaning of Rule 405 under the Securities Act) to distribute the exchange securities; and

. if you are a broker-dealer, you will receive exchange securities for your own account in exchange for unregistered securities that were acquired as a result of market-making activities or other trading activities and that you will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such exchange securities.

If you wish to accept the exchange offer, you must represent to us that these conditions have been met.

Accrued Interest on the Exchange Securities and Unregistered Securities

The exchange securities will accrue interest from the date interest was last paid on the unregistered securities. If no interest was paid on your unregistered securities, your exchange securities will accrue interest from and including October 3, 2001. We will pay interest on the exchange securities semiannually on March 30 and September 30 of each year.

Procedures for Tendering Unregistered Securities	If you wish to participate in the exchange offer, you must transmit a properly completed and signed letter of transmittal, and all other documents required by the letter of transmittal, to the exchange agent at the address set forth in the letter of transmittal. These materials must be received by the exchange agent before 5:00 p.m., New York City time, on , 2002, the expiration date of the exchange offer. You must also provide: . a confirmation of any book-entry transfer of unregistered securities tendered electronically into the exchange agent's account with DTC, Euroclear or Clearstream, and you must comply with DTC's, Euroclear's or Clearstream's respective standard operating procedures for electronic tenders, by which you will agree to be bound in the letter of transmittal; or . physical delivery of your unregistered securities to the exchange agent's address as set forth in the letter of transmittal, and the letter of transmittal must also contain the representations you must make to us as described under "The Exchange Offer--Procedures for Tendering."
Special Procedures for Beneficial Owners	If you are a beneficial owner of unregistered securities that are held through a broker, dealer, commercial bank, trust company or other nominee and you wish to tender such unregistered securities, you should contact the person promptly and instruct the person to tender your unregistered securities on your behalf.
Guaranteed Delivery Procedures for Unregistered Securities	If you cannot meet the expiration deadline, or you cannot deliver your unregistered securities, the letter of transmittal or any other required documentation, or comply with DTC's, Euroclear's or Clearstream's respective standard operating procedures for electronic tenders on time, you may tender your unregistered securities according to the guaranteed delivery procedures set forth under "The Exchange Offer--Guaranteed Delivery Procedures."
Withdrawal Rights	You may withdraw the tender of your unregistered securities at any time prior to 5:00 p.m., New York City time, on , 2002, the expiration date.
Consequences of Failure to Exchange	If you are eligible to participate in this exchange offer and you do not tender your unregistered securities as described in this prospectus, you will not have any further registration rights. In that case, your unregistered securities will continue to be subject to restrictions on transfer. As a result of the restrictions on transfer and the availability of exchange securities, the unregistered securities are likely to be much less liquid than before the exchange offer. The unregistered securities will, after the exchange offer, bear interest at the same rate as the exchange securities.

Certain U.S. Federal Income Tax Consequences	The exchange of the unregistered securities for exchange securities pursuant to the exchange offer will not be a taxable exchange for U.S. federal income tax purposes.
Use of Proceeds	We will not receive any proceeds from the issuance of exchange securities pursuant to the exchange offer.
Exchange Agents for Unregistered Securities	The Chase Manhattan Bank, the trustee under the indenture for the unregistered securities, is serving as the exchange agent in connection with the exchange offer. The Chase Manhattan Bank can be reached at 55 Water Street, Room 234, New York, New York 10042; its telephone number is (212) 638-0459 and its facsimile number is (212) 638-7380.

SUMMARY DESCRIPTION OF THE EXCHANGE SECURITIES

The following summarized description of the exchange securities is subject to a number of important exceptions and qualifications. For additional information on the terms of the exchange securities, see "Description of the Securities."

Issuer	Devon Financing Corporation, U.L.C.
Guarantor	Devon Energy Corporation
Exchange Securities	. $1,750,000,000 aggregate principal amount of registered 6.875% notes due to mature on September 30, 2011 . $1,250,000,000 aggregate principal amount of registered 7.875% debentures due to mature on September 30, 2031
Guarantee	Devon Energy will fully and unconditionally guarantee the due and punctual payment of the principal of, premium, if any, additional amounts, if any, interest on the securities and any other obligations of ours under the securities when and as they become due and payable, whether at maturity, upon redemption, by acceleration or otherwise if we are unable to satisfy these obligations. The guarantee provides that, in the event of a default on the securities, the holders of the securities may institute legal proceedings directly against Devon Energy to enforce the guarantee without first proceeding against us. See "Description of the Securities--Guarantee."
Interest Payment Dates	Payable on March 30 and September 30 of each year beginning on March 30, 2002, and continuing to September 30, 2011 for the exchange notes and to September 30, 2031 for the exchange debentures.
Optional Redemption	We may redeem some or all of the exchange securities, in whole or in part, at any time, at prices set forth in this prospectus, including premium, if any, additional amounts, if any, and accrued and unpaid interest. See "Description of the Securities--Optional Redemption." We may elect to redeem all, but not part, of the exchange notes and all, but not part, of the exchange debentures at any time if particular changes occur in the laws or regulations governing Canadian withholding taxes. See "Description of the Securities--Optional Redemption for Changes in Canadian Withholding Taxes."
Ranking	The securities will be our unsecured and unsubordinated obligations ranking equal to our other outstanding unsecured and unsubordinated indebtedness, if any. Devon Energy's guarantee of our obligations under the securities is a direct, unsecured and unsubordinated obligation of Devon Energy and will rank equally with all of its other unsecured and unsubordinated obligations.

See "Description of the Securities--Guarantee."

Covenants	The indenture limits both our and Devon Energy's ability to incur liens and to enter into mergers, consolidations, or transfers of all or substantially all of our or Devon Energy's assets unless the successor company assumes our or Devon Energy's obligations under the indenture. These covenants are subject to a number of important qualifications and limitations. See "Description of the Securities--Covenants."
Additional Amounts	In the event that either we or Devon Energy are required to withhold or deduct on account of any Canadian taxes due from any payment made under or with respect to the securities or the guarantee, as the case may be, we or Devon Energy, as the case may be, will pay additional amounts so that the net amount received by each holder of securities will equal the amount that the holder would have received if the Canadian taxes had not been required to be withheld or deducted. See "Description of the Securities--Payment of Additional Amounts."

RISK FACTORS

You should consider carefully the following factors, as well as the other information set forth or incorporated by reference in this prospectus (including the risks and other disclosure that are presented in Devon Energy's Annual Report on Form 10-K for the year ended December 31, 2000), before tendering your unregistered securities in the exchange offer.

Risk Relating to the Exchange Offer

Holders who fail to exchange their unregistered securities will continue to be subject to restrictions on transfer.

If you do not exchange your unregistered securities for exchange securities in the exchange offer, you will continue to be subject to the restrictions on transfer of your unregistered securities described in the legend on the certificates for your unregistered securities. The restrictions on transfer of your unregistered securities arise because we issued the unregistered securities under exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws. In general, you may only offer or sell the unregistered securities if they are registered under the Securities Act and applicable state securities laws, or offered and sold under an exemption from these requirements. We do not plan to register any sale of the unregistered securities under the Securities Act. For further information regarding the consequences of tendering your unregistered securities in the exchange offer, see the discussions below under the captions "The Exchange Offer--Consequences of Exchanging or Failing to Exchange Unregistered Securities" and "Material United States and Canadian Income Tax Consequences."

We believe that exchange securities issued in exchange for unregistered securities pursuant to the exchange offer may be offered for resale, resold or otherwise transferred by you without registering the exchange securities under the Securities Act or delivering a prospectus so long as you (1) are not one of our "affiliates," which is defined in Rule 405 of the Securities Act and (2) acquire the exchange securities in the ordinary course of your business and, unless you are a broker dealer, you do not have any arrangement or understanding with any person to participate in the distribution of the exchange securities. Our belief is based on interpretations by the SEC's staff in no-action letters issued to third parties. Please note that the SEC has not considered our exchange offer in the context of a no-action letter, and the SEC's staff may not make a similar determination with respect to our exchange offer.

Unless you are a broker-dealer, you must acknowledge that you are not engaged in, and do not intend to engage in, a distribution of the exchange securities and that you have no arrangement or understanding to participate in a distribution of the exchange securities. If you are one of our affiliates, or you are engaged in, intend to engage in or have any arrangement or understanding with respect to, the distribution of exchange securities acquired in the exchange offer, you (1) should not rely on our interpretations of the position of the SEC's staff and (2) must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

If you are a broker-dealer and receive exchange securities for your own account pursuant to the exchange offer, you must acknowledge that you will deliver a prospectus in connection with any resale of the exchange securities. The letter of transmittal states that by so acknowledging and by delivering a prospectus, you will not be deemed to admit that you are an "underwriter" within the meaning of the Securities Act. If you are a broker-dealer, you may use this prospectus, as it may be amended or supplemented from time to time, in connection with the resale of exchange securities received in exchange for unregistered securities acquired by you as a result of market-making or other trading activities. For a period of 180 days after the date of this prospectus, we will make this prospectus available to any broker-dealer for use in connection with any resale. See "Plan of Distribution."

In addition, you may offer or sell the exchange securities in certain jurisdictions only if they have been registered or qualified for sale there, or an exemption from registration or qualification is available and is

complied with. Subject to the limitations specified in the registration rights agreements relating to the unregistered securities, we will register or qualify the exchange securities for offer or sale under the securities laws of any jurisdictions that you reasonably request in writing. Unless you request that the sale of the exchange securities be registered or qualified in a jurisdiction, we currently do not intend to register or qualify the sale of the exchange securities in any jurisdiction.

You must comply with the exchange offer procedures in order to receive exchange securities.

Subject to the conditions set forth under "The Exchange Offer--Conditions to the Exchange Offer," delivery of exchange securities in exchange for unregistered securities tendered and accepted for exchange pursuant to the exchange offer will be made only after timely receipt by the exchange agent of the following:

. Certificates for unregistered securities or a book-entry confirmation of a book-entry transfer of unregistered securities into the exchange agent's account at The Depository Trust Company, New York, New York as depository, including an agent's message (as defined) if the tendering holder does not deliver a letter of transmittal;

. a completed and signed letter of transmittal (or facsimile thereof), with any required signature guarantees, or, in the case of a book-entry transfer, an agent's message in lieu of the letter of transmittal; and

. any other documents required by the letter of transmittal.

Therefore, holders of unregistered securities who would like to tender unregistered securities in exchange for exchange securities should be sure to allow enough time for the unregistered securities to be delivered on time. We are not required to notify you of defects or irregularities in tenders of unregistered securities for exchange. Unregistered securities that are not tendered or that are tendered but we do not accept for exchange will, following consummation of the exchange offer, continue to be subject to the existing transfer restrictions under the Securities Act and, upon consummation of the exchange offer, certain registration and other rights under the registration rights agreement will terminate. See "The Exchange Offer--Procedures for Tendering Unregistered Securities" and "The Exchange Offer--Consequences of Exchanging or Failing to Exchange Unregistered Securities."

Some holders who exchange their unregistered securities may be deemed to be underwriters.

If you exchange your unregistered securities in the exchange offer for the purpose of participating in a distribution of the exchange securities, you may be deemed to have received restricted securities and, if so, will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

There is no public market for the exchange securities and we cannot be sure an active trading market for the exchange securities will develop.

There is no established trading market for the exchange securities, and we cannot assure you that an active trading market will develop for the exchange securities. Although the initial purchasers have informed us that they currently intend to make a market in the exchange securities, they have no obligation to do so and may discontinue making a market at any time without notice.

The liquidity of any market for the exchange securities and their future trading prices will depend upon the number of holders of the exchange securities, the performance of Devon Energy, prevailing interest rates, the market for similar securities, the interest of securities dealers in making a market in the exchange securities and other factors. A liquid trading market may not develop for the exchange securities. If no active trading market

develops, you may not be able to resell your exchange securities at their fair market value or at all. If a market develops, the exchange securities could trade at prices that may be lower than the initial offering price of the unregistered securities. In addition, to the extent unregistered securities are tendered and accepted in the exchange offer, the trading market, if any, for the unregistered securities would be adversely affected. We do not intend to apply for listing of the exchange securities on any securities exchange.

Risks Relating to an Investment in Us

We are newly formed and have no assets or operations.

We were formed on September 12, 2001, and are a holding company and a wholly owned finance subsidiary of Devon Energy Corporation (Oklahoma), which in turn is a wholly owned subsidiary of Devon Energy. We have no properties or operations other than accessing bank and capital markets on behalf of the Canadian subsidiaries of Devon Energy. Therefore, our ability to meet our obligations under the securities may be limited. In addition, we have agreed to provide unsecured and unsubordinated guarantees for Devon Energy's senior bank indebtedness.

Risks Relating to an Investment in Devon Energy

Devon Energy depends upon payments from its subsidiaries.

Devon Energy is a holding company and conducts substantially all of its operations through subsidiaries. Devon Energy's principal sources of cash are external financings, dividends and advances from its subsidiaries, investments, payments by subsidiaries for services rendered and interest payments from subsidiaries on cash advances. The amount of cash and income available to Devon Energy from its subsidiaries largely depends upon each subsidiary's earnings and operating capital requirements. The terms of some of those subsidiaries' borrowing arrangements limit payments and transfer of funds. In addition, the ability of those subsidiaries to make any payments or transfer funds will depend on the subsidiaries' earnings, business and tax considerations and legal restrictions. Failure to receive adequate cash and income from its subsidiaries could jeopardize Devon Energy's full and unconditional guarantee of our obligations under the securities if we default on any of our obligations.

Claims of holders of the securities rank junior to those of creditors of Devon Energy's subsidiaries.

Devon Energy's obligations under its guarantee will rank equally with its other outstanding unsecured and unsubordinated obligations. However, as a result of the holding company structure of Devon Energy, its guarantee of our obligations under the securities will effectively rank junior to all existing and future debt, trade payables and other liabilities of the subsidiaries of Devon Energy. Any right of Devon Energy and its creditors to participate in the assets of any of Devon Energy's subsidiaries upon any liquidation or reorganization of any subsidiary will be subject to the prior claims of that subsidiary's creditors, including trade creditors, except to the extent that Devon Energy may be a creditor of the subsidiary.

The combined company's debt level may limit its financial flexibility.

As of September 30, 2001, Devon Energy had approximately $2.0 billion of total debt and a total debt to total capital ratio of 26% as calculated under the provisions of Devon Energy's revolving credit facilities and its new $3 billion credit facility. After giving effect to the issuance of the unregistered securities and Devon Energy's financing of the Anderson acquisition and the cash portion of the Mitchell acquisition, as of September 30, 2001, the combined company would have had approximately $8.3 billion of total debt and a total debt to total capital ratio of 59%. The combined company may also incur additional debt in the future, including in connection with other acquisitions. The level of the combined company's debt could have several important effects on the combined company's future operations, including, among others:

. a significant portion of the combined company's cash flow from operations will be dedicated to the payment of principal and interest on the debt and will not be available for other purposes;

. rating agencies may view the combined company's debt level negatively;

. covenants contained in Devon Energy's existing debt arrangements, including those contained in Devon Energy's new $3.0 billion senior unsecured credit facility that was used to finance a portion of the Anderson acquisition and will be used to finance the cash portion of the Mitchell acquisition, will require the combined company to meet financial tests that may affect the combined company's flexibility in planning for and reacting to changes in its business, including possible acquisition opportunities;

. the combined company's ability to obtain additional financing for working capital, capital expenditures, acquisitions, general corporate and other purposes may be limited;

. the combined company may be at a competitive disadvantage to similar companies that have less debt; and

. the combined company's vulnerability to adverse economic and industry conditions may increase.

Devon Energy may not succeed at divesting assets or may fail to do so on favorable terms.

Devon Energy intends to divest certain assets and use the proceeds from those divestitures to repay indebtedness. Devon Energy may be unable to effect those divestitures or may be able to make those divestitures only on unfavorable terms. This may result in Devon Energy being unable to reduce its indebtedness to the extent desired, which may result in higher than expected financing costs and limit Devon Energy's financial flexibility in the future.

Devon Energy's offshore operations are exposed to the risk of tropical weather disturbances.

Some of Devon Energy's production and reserves are 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. Losses could occur for uninsurable or uninsured risks or in amounts in excess of existing insurance coverage. We cannot assure you that Devon Energy 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 Energy's financial position and results of operations.

Devon Energy is subject to uncertainties of foreign operations.

Devon Energy has significant international operations in Azerbaijan, South America, Southeast Asia and West Africa. Local political, economic and other uncertainties may adversely affect these operations. These uncertainties include:

. general strikes and civil unrest, such as those that occurred in Argentina and Indonesia;

. the risk of war, acts of terrorism, expropriation, forced renegotiation or modification of existing contracts;

. import and export regulations in China, Brazil, Egypt and other countries;

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

. transportation regulations and tariffs;

. exchange controls, currency fluctuations, devaluation or other activities that limit or disrupt markets and restrict payments or the movement of funds, such as in Brazil and Argentina;

. laws and policies of the United States affecting foreign trade including trade sanctions applicable to Azerbaijan;

. the possibility of being subject to exclusive jurisdiction of foreign courts in connection with legal disputes relating to license to operate and concession rights in countries where Devon Energy currently operates;

. the possible inability to subject foreign persons to the jurisdiction of courts in the United States; and

. difficulties in enforcing Devon Energy's rights against a governmental agency because of the doctrine of sovereign immunity and foreign sovereignty over international operations in China and elsewhere.

Devon Energy may incur a tax liability as a result of its 1999 merger with PennzEnergy.

On August 17, 1999, Devon Energy completed a merger with PennzEnergy Company. 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 of Devon Energy with PennzEnergy, Devon Energy would recognize gain under Section 355(e) of the Internal Revenue Code. Any transaction within a four-year period beginning two years before the distribution is presumed to be a part of such a plan. Devon Energy may not be able to overcome this presumption. Devon Energy estimates its potential tax liability if it cannot overcome this presumption to be $16 million in additional tax for 1998 and for the elimination of approximately $183 million in net operating loss carryovers.

Reported oil, natural gas and plant NGL reserve data and future net revenue estimates are uncertain.

Estimates of reserves are projections based on engineering data, projected future rates of production and the timing of future expenditures. Devon Energy's estimates of its proved oil, natural gas and plant NGL reserves and projected future net revenue are based on reserve reports that Devon Energy prepares and on the reports of independent consulting petroleum engineers that it hires for that purpose. The process of estimating oil, natural gas and plant NGL reserves requires substantial judgment, resulting in imprecise determinations, particularly for new discoveries. Different reserve engineers may make different estimates of reserve quantities and related revenue based on the same data. Future performance that deviates significantly from the reserve reports could have a material adverse effect on Devon Energy's financial position and results of operations.

Product prices are volatile, and low prices can adversely impact results.

The results of operations of Devon Energy are highly dependent on the prices of and demand for natural gas, oil and NGLs. Historically, the markets for natural gas, oil and NGLs have been volatile and are likely to continue to be volatile in the future. Accordingly, the prices received by Devon Energy for natural gas, oil and NGL production depend on numerous factors beyond its control. These factors include, among other things:

. the level of ultimate consumer product demand;

. governmental regulations and taxes;

. the price and availability of alternative fuels;

. the level of imports and exports of natural gas, oil and NGLs; and

. the overall economic environment.

Any significant decline in prices for natural gas, oil and NGLs, as has occurred from time to time in the past, could have a material adverse effect on Devon Energy's financial condition, results of operations and quantities of reserves recoverable on an economic basis. Should the oil and gas industry experience significant price declines or other adverse market conditions, the combined company may not be able to generate sufficient cash flows from operations to meet its obligations, including those under the securities and make planned capital expenditures.

Risks Relating to the Acquisitions of Anderson and Mitchell

Devon Energy may not be able to integrate the operations of Devon Energy, Anderson and Mitchell successfully.

The acquisitions will present challenges to management, including the integration of the operations, technologies and personnel of Devon Energy, Anderson and Mitchell. For example, the addition of Mitchell will substantially increase the midstream business (i.e., gas processing and similar activities) of Devon Energy. Devon Energy's acquisition of Anderson presents similar integration challenges, significantly increasing Devon Energy's Canadian operations. Moreover, the simultaneous integration of Devon Energy, Anderson and Mitchell into one combined company will necessarily involve more risk than if only two companies were being integrated. The acquisitions will also include other risks commonly associated with similar transactions, including unanticipated liabilities, unanticipated costs and diversion of management's attention. Any difficulties that Devon Energy encounters in the transition and integration processes could have an adverse effect on the revenue, level of expenses and operating results of the combined company. The combined company may also experience operational interruptions or the loss of key employees, customers or suppliers. As a result, Devon Energy may not realize any of the anticipated benefits of the acquisitions.

Devon Energy expects to incur significant costs in connection with the acquisitions.

Devon Energy expects to incur costs of approximately $125 million related to the Anderson acquisition and $90 million related to the Mitchell acquisition. These costs will include investment banking expenses, severance, legal and accounting fees, printing expenses and other related charges incurred by Devon Energy, Anderson and Mitchell. Devon Energy may also incur additional unanticipated costs and expenses in connection with the acquisitions. In addition, Devon Energy expects to incur approximately $50 million of costs in connection with its financing of the Anderson acquisition and the cash portion of the Mitchell acquisition.

Mitchell's significant investment in the Barnett Shale in North Texas may not generate the benefits expected by Devon Energy.

Devon Energy believes that a significant portion of Mitchell's value and future potential is tied to its assets in the Barnett Shale in North Texas. To the extent that these assets do not generate the return expected of them, the benefits of the Mitchell acquisition to Devon Energy will be reduced.

The combined company may not realize the accretion to various financial measurements that Devon Energy expects to result from the acquisitions.

Devon Energy expects the Mitchell acquisition to be accretive to its reserves per share, production per share and cash margin (i.e., revenue less cash expenses) per share on a pro forma basis to varying degrees, although the combination of both Anderson and Mitchell with Devon Energy is expected to be dilutive to earnings per share in the near term. However, the Mitchell acquisition may not be accretive to Devon Energy's reserves per share, production per share, cash margin per share or earnings per share for any future periods. It is possible that the Mitchell acquisition or Devon Energy's acquisition of Anderson may, in fact, prove to be dilutive to Devon Energy's actual per share results in the future and it is possible that Devon's acquisition of Anderson and the Mitchell acquisition together will prove to be dilutive to Devon Energy's earnings per share beyond the near term. Future events and conditions which could reduce or eliminate such accretion or cause such dilution include, among other things, adverse changes in:

. energy market conditions;

. commodity prices for natural gas, oil and NGLs;

. maintenance and growth of production levels;

. anticipated reserve levels;

. future operating results;

. competitive conditions;

. the effectiveness of technologies;

. the availability of capital resources;

. laws and regulations affecting the energy business;

. capital expenditure obligations; and

. general economic conditions.

The combined company will have significant assets located in North Texas, which could heighten its exposure to regulatory and environmental issues.

Most of Mitchell's assets are located near large population centers in North Texas. This means that the combined company will be particularly sensitive to regulatory or environmental issues relating to these large population centers, which could adversely affect the combined company's operating results.

The combined company may not achieve the benefits that Devon Energy expects from Anderson's properties located in Canada's Northern Frontier area if a sufficient gas pipeline is not built to serve that area.

There currently is no gas pipeline to deliver to market the amount of natural gas that Devon Energy expects from Anderson's properties located in Canada's Northern Frontier area, sometimes referred to as "North of 60." Plans to build a gas pipeline that would enable the combined company to deliver natural gas from North of 60 to southern markets have been under consideration for nearly 30 years, but no construction has begun to date. In 1977, Canada and the United States executed a Transit Pipeline Agreement that provided specific requirements for the Alaska Natural Gas Transmission System, a proposed natural gas pipeline which would extend from Alaska through Canada to the United States. The Transit Pipeline Agreement was documented in the Alaskan Natural Gas Transportation Act which was ratified by the U.S. Congress in the late 1970's. Approvals to build the pipeline were obtained by Foothills Pipe Lines, Ltd, which was owned 50% by Westcoast Energy Inc. and 50% by TransCanada Pipelines, Ltd. However, the pipeline has not been built and there is considerable discussion occurring within the United States and Canada about what requirements will be necessary for a pipeline to transport gas from Alaska and/or the MacKenzie Delta/Beaufort Sea area through Canada to the United States. Whether such a gas pipeline will be built and, if built, the timing of its construction and the gas pipeline's location and capacity are uncertain and depend on a number of factors that are beyond Devon Energy's control, including:

. the overall economic environment;

. political concerns, including relations between Canada and the United States and relations among Canadian provinces and territories;

. possible legislative and regulatory changes in both Canada and the United States; and

. related environmental risks and issues.

If a gas pipeline with sufficient capacity to deliver natural gas from North of 60 to southern markets is not built, the combined company will not achieve the benefits that Devon Energy expects from its North of 60 properties.

DEVON FINANCING CORPORATION, U.L.C.

We were formed as an unlimited liability company under the Companies Act of Nova Scotia on September 12, 2001. We are a wholly owned finance subsidiary of Devon Energy Corporation (Oklahoma), which in turn is a wholly owned subsidiary of Devon Energy. Our registered office is located at 1959 Upper Water Street, Suite 800, Halifax, Nova Scotia, B3J 2X2. We are a holding company whose only business is to access bank and capital markets on behalf of the Canadian subsidiaries of Devon Energy. Otherwise, we conduct no independent business and own no properties.

DEVON ENERGY CORPORATION

Devon Energy is an independent energy company engaged primarily in oil and natural gas exploration, development and production and in the acquisition of producing properties. Devon Energy currently ranks among the five largest U.S.-based independent oil and natural gas companies in terms of oil and natural gas reserves, oil and natural gas production, equity market capitalization and enterprise value (meaning total equity market capitalization plus long-term debt). As of December 31, 2000, Devon Energy owned proved oil and natural gas reserves of 1.1 billion Boe. Approximately 53% of these reserves were natural gas and 47% were oil and NGLs. North American proved reserves accounted for 75% of Devon Energy's total reserves and were weighted 62% to natural gas.

Devon Energy's North American reserves are concentrated in four operating divisions:

. the Gulf Division, which includes oil and natural gas properties located primarily onshore in South Texas and South Louisiana and offshore in the Gulf of Mexico;

. the Rocky Mountain Division, which includes oil and natural gas properties located in the Rocky Mountains area of the United States ranging from the Canadian border south into northern New Mexico;

. the Permian/Mid-Continent Division, which includes oil and natural gas properties located in the United States other than those included in the Gulf Division and Rocky Mountain Division; and

. the Canadian Division, which includes properties in the Western Canadian Sedimentary Basin in Alberta and British Columbia.

Devon Energy's proved reserves outside of North America totaled approximately 278 MMBoe as of December 31, 2000. Its international activities are concentrated in four core areas:

. Azerbaijan;

. South America, which includes Argentina and Brazil;

. Southeast Asia, which includes Indonesia and China; and

. West Africa and Egypt.

In addition to proved oil and natural gas properties, Devon Energy had an inventory of exploration acreage of approximately 17.6 million net acres as of December 31, 2000. This includes 5.4 million net acres in North America.

In August 2001, Devon announced proposed acquisitions of Anderson and Mitchell. Devon Energy completed the acquisition of Anderson in October 2001. The acquisition of Mitchell awaits stockholder approval and the satisfaction of other closing conditions.

On a pro forma basis after the two acquisitions:

. Devon Energy's total proved oil and gas reserves would be approximately 2 billion Boe, with 1.8 billion Boe in North America; and

. Devon Energy's North American production for the third quarter of 2001 would be approximately 2.2 Bcf of natural gas per day and 179.4 MBbls of oil and NGLs per day.

Recent Developments

Acquisition of Anderson

On October 12, 2001, Devon Energy accepted all of the Anderson common shares tendered by Anderson stockholders pursuant to the Offer to Purchase. In the Offer to Purchase, Devon Energy offered to purchase each outstanding common share, including the associated rights, of Anderson, for C$40.00 per common share. The total common shares accepted on October 12, 2001 represented approximately 97% of the outstanding Anderson common shares. On October 17, 2001, Devon Energy completed its acquisition of Anderson by a compulsory acquisition under the Canada Business Corporations Act of the remaining 3% of Anderson common shares. The total cost to Devon Energy of acquiring Anderson's outstanding common shares and retiring of Anderson's outstanding options and appreciation rights was approximately $3.5 billion.

Devon Energy financed a portion of the Anderson acquisition with proceeds from its issuance of the unregistered securities on October 3, 2001 through us. The remainder of the purchase price was funded with borrowings under a $3.0 billion senior unsecured credit facility Devon Energy entered into on October 12, 2001 with UBS AG, Stamford Branch; UBS Warburg LLC; Bank of America, N.A. and Banc of America Securities LLC. The new credit facility has a term of five years and the interest rates on borrowings are determined based on a formula set forth in the facility.

Acquisition of Mitchell

On August 14, 2001, Devon Energy and Mitchell announced that Devon Energy entered into an agreement to acquire Mitchell for cash and stock in a transaction whereby Mitchell will merge with and into a wholly owned subsidiary of Devon Energy, with that wholly owned subsidiary being the surviving entity. Under the terms of the merger agreement, Mitchell stockholders will receive, for each share of Mitchell common stock, $31.00 in cash and 0.585 shares of Devon Energy's common stock. The merger agreement requires Devon Energy to pay approximately $1.6 billion in cash and to issue up to approximately 31.8 million shares of Devon Energy's common stock to Mitchell stockholders and option holders.

The acquisition is subject to approval by the stockholders of both Devon Energy and Mitchell, as well as regulatory approvals and the receipt of legal opinions from counsel for each company as to the treatment of the acquisition for U.S. federal income tax purposes. If the conditions to closing are satisfied, the transaction is expected to be consummated shortly after each company's stockholder meetings.

USE OF PROCEEDS

We will not receive any proceeds from the exchange offer. In consideration for issuing the exchange securities of a particular series as contemplated in this prospectus, we will receive in exchange outstanding unregistered securities of the corresponding series in like principal amount. The unregistered securities surrendered in exchange for the exchange securities will be retired and cancelled and cannot be reissued. Accordingly, issuance of the exchange securities will not result in any change in our indebtedness.

RATIO OF EARNINGS TO FIXED CHARGES

Devon Energy's ratio of earnings to fixed charges for each of the periods set forth below has been computed on a consolidated basis and should be read in conjunction with Devon Energy's consolidated financial statements, including the accompanying notes, incorporated by reference in this prospectus.

	Year ended December 31,					Nine months ended September 30,
	1996	1997	1998	1999	2000	2001
Ratio of earnings to fixed charges	5.43	--	--	--	8.11	9.83

For the years ended December 31, 1997, 1998 and 1999, earnings were insufficient to cover fixed charges by $340.2 million, $362.0 million and $199.4 million, respectively.

Devon Energy's ratios of earnings to fixed charges were computed based on:

. "earnings," which consist of earnings before income taxes, plus fixed charges; and

. "fixed charges," which consist of interest expense, including the amortization of costs relating to the indebtedness and the amortization of premiums recorded, distributions on preferred securities of subsidiary trusts, amortization of costs relating to the offering of the preferred securities of subsidiary trusts, and the estimated portion of rental expense attributable to interest.

CAPITALIZATION

The following table sets forth Devon Energy's capitalization as of September 30, 2001 on a historical basis and on a pro forma as adjusted basis giving effect to the acquisition of Anderson. The total debt to total capitalization ratios shown below are calculated in the manner set forth in Devon Energy's revolving credit facilities and its new $3 billion credit facility. These facilities provide for adjustments to total long-term debt and total stockholders' equity from those amounts shown below. The following table should be read in conjunction with the unaudited pro forma financial data incorporated by reference in this prospectus and the consolidated financial statements of Devon Energy and Anderson incorporated by reference in this prospectus.

	As of September 30, 2001	
	Devon Energy Historical	Pro Forma as Adjusted for Anderson Acquisition
	(in thousands, except for ratios)	
Long-term debt:		
Historical long-term debt	$ 1,984,777	$ 2,688,985
Long-term debt to be issued under the $3 billion, five year term loan facility	--	745,929
$3 billion of long-term notes and debentures, net of discounts	--	2,990,845
Total long-term debt	1,984,777	6,425,759
Stockholders' equity:		
Preferred stock	1,500	1,500
Common stock	12,977	12,977
Additional paid-in capital	3,594,814	3,594,814
Retained earnings	380,049	380,049
Accumulated other comprehensive loss	(29,542)	(29,542)
Unamortized restricted stock awards	(190,387)	(190,387)
Treasury stock	(406)	(406)
Total stockholders' equity	3,769,005	3,769,005
Total capitalization	$ 5,753,782	$ 10,194,764
Total debt to total capitalization ratios	26%	60%

SELECTED HISTORICAL FINANCIAL DATA OF DEVON ENERGY

Devon Energy has provided the following information to aid in your analysis of Devon Energy's financial condition. Devon Energy derived this information from audited financial statements for the years 1996 through 2000 and from unaudited financial statements for the nine months ended September 30, 2000 and 2001. In the opinion of Devon Energy's management, the unaudited interim information reflects all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of Devon Energy's results of operations and financial condition for the nine months ended September 30, 2000 and 2001. Results for interim periods should not be considered indicative of results for any other periods or for the year.

This information is only a summary. You should read it along with Devon Energy's historical financial statements and related notes and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in Devon Energy's annual reports, quarterly reports and other information on file with the SEC and incorporated by reference into this prospectus. See "Where You Can Find More Information."

	Year ended December 31,					Nine months ended September 30	
	1996	1997	1998	1999	2000	2000	2001
	(in thousands, except for per share data)						
Selected historical consolidated statement of operations data:							
Oil, gas and NGL revenue	$833,787	$ 966,268	$ 681,978	$1,256,872	$2,718,445	$1,879,603	$2,292,404
Other revenue	36,470	48,255	24,248	20,596	65,658	54,438	43,060
Total revenue	$870,257	$1,014,523	$ 706,226	$1,277,468	$2,784,103	$1,934,041	$2,335,464
Earnings (loss) before extraordinary item and cumulative effect of change in accounting principle	$157,003	$ (218,191)	$(235,885)	$ (149,944)	$ 730,342	$ 423,433	$ 571,937
Extraordinary item	(6,000)	--	--	(4,200)	--	--	--
Cumulative effect of change in accounting principle	--	--	--	--	--	--	49,452
Net earnings (loss)	$151,003	$ (218,191)	$(235,885)	$ (154,144)	$ 730,342	$ 423,433	$ 621,389
Net earnings (loss) per share -- basic:							
Earnings (loss) before extraordinary item and cumulative effect of change in accounting principle	$ 2.08	$ (3.35)	$ (3.32)	$ (1.64)	$ 5.66	$ 3.27	$ 4.40
Extraordinary item	(0.11)	--	--	(0.04)	--	--	--
Cumulative effect of change in accounting principle	--	--	--	--	--	--	0.39
Net earnings (loss)	$ 1.97	$ (3.35)	$ (3.32)	$ (1.68)	$ 5.66	$ 3.27	$ 4.79
Net earnings (loss) per share -- diluted:							
Earnings (loss) before extraordinary item and cumulative effect of change in accounting principle	$ 2.03	$ (3.35)	$ (3.32)	$ (1.64)	$ 5.50	$ 3.20	$ 4.26
Extraordinary item	(0.11)	--	--	(0.04)	--	--	--
Cumulative effect of change in accounting principle	--	--	--	--	--	--	0.37
Net earnings (loss)	$ 1.92	$ (3.35)	$ (3.32)	$ (1.68)	$ 5.50	$ 3.20	$ 4.63
Cash dividends per share	$ 0.09	$ 0.09	$ 0.10	$ 0.14	$ 0.17	$ 0.12	$ 0.15

	As of December 31					
	1996	1997	1998	1999	2000	As of September 30, 2001
	(in thousands)					
Selected historical consolidated balance sheet data:						
Investment in common stock of ChevronTexaco Corporation	$ --	$ --	$ --	$ 614,382	$ 598,867	$ 601,083
Total assets	2,241,890	1,965,386	1,930,537	6,096,360	6,860,478	7,732,490
Debentures exchangeable into shares of ChevronTexaco Corporation common stock	--	--	--	760,313	760,313	645,461
Other long-term debt	361,500	427,037	735,871	1,656,208	1,288,523	1,339,316
Convertible preferred securities of subsidiary trust	149,500	149,500	149,500	--	--	--
Stockholders' equity	1,159,772	1,006,546	749,763	2,521,320	3,277,604	3,769,005

THE EXCHANGE OFFER

Purpose and Effect of Exchange Offer; Registration Rights

When we sold the unregistered securities in October 2001, we entered into a registration rights agreement with the initial purchasers of the unregistered securities. Under the registration rights agreement, we and Devon Energy agreed to:

. file with the SEC a registration statement relating to the exchange offer under the Securities Act no later than December 17, 2001;

. use commercially reasonable efforts to cause the exchange offer registration statement to be declared effective under the Securities Act on or before May 1, 2002; and

. complete the exchange offer by June 30, 2002.

If you participate in the exchange offer, you will, with limited exceptions, receive securities that are freely tradable and not subject to restrictions on transfer. You should read the information in this prospectus under the heading "--Resales of Exchange Securities" for more information relating to your ability to transfer exchange securities.

The exchange offer is not being made to, nor will we accept tenders for exchange from, holders of unregistered securities in any jurisdiction in which the exchange offer or the acceptance of the exchange offer would not be in compliance with the securities laws or blue sky laws of such jurisdiction.

If you are eligible to participate in this exchange offer and you do not tender your unregistered securities as described in this prospectus, you will not have any further registration rights. In that case, your unregistered securities will continue to be subject to restrictions on transfer under the Securities Act.

Shelf Registration

In the registration rights agreement, we and Devon Energy agreed to file a shelf registration statement only if:

. SEC rules or regulations or the applicable interpretations of the staff of the SEC, we and Devon Energy are not permitted to effect the exchange offer;

. for any other reason the exchange offer is not completed by June 30, 2002;

. upon the request of any holder of the unregistered securities, other than an initial purchaser, who is not eligible to participate in the exchange offer; or

. upon the request of an initial purchaser under specified circumstances.

Additional Interest

If a registration default (as defined below) occurs, we will be required to pay additional interest to each holder of unregistered securities. During the first 90-day period that a registration default occurs, we will pay additional interest equal to 0.25% per annum. At the beginning of the second and any subsequent 90-day period that a registration default is continuing, the amount of additional interest will increase by an additional 0.25% per annum until all registration defaults have been cured. However, in no event will the rate of additional interest exceed 0.50% per annum for each of the unregistered securities. Such additional interest will accrue only for those days that a registration default occurs and is continuing. All accrued additional interest will be paid to the holders of the unregistered securities in the same manner as interest payments on the unregistered securities are made, with payments being made on the interest payment dates for the securities. Following the cure of all registration defaults, no more additional interest will accrue.

A "registration default" includes any of the following:

. we fail to file any of the registration statements required by the registration rights agreement on or before the date specified for such filing;

. such registration statement is not declared effective by the SEC on or prior to the date specified for such effectiveness;

. we fail to complete the exchange offer on or prior to the date specified for such completion; or

. a shelf registration statement that is required to be filed is declared effective but thereafter ceases to be effective or usable during the period specified in the registration rights agreement, subject to certain exceptions for limited periods of time.

The exchange offer is intended to satisfy our exchange offer obligations under the registration rights agreement. The above summary of the registration rights agreement is not complete and is subject to, and qualified by reference to, all the provisions of the registration rights agreement. A copy of the registration rights agreement is filed as an exhibit to the registration statement that includes this prospectus.

Terms of the Exchange Offer

Upon the terms and subject to the conditions set forth in this prospectus and in the accompanying letter of transmittal, we are offering to exchange $1,000 principal amount of exchange securities for each $1,000 principal amount of unregistered securities. You may tender some or all of your unregistered securities only in integral multiples of $1,000. As of the date of this prospectus, $1.75 billion aggregate principal amount of the unregistered notes and $1.25 billion aggregate principal amount of the unregistered debentures are outstanding.

The terms of the exchange securities to be issued are identical in all material respects to the unregistered securities, except that the exchange securities have been registered under the Securities Act and, therefore, the certificates for the exchange securities will not bear legends restricting their transfer and the exchange securities will not have any right to additional interest. The exchange securities will be issued under and be entitled to the benefits of the Indenture, dated as of October 3, 2001, among us, Devon Energy, as guarantor, and The Chase Manhattan Bank, as trustee.

In connection with the issuance of the unregistered securities, we arranged for the unregistered securities to be issued and transferable in book-entry form through the facilities of Euroclear, Clearstream and DTC, acting as a depositary. The exchange securities will also be issuable and transferable in book-entry form through Euroclear, Clearstream and DTC.

There will be no fixed record date for determining the eligible holders of the unregistered securities that are entitled to participate in the exchange offer. We will be deemed to have accepted for exchange validly tendered unregistered securities when and if we have given oral (promptly confirmed in writing) or written notice of acceptance to the exchange agent. The exchange agent will act as agent for the tendering holders of unregistered securities for the purpose of receiving exchange securities from us and delivering them to such holders.

If any tendered unregistered securities are not accepted for exchange because of an invalid tender or the occurrence of certain other events described herein, certificates for any such unaccepted unregistered securities will be returned, without expenses, to the tendering holder thereof as promptly as practicable after the expiration of the exchange offer.

Holders of unregistered securities who tender in the exchange offer will not be required to pay brokerage commissions or fees or, subject to the instructions in the letter of transmittal, transfer taxes with respect to the exchange of unregistered securities for exchange securities pursuant to the exchange offer. We will pay all charges and expenses, other than certain applicable taxes, in connection with the exchange offer. It is important

that you read the section "--Fees and Expenses" below for more details regarding fees and expenses incurred in the exchange offer.

If we successfully complete this exchange offer, any unregistered securities whose holders do not tender or which we do not accept in the exchange offer will remain outstanding and will continue to be subject to restrictions on transfer. The unregistered securities will continue to accrue interest, but, in general, the holders of unregistered securities after the exchange offer will not have further rights under the registration rights agreement, and we will not have any further obligation to register the unregistered securities under the Securities Act. In that case, holders wishing to transfer unregistered securities would have to rely on exemptions from the registration requirements of the Securities Act.

Conditions of the Exchange Offer

You must tender your unregistered securities in accordance with the requirements of this prospectus and the letter of transmittal in order to participate in the exchange offer. Notwithstanding any other provision of the exchange offer, or any extension of the exchange offer, we will not be required to accept for exchange any unregistered securities, and may amend or terminate the exchange offer if:

. the exchange offer violates applicable law or any applicable interpretation of the staff of the SEC;

. any action or proceeding shall have been instituted or threatened which might materially impair our ability to proceed with the exchange offer, or a material adverse development in any existing action or proceeding with respect to us; or

. all governmental approvals, which we deem necessary for the consummation of the exchange offer, have not been obtained.

Expiration Date; Extensions; Amendment; Termination

The exchange offer will expire 5:00 p.m., New York City time, on , 2002, unless, in our sole discretion, we extend it. In the case of any extension, we will notify the exchange agent orally (promptly confirmed in writing) or in writing of any extension. We will also notify the registered holders of unregistered securities of the extension no later than 9:00 a.m., New York City time, on the business day after the previously scheduled expiration of the exchange offer.

To the extent we are legally permitted to do so, we expressly reserve the right, in our sole discretion, to:

. delay accepting any unregistered security;

. waive any condition of the exchange offer; and

. amend the terms of the exchange offer in any manner.

We will give oral or written notice of any non-acceptance or amendment to the registered holders of the unregistered securities as promptly as practicable. If we consider an amendment to the exchange offer to be material, we will promptly inform the registered holders of unregistered securities of such amendment in a reasonable manner.

If we or Devon Energy determine in our sole discretion that any of the events or conditions described in "--Conditions of the Exchange Offer" has occurred, we may terminate the exchange offer. If we decide to terminate the exchange offer, we may:

. refuse to accept any unregistered securities and return any unregistered securities that have been tendered to the holders;

. extend the exchange offer and retain all unregistered securities tendered prior to the expiration of the exchange offer, subject to the rights of the holders of tendered unregistered securities to withdraw their tendered unregistered securities; or

. waive the termination event with respect to the exchange offer and accept all properly tendered unregistered securities that have not been withdrawn.

If any such waiver constitutes a material change in the exchange offer, we will disclose the change by means of a supplement to this prospectus that will be distributed to each registered holder of unregistered securities, and we will extend the exchange offer for a period of five to ten business days, depending upon the significance of the waiver and the manner of disclosure to the registered holders of the unregistered securities, if the exchange offer would otherwise expire during that period.

Any determination by us concerning the events described above will be final and binding upon parties. Without limiting the manner by which we may choose to make public announcements of any extension, delay in acceptance, amendment or termination of the exchange offer, we will have no obligation to publish, advertise, or otherwise communicate any public announcement, other than by making a timely release to a financial news service.

Interest on the Exchange Securities

The exchange securities will accrue interest from the date interest was last paid on the unregistered securities. If no interest was paid on your unregistered securities, your exchange securities will accrue interest from and including October 3, 2001. Interest will be paid on the exchange securities semi-annually on March 30 and September 30 of each year.

Resale of Exchange Securities

Based upon existing interpretations of the staff of the SEC set forth in several no-action letters issued to third parties unrelated to us, we believe that the exchange securities issued pursuant to the exchange offer in exchange for the unregistered securities may be offered for resale, resold and otherwise transferred by their holders, without complying with the registration and prospectus delivery provisions of the Securities Act, provided that:

. any exchange securities to be received by you will be acquired in the ordinary course of your business;

. you are not engaged in, do not intend to engage in or have any arrangement or understanding with any person to participate in the distribution of the unregistered securities or exchange securities;

. you are not an "affiliate" (as defined in Rule 405 under the Securities Act) of us or Devon Energy or, if you are such an affiliate, you will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable;

. if you are a broker-dealer, you have not entered into any arrangement or understanding with us or Devon Energy or any "affiliate" of us or Devon Energy (within the meaning of Rule 405 under the Securities Act) to distribute the exchange securities;

. if you are a broker-dealer, you will receive exchange securities for your own account in exchange for unregistered securities that were acquired as a result of market-making activities or other trading activities and that you will deliver a prospectus in connection with any resale of such exchange securities; and

. you are not acting on behalf of any person or entity that could not truthfully make these representations.

If you wish to participate in the exchange offer, you will be required to make these representations to us in the letter of transmittal.

If you are a broker-dealer that receives exchange securities in exchange for unregistered securities held for your own account, as a result of market-making or other trading activities, you must acknowledge that you will deliver a prospectus in connection with any resale of the exchange securities. The letter of transmittal states that by so acknowledging and by delivering a prospectus, you will not be deemed to admit that you are an "underwriter" within the meaning of the Securities Act. The prospectus, as it may be amended or supplemented from time to time, may be used by any broker-dealers in connection with resales of exchange securities received in exchange for unregistered securities. We have agreed that, for a period of 180 days after the date of this prospectus, we will make this prospectus and any amendment or supplement to this prospectus available to any such broker-dealer for use in connection with any resale.

Clearing of the Exchange Securities

Upon consummation of the exchange offer, the exchange securities will have different CUSIP, Common Code and ISIN numbers from the unregistered securities.

Securities that were issued under Regulation S that are not tendered for exchange will continue to clear through Euroclear and Clearstream under their original Common Codes and their ISIN numbers will remain the same. Regulation S securities (unless acquired by a manager as part of their original distribution) may now be sold in the United States or to U.S. persons and, upon any such transfer, a beneficial interest in the Regulation S global securities will be able to be exchanged for an interest in the exchange global security in accordance with procedures established by Euroclear or Clearstream and DTC.

Beneficial interests in the restricted Regulation S global securities may be transferred to a person who takes delivery in the form of an interest in the Regulation S global securities upon receipt by the trustee of a written certification from the transferor, in the form provided in the indenture, to the effect that the transfer is being made in accordance with Rule 903 or 904 of Regulation S.

We cannot predict the extent to which beneficial owners of an interest in the Regulation S global securities will participate in the exchange offer. Beneficial owners should consult their own financial advisors as to the benefits to be obtained from exchange.

Procedures for Tendering

The term "holder" with respect to the exchange offer means any person in whose name unregistered securities are registered on our agent's books or any other person who has obtained a properly completed bond power from the registered holder, or any person whose unregistered securities are held of record by DTC, Euroclear or Clearstream who desires to deliver such unregistered securities by book-entry transfer at DTC, Euroclear or Clearstream as the case may be.

Except in limited circumstances, only a Euroclear participant, Clearstream participant or a DTC participant listed on a DTC securities position listing with respect to the unregistered securities may tender its unregistered securities in the exchange offer. To tender unregistered securities in the exchange offer:

. holders of unregistered securities that are DTC participants may follow the procedures for book-entry transfer as provided for below under "--Book-Entry Transfer" and in the letter of transmittal; or

. Euroclear participants and Clearstream participants on behalf of the beneficial owners of unregistered securities are required to use book-entry transfer pursuant to the standard operating procedures of Euroclear or Clearstream, as the case may be, which include transmission of a computer-generated message to Euroclear or Clearstream, as the case may be, in lieu of a letter of transmittal. See the term "agent's message" under "--Book-Entry Transfer."

In addition, either:

. the exchange agent must receive any corresponding certificate or certificates representing unregistered securities along with the letter of transmittal; or

. the exchange agent must receive, before expiration of the exchange offer, a timely confirmation of book-entry transfer of unregistered securities into the exchange agent's account at DTC, Euroclear or Clearstream according to their respective standard operating procedures for electronic tenders described below and a properly transmitted agent's message described below; or

. the holder must comply with the guaranteed delivery procedures described below.

The tender by a holder of unregistered securities will constitute an agreement between such holder and us in accordance with the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal. If less than all the unregistered securities held by a holder of unregistered securities are tendered, a tendering holder should fill in the amount of unregistered securities being tendered in the specified box on the letter of transmittal. The entire amount of unregistered securities delivered to the exchange agent will be deemed to have been tendered unless otherwise indicated.

The method of delivery of unregistered securities, the letter of transmittal and all other required documents or transmission of an agent's message, as described under "--Book Entry Transfer," to the exchange agent is at the election and risk of the holder. Instead of delivery by mail, we recommend that holders use an overnight or hand delivery service. In all cases, sufficient time should be allowed to assure timely delivery prior to the expiration of the exchange offer. No letter of transmittal or unregistered securities should be sent to us but must instead be delivered to the exchange agent. Delivery of documents to DTC, Euroclear or Clearstream in accordance with their respective procedures will not constitute delivery to the exchange agent.

If you are a beneficial owner of unregistered securities that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your unregistered securities, you should contact the registered holder promptly and instruct the registered holder to tender on your behalf. If you wish to tender on your own behalf, you must, prior to completing and executing the letter of transmittal and delivering your unregistered securities, either:

. make appropriate arrangements to register ownership of the unregistered securities in your name; or

. obtain a properly completed bond power from the registered holder.

The transfer of record ownership may take considerable time and may not be completed prior to the expiration date.

Signatures on a letter of transmittal or a notice of withdrawal as described in "--Withdrawal of Tenders" below, as the case may be, must be guaranteed by a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc., a commercial bank or trust company having an office or correspondent in the United States or an "eligible guarantor institution" within the meaning of Rule 17Ad-15 under the Exchange Act, unless the unregistered securities tendered pursuant thereto are tendered:

. by a registered holder who has not completed the box entitled "Special Registration Instructions" or "Special Delivery Instructions" on the letter of transmittal; or

. for the account of an eligible institution.

If the letter of transmittal is signed by a person other than the registered holder of any unregistered securities listed therein, the unregistered securities must be endorsed or accompanied by appropriate bond powers which authorize the person to tender the unregistered securities on behalf of the registered holder, in either case signed as the name of the registered holder or holders appears on the unregistered securities. If the letter of transmittal or

any unregistered securities or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing and, unless waived by us, evidence satisfactory to us of their authority to so act must be submitted with the letter of transmittal.

We will determine in our sole discretion all the questions as to the validity, form, eligibility (including time of receipt), acceptance and withdrawal of the tendered unregistered securities. Our determinations will be final and binding. We reserve the absolute right to reject any and all unregistered securities not validly tendered or any unregistered securities our acceptance of which would, in the opinion of our counsel, be unlawful. We also reserve the absolute right to waive any irregularities or conditions of tender as to particular unregistered securities. Our interpretation of the terms and conditions of the exchange offer (including the instructions in the letter of transmittal) will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of unregistered securities must be cured within such time as we will determine. Neither we, the exchange agent nor any other person shall be under any duty to give notification of defects or irregularities with respect to tenders of unregistered securities nor shall any of them incur any liability for failure to give such notification. Tenders of unregistered securities will not be deemed to have been made until such irregularities have been cured or waived. Any unregistered securities received by the exchange agent that are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned without cost by the exchange agent to the tendering holder of such unregistered securities unless otherwise provided in the letter of transmittal, as soon as practicable following the expiration date of the exchange offer.

In addition, we reserve the right in our sole discretion to (a) purchase or make offers for any unregistered securities that remain outstanding subsequent to the expiration date, and (b) to the extent permitted by applicable law, purchase unregistered securities in the open market, in privately negotiated transactions or otherwise. The terms of any such purchases or offers may differ from the terms of the exchange offer.

Book-Entry Transfer

We understand that the exchange agent will make a request promptly after the date of this document to establish accounts with respect to the unregistered securities at DTC, Euroclear or Clearstream for the purpose of facilitating the exchange offer. Any financial institution that is a participant in DTC's system may make book-entry delivery of unregistered securities by causing DTC to transfer such unregistered securities into the exchange agent's DTC account in accordance with DTC's Automated Tender Offer Program procedures for such transfer. Any participant in Euroclear or Clearstream may make book-entry delivery of Regulation S unregistered securities by causing Euroclear or Clearstream to transfer such securities into the exchange agent's account in accordance with established Euroclear or Clearstream procedures for transfer. The exchange for tendered unregistered securities will only be made after a timely confirmation of a book-entry transfer of the unregistered securities into the exchange agent's account, and timely receipt by the exchange agent of an agent's message.

The term "agent's message" means a message, transmitted by DTC, Euroclear or Clearstream, as the case may be, and received by the exchange agent and forming part of the confirmation of a book-entry transfer, which states that DTC, Euroclear or Clearstream, as the case may be, has received an express acknowledgment from a participant tendering unregistered securities and that such participant has received an appropriate letter of transmittal and agrees to be bound by the terms of the letter of transmittal, and we may enforce such agreement against the participant. Delivery of an agent's message will also constitute an acknowledgment from the tendering DTC, Euroclear or Clearstream participant, as the case may be, that the representations contained in the appropriate letter of transmittal and described above are true and correct.

Guaranteed Delivery Procedures

Holders who wish to tender their unregistered securities and (i) whose unregistered securities are not immediately available, or (ii) who cannot deliver their unregistered securities, the letter of transmittal, or any

other required documents to the exchange agent prior to the expiration date, or who cannot complete DTC's, Euroclear's or Clearstream's respective standard operating procedures for electronic tenders before expiration of the exchange offer, may tender their unregistered securities if:

. the tender is made through an eligible institution;

. before expiration of the exchange offer, the exchange agent receives from the eligible institution either a properly completed and duly executed notice of guaranteed delivery in the form accompanying this prospectus, by facsimile transmission, mail or hand delivery, or a properly transmitted agent's message in lieu of notice of guaranteed delivery:

. setting forth the name and address of the holder and the registered number(s), the certificate number or numbers of the unregistered securities tendered and the principal amount of unregistered securities tendered;

. stating that the tender offer is being made by guaranteed delivery; and

. guaranteeing that, within three (3) business days after expiration of the exchange offer, the letter of transmittal, or facsimile of the letter of transmittal, together with the unregistered securities tendered or a book-entry confirmation, and any other documents required by the letter of transmittal will be deposited by the eligible institution with the exchange agent; and

. the exchange agent receives the properly completed and executed letter of transmittal, or facsimile of the letter of transmittal, as well as all tendered unregistered securities in proper form for transfer or a book-entry confirmation, and all other documents required by the letter of transmittal, within three (3) business days after expiration of the exchange offer.

Upon request to the exchange agent, a notice of guaranteed delivery will be sent to holders who wish to tender their unregistered securities according to the guaranteed delivery procedures set forth above.

Withdrawal of Tenders

Except as otherwise provided herein, tenders of unregistered securities may be withdrawn at any time prior to 5:00 p.m., New York City time, , 2002, the expiration date of the exchange offer.

For a withdrawal to be effective:

. the exchange agent must receive a written notice, which may be by telegram, telex, facsimile transmission or letter, of withdrawal at the address set forth below under "Exchange Agent"; or

. for DTC, Euroclear or Clearstream participants, holders must comply with their respective standard operating procedures for electronic tenders and the exchange agent must receive an electronic notice of withdrawal from DTC, Euroclear or Clearstream.

Any notice of withdrawal must:

. specify the name of the person who tendered the unregistered securities to be withdrawn;

. identify the unregistered securities to be withdrawn, including the certificate number or numbers and principal amount of the unregistered securities to be withdrawn;

. be signed by the person who tendered the unregistered securities in the same manner as the original signature on the letter of transmittal, including any required signature guarantees; and

. specify the name in which the unregistered securities are to be re-registered, if different from that of the withdrawing holder.

If unregistered securities have been tendered pursuant to the procedure for book-entry transfer described above, any notice of withdrawal must specify the name and number of the account at DTC, Euroclear or Clearstream to be credited with the withdrawn unregistered securities and otherwise comply with the procedures of the facility. We will determine all questions as to the validity, form and eligibility (including time of receipt) for such withdrawal notices, and our determination shall be final and binding on all parties. Any unregistered securities so withdrawn will be deemed not to have been validly tendered for purposes of the exchange offer, and no exchange securities will be issued with respect thereto unless the unregistered securities so withdrawn are validly re-tendered. Any unregistered securities which have been tendered but which are not accepted for exchange will be returned to the holder without cost to such holder as soon as practicable after withdrawal. Properly withdrawn unregistered securities may be re-tendered by following the procedures described above under "--Procedures for Tendering" at any time prior to the expiration date.

Consequences of Failure to Exchange

If you do not tender your unregistered securities to be exchanged in this exchange offer, they will remain "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act. Accordingly, they:

. may be resold only if (i) registered pursuant to the Securities Act,
(ii) an exemption from registration is available or (iii) neither registration nor an exemption is required by law; and

. shall continue to bear a legend restricting transfer in the absence of registration or an exemption therefrom.

As a result of the restrictions on transfer and the availability of the exchange securities, the unregistered securities are likely to be much less liquid than before the exchange offer. Following the consummation of the exchange offer, in general, holders of unregistered securities will have no further registration rights under the registration rights agreement.

Exchange Agent

The Chase Manhattan Bank has been appointed as the exchange agent for the exchange of the unregistered securities. Questions and requests for assistance relating to the exchange of the unregistered securities should be directed to the exchange agent addressed as follows:

The Chase Manhattan Bank 55 Water Street, Room 234 New York, New York 10042 Telephone number: (212) 638-0459 Facsimile number: (212) 638-7380

Fees and Expenses

We will bear the expenses of soliciting tenders pursuant to the exchange offer. The principal solicitation for tenders pursuant to the exchange offer is being made by mail. Additional solicitations may be made by our officers and regular employees and our affiliates in person, by telegraph or telephone.

We will not make any payments to brokers, dealers or other persons soliciting acceptances of the exchange offer. We, however, will pay the exchange agent reasonable and customary fees for its services and will reimburse the exchange agent for its related reasonable out-of-pocket expenses and accounting and legal fees. We may also pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of this prospectus, letters of transmittal and related documents to the beneficial owners of the unregistered securities and in handling or forwarding tenders for exchange.

We will pay all transfer taxes, if any, applicable to the exchange of unregistered securities pursuant to the exchange offer. The tendering holder, however, will be required to pay any transfer taxes whether imposed on the registered holder or any other person, if:

. certificates representing exchange securities or unregistered securities for principal amounts not tendered or accepted for exchange are to be delivered to, or are to be registered or issued in the name of, any person other than the registered holder of unregistered securities tendered;

. tendered unregistered securities are registered in the name of any person other than the person signing the letter of transmittal; or

. a transfer tax is imposed for any reason other than the exchange of unregistered securities under the exchange offer.

If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with the letter of transmittal, the amount of such transfer taxes will be billed directly to such tendering holder.

DESCRIPTION OF THE SECURITIES

We issued the unregistered securities and will issue the exchange securities under an indenture, dated as of October 3, 2001, among us, Devon Energy and The Chase Manhattan Bank, as trustee. The terms of the exchange securities to be issued are identical in all material respects to the unregistered securities, except that the exchange securities have been registered under the Securities Act, the certificates for the exchange securities will not bear legends restricting their transfer and the exchange securities will not have registration rights or any rights to additional interest. The terms of the securities include those stated in the indenture and those made part of the indenture by reference to the Trust Indenture Act of 1939.

The following description is a summary of the material provisions of the indenture. It does not restate those agreements in their entirety. We urge you to read the indenture and the registration rights agreement because they, and not this description, define your rights as holders of the securities.

The securities will be our unsecured and unsubordinated obligations and will rank equally with our other outstanding unsecured and unsubordinated indebtedness. Our obligations under the securities will be fully and unconditionally guaranteed by Devon Energy. The indenture contains no restrictions on the amount of additional indebtedness that we may issue or that Devon Energy may guarantee under the indenture in the future.

Terms and Conditions of the Securities

Interest on the securities will begin to accrue upon their date of issuance at the rate of:

. 6.875% per annum for the notes due September 30, 2011; and

. 7.875% per annum for the debentures due September 30, 2031.

Interest will be payable semiannually on March 30 and September 30 of each year, beginning March 30, 2002, to the person in whose names the securities are registered at the close of business on the preceding March 15 and September 15, respectively. Interest on the securities will be computed on the basis of a 360-day year comprised of twelve 30-day months.

On October 3, 2001, we issued $1.75 billion aggregate principal amount of unregistered notes and $1.25 billion aggregate principal amount of unregistered debentures. The notes and debentures constitute separate series of securities under the indenture. Without the consent of the holders of the securities, we may issue and Devon Energy may guarantee additional securities under the indenture having the same ranking and the same interest rate, maturity and other terms as either series of securities. Any additional securities will, together with the securities of the applicable series, constitute a single series of securities under the indenture. No additional securities may be issued or guaranteed if an event of default has occurred with respect to either series of the securities.

Guarantee

Devon Energy will fully and unconditionally guarantee the due and punctual payment of the principal of, premium, if any, additional amounts, if any, and interest on the securities and any other obligations of ours under the securities when and as they become due and payable, whether at maturity, upon redemption, by acceleration or otherwise, if we are unable to satisfy these obligations. Devon Energy's guarantee of our obligations under the securities will be an unsecured and unsubordinated obligation of Devon Energy and will rank equally with all of its other unsecured and unsubordinated obligations. The guarantee provides that, in the event of a default in payment by us on the securities, the holders of the securities may institute legal proceedings directly against Devon Energy to enforce the guarantee without first proceeding against us.

Optional Redemption

The securities will be redeemable by us, in whole or in part, at any time at a redemption price equal to the greater of:

. 100% of the principal amount of the securities then outstanding to be redeemed; or

. the sum of the present values of the remaining scheduled payments of principal and interest thereon (exclusive of the interest accrued to the date of redemption) computed by discounting such payments to the redemption date on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at a rate equal to the sum of 30 basis points plus the adjusted treasury rate, as that term is generally used in the industry, on the third business day prior to the redemption date, as calculated by an independent investment banker.

We will mail notice of redemption at least 30 days but not more than 60 days before the applicable redemption date to each holder of the securities to be redeemed. If we elect to redeem the securities in part, the trustee will select the securities to be redeemed in a fair and appropriate manner.

Upon the payment of the redemption price, premium, if any, additional amounts, if any, plus accrued and unpaid interest, if any, to the date of redemption, interest will cease to accrue on and after the applicable redemption date on the securities or portions thereof called for redemption.

Optional Redemption for Changes in Canadian Withholding Taxes

The securities will be subject to redemption by us in whole, but not in part, at our option and at any time, on not fewer than 30 nor more than 60 days prior written notice, at 100% of their principal amount, plus accrued and unpaid interest, if any, up to, but not including, the redemption date, in the event that either we, Devon Energy or any other obligor under the securities, as the case may be, has become, or would become, obligated to pay, on the next date on which any amount would be payable with respect to the securities, any additional amounts relating to any present or future tax, duty, levy, impost, assessment or other governmental charge imposed or levied by or on behalf of Canada or any of its provinces or territories or by any authority or agency therein having power to tax, and provided that the obligation to pay additional amounts results from a change in the taxing laws and/or regulations of Canada that is announced or becomes effective on or after the date of initial issuance of the securities.

Provided, however:

. no notice of redemption will be given earlier than 60 days prior to the earliest date on which we, Devon Energy or any other obligor under the securities, as the case may be, would be obligated to pay any of these additional amounts if a payment with respect to the securities were then due;

. at the time any redemption notice is given, the obligation to pay these additional amounts must remain in effect through the redemption date; and

. we cannot avoid paying the additional amounts by taking reasonable measures available to us that we determine would not have an adverse impact on us.

Prior to any redemption of the securities under these provisions, we will deliver to the trustee or any paying agent an officer's certificate stating that we are entitled to effect the redemption and setting forth a statement of facts showing that the conditions precedent to the right of redemption have occurred.

Covenants

Various capitalized terms used within this "Covenants" subsection are defined at the end of this subsection.

Liens

Neither Devon Energy nor any of its Restricted Subsidiaries may incur, issue, assume or guarantee any Debt that is secured by a Mortgage on any Principal Property or on any shares of stock or Indebtedness of any Restricted Subsidiary of Devon Energy, without first effectively providing that the securities (together with, if Devon Energy so determines, any other indebtedness of Devon Energy or its Restricted Subsidiaries that is not subordinate in right of payment to the prior right of payment in full of the securities) will be secured equally and ratably with, or prior to, the incurred, issued, assumed or guaranteed secured Debt, for so long as this secured Debt remains so secured.

This limitation on the incurrence, issuance, assumption or guarantee of any Debt secured by a Mortgage will not apply to, and there will be excluded from any secured Debt in any computation under this covenant, Debt secured by:

. Mortgages existing at the date of the indenture;

. Mortgages on property of, or on any shares of stock or Indebtedness of, any entity existing at the time the entity is merged into or consolidated with us or Devon Energy or becomes a Restricted Subsidiary of Devon Energy;

. Mortgages in favor of Devon Energy or any of its Restricted Subsidiaries;

. Mortgages on property, shares of stock or Indebtedness:

. existing at the time of acquisition thereof, including acquisitions through merger, consolidation or other reorganization;

. to secure the payment of all or any part of the purchase price thereof or construction thereon; or

. to secure any Debt incurred prior to, at the time of, or within one year after the later of the acquisition, the completion of construction or the commencement of full operation of the property or within one year after the acquisition of the shares or Indebtedness for the purpose of financing all or any part of the purchase price thereof or construction thereon;

provided that, if a commitment for the financing is obtained prior to or within this one-year period, the applicable Mortgage will be deemed to be included in this clause whether or not the Mortgage is created within this one-year period;

. Mortgages in favor of the United States, any state thereof, Canada, or any province thereof, or any department, agency or instrumentality or political subdivision of any of the foregoing, or in favor of any other country or any political subdivision thereof;

. Mortgages on minerals or geothermal resources in place, or on related leasehold or other property interests, that are incurred to finance development, production or acquisition costs, including but not limited to Mortgages securing advance sale obligations;

. Mortgages on equipment used or usable for drilling, servicing or operating oil, gas, coal or other mineral properties or geothermal properties;

. Mortgages required by any contract or statute in order to permit Devon Energy or any of its subsidiaries to perform any contract or subcontract made with or at the request of the United States, any state thereof, Canada, any province thereof, or in favor of any other country or any political subdivision thereof, or any department, agency or instrumentality of any of the foregoing;

. any Mortgage resulting from the deposit of moneys or evidence of indebtedness in trust for the purpose of defeasing Debt of Devon Energy or any of its Restricted Subsidiaries or secured Debt of Devon Energy or any of its Restricted Subsidiaries the net proceeds of which are used, substantially concurrent with the funding thereof, and taking into consideration, among other things, required notices

to be given to the holders of the outstanding securities in connection with the refunding, refinancing or repurchase thereof, and the required corresponding durations thereof, to refund, refinance or repurchase all of the outstanding securities, including the amount of all accrued interest thereon and reasonable fees and expenses and premiums, if any, incurred by Devon Energy or any of its Restricted Subsidiaries in connection therewith; and

. any extension, renewal or replacement, or successive extensions, renewals or replacements, of any Mortgage referred to in the foregoing clauses of this covenant, so long as the extension, renewal or replacement Mortgage is limited to all or a part of the same property, including any improvements on the property, shares of stock or Indebtedness that secured the Mortgage so extended, renewed or replaced.

Notwithstanding anything mentioned above, Devon Energy and any one or more of its Restricted Subsidiaries may incur, issue, assume or guarantee Debt secured by Mortgages that would otherwise be subject to the above restrictions if the aggregate amount of the Debt secured by the Mortgages, together with the outstanding principal amount of all other secured Debt of Devon Energy and its Restricted Subsidiaries that would otherwise be subject to the above restrictions, does not at any time exceed 10% of Consolidated Net Tangible Assets.

The following transactions shall not be deemed to create Debt secured by a Mortgage:

. the sale or other transfer of oil, gas, coal or other minerals in place for a period of time until, or in an amount such that, the transferee will realize therefrom a specified amount of money, however determined, or a specified amount of oil, gas, coal or other minerals, or the sale or other transfer of any other interest in property of the character commonly referred to as an oil, gas, coal or other mineral payment or a production payment, and including in any case, overriding royalty interests, net profit interests, reversionary interests and carried interests and other similar burdens on production; and

. the sale or other transfer by Devon Energy or any of its Restricted Subsidiaries of properties to a partnership, joint venture or other entity whereby Devon Energy or the Restricted Subsidiary would retain partial ownership of the properties.

Consolidation, merger, conveyance of assets

The indenture provides, in general, that neither we nor Devon Energy will consolidate with or merge into any other entity or convey, transfer or lease our or its properties and assets substantially as an entirety to any person, unless:

. the entity formed by the consolidation or into which we or Devon Energy are merged, or the person who acquires the assets, shall be organized under the laws of the United States, any state thereof, or the District of Columbia and, in our case, Canada or any province thereof, and expressly assumes our or Devon Energy's obligations under the indenture, the securities and the guarantee; and

. immediately after giving effect to that type of transaction, no event of default, and no event that, after notice or lapse of time or both, would become an event of default, shall have happened and be continuing.

In addition, we may assign our obligations under the securities and the indenture to Devon Energy or any other wholly owned subsidiary of Devon Energy organized under the laws of the United States, any state thereof, the District of Columbia, Canada or any province thereof, at any time, provided that the assignee agrees to be bound by the terms of the securities and the indenture and that Devon Energy's full and unconditional guarantee remains in full force and effect if the assignee is not Devon Energy.

Event risk

Except for the limitations described above under the subsection "Liens," neither the indenture, the guarantee nor the securities affords holders of the securities protection in the event of a highly leveraged transaction involving us or Devon Energy or contains any restrictions on the amount of additional indebtedness that we or Devon Energy may incur.

Definitions

"Consolidated Net Tangible Assets" means, calculated as of the date of the financial statements for the most recently ended fiscal quarter or fiscal year, as applicable, prior to the date of determination, the aggregate amount of assets of Devon Energy and its consolidated subsidiaries, less applicable reserves and other properly deductible items but including investments in non-consolidated entities, after deducting therefrom:

. all current liabilities, excluding any portion thereof constituting Funded Debt by reason of being renewable or extendible at the option of the obligor beyond 12 months from the date of determination; and

. all goodwill, trade names, trademarks, patents, unamortized debt discount and expenses and other like intangibles, all as set forth on a consolidated balance sheet of Devon Energy and its consolidated subsidiaries and computed in accordance with accounting principles generally accepted in the United States.

"Debt" means indebtedness for money borrowed.

"Funded Debt" means all Debt of Devon Energy or any of its subsidiaries for money borrowed which is not by its terms subordinated in right of payment to the prior payment in full of the securities or to Devon Energy's full and unconditional guarantee in respect thereof, as applicable, having a maturity of more than 12 months from the date as of which the amount thereof is to be determined or having a maturity of fewer than 12 months but by its terms being:

. renewable or extendible beyond 12 months from such date at the option of the obligor; or

. issued in connection with a commitment by a bank or other financial institution to lend so that the indebtedness is treated as though it had a maturity in excess of 12 months pursuant to accounting principles generally accepted in the United States.

"Indebtedness" means Debt and the deferred purchase price of property or assets purchased.

"Mortgage" means and includes any mortgage, pledge, lien, security interest, conditional sale or other title retention agreement or other similar encumbrance.

"Offshore" means the lands beneath the navigable waters of the U.S. or Canada, or the continental shelf of the U.S. or Canada.

"Principal Property" means any oil, gas or mineral producing property, or any refining, processing, smelting or manufacturing facility located in the U.S., Canada or Offshore, other than:

. property employed in transportation, distribution or marketing;

. information and electronic data processing equipment; or

. any property that, in the opinion of the Board of Directors of Devon Energy, is not materially important to the total business conducted by Devon Energy and its subsidiaries as an entirety.

"Restricted Subsidiary" means us and any other subsidiary of Devon Energy:

. a substantial portion of the property of which is located, or a substantial portion of the business of which is carried on, within the U.S., Canada or Offshore;

. that owns or leases under a capital lease any Principal Property; and

. that has Stockholders' Equity exceeding 2% of Consolidated Net Tangible Assets.

"Stockholders' Equity" means, with respect to any corporation, partnership, joint venture, association, joint stock company, limited liability company, unlimited liability company, trust, unincorporated organization or government, or any agency or political subdivision thereof, stockholders' equity, as computed in accordance with accounting principles generally accepted in the U.S.

Sinking Fund

We are not required to make sinking fund payments with respect to the securities.

Book Entry, Delivery and Form

The securities will initially be issued only in registered, book-entry form, in denominations of $1,000 and any integral multiples of $1,000 as described under "--Book-Entry Only Issuance." We will issue global notes in denominations that together equal the total principal amount of the exchange securities issued in the exchange offer.

The securities require that payment with respect to the global notes be made by wire transfer of immediately available funds to the accounts specified by the holders of the securities. If no account is specified, we may choose to make payment at the office of the trustee or by mailing a check to the holder's registered address.

Modification of the Indenture

Modifications and amendments of the indenture may be made by us, Devon Energy and the trustee with the consent of the holders of a majority in principal amount of the outstanding securities of a series affected thereby; provided, however, that no such modification or amendment may, without the consent of the holder of each outstanding security affected thereby:

. extend the final maturity of the principal of any of the securities;

. reduce the principal amount of any of the securities;

. reduce the rate or extend the time of payment of interest or additional amounts, if any, on any of the securities;

. reduce any amount payable on redemption of any of the securities;

. change the currency in which the principal of or interest on any of the securities is payable;

. impair the right to institute suit for the enforcement of any payment on any of the securities when due; or

. make any change in the percentage in principal amount of the securities, the consent of the holders of which is required for any such modification.

Without the consent of any holder of outstanding securities, we may amend or supplement the indenture and each series of securities:

. to cure any ambiguity or inconsistency;

. to make the other modifications resulting from that addition described in this prospectus and to make other modifications not inconsistent therewith that do not adversely affect the rights of any holder of outstanding securities; or

. to make other provisions that do not adversely affect the rights of any holder of outstanding securities.

The holders of a majority in principal amount of the outstanding securities of any series may, on behalf of the holders of all securities of that series, waive any past default under the indenture with respect to that series, except a default in the payment of the principal of, premium, if any, additional amounts, if any, or interest on any securities of that series or in respect of a provision which under the indenture cannot be modified or amended without the consent of the holder of each outstanding securities of that series affected.

Events of Default

In general, the indenture defines an event of default with respect to the securities of either series as being a:

(1) default in payment of any principal or premium, if any, on the securities of that series, either at maturity, upon any redemption, by declaration or otherwise;

(2) default for 30 days in payment of any interest or additional amounts, if any, on the securities of that series;

(3) default for 90 days after written notice from the trustee or holders of at least 25% in principal amount of the outstanding securities of that series in the observance or performance of any covenant in the securities or the indenture other than if the events of default described in this clause (3) are the result of changes in accounting principles generally accepted in the U.S.;

(4) default in the payment of any principal of our or Devon Energy's Funded Debt outstanding in an aggregate principal amount in excess of $50 million at the stated final maturity thereof or the occurrence of any other default the effect of which is to cause the stated final maturity of this Funded Debt to be accelerated, and if:

. the default in payment is not cured within 60 days after written notice of the default from the trustee or holders of at least 25% in principal amount of the outstanding securities of that series; or

. the acceleration is not rescinded or annulled or the default that caused the acceleration is not cured within 60 days after written notice of the acceleration or default from the trustee or holders of at least 25% in principal amount of the outstanding securities of that series;

(5) an event of our or Devon Energy's bankruptcy, insolvency or reorganization; or

(6) failure to keep Devon Energy's full and unconditional guarantee in place;

If an event of default with respect to securities of either series at the time outstanding shall occur and be continuing, either the trustee or the holders of at least 25% in principal amount of the outstanding securities of such series may declare the principal amount of all securities of that series to be due and payable immediately. However, any time after a declaration of acceleration with respect to securities of either series has been made, but before judgment or decree based on such acceleration has been obtained, the holders of a majority in principal amount of outstanding securities of that series may, under some circumstances, rescind and annul such acceleration.

The majority holders, however, may not annul or waive a continuing default in payment of principal of, premium, if any, additional amounts, if any, or interest on the securities.

The indenture provides that the holders of the securities will indemnify the trustee before the trustee exercises any of its rights or powers under the indenture. This indemnification is subject to the trustee's duty to act with the required standard of care during a default. The holders of a majority in aggregate principal amount of the outstanding securities of either series affected may direct the time, method and place of:

. the conduct of any proceeding for any remedy available to the trustee; or

. the exercise of any trust or power conferred on the trustee.

This right of the holders of the securities is, however, subject to the provisions in the indenture providing for the indemnification of the trustee and other specified limitations.

In general, the indenture provides that holders of either series of the securities may institute an action against us, Devon Energy or any other obligor under the securities under the indenture only if the following four conditions are fulfilled:

. the holder previously has given to the trustee written notice of default and the default continues;

. the holders of at least 25% in principal amount of the securities issued under the indenture and then outstanding have both requested the trustee to institute such action and offered the trustee reasonable indemnity;

. the trustee has not instituted this action within 60 days of receipt of such request; and

. the trustee has not received direction inconsistent with such written request by the holders of a majority in principal amount of the securities of such series then outstanding.

The above four conditions do not apply to actions by holders of the securities under the indenture against us, Devon Energy or any other obligor under the securities for payment of principal of, premium, if any, additional amounts, if any, or interest on or after the due date provided, if any. The indenture contains a covenant that we, Devon Energy and any other obligor under the securities will file annually with the trustee a certificate of no default or a certificate specifying any default that exists.

Discharge, Defeasance and Covenant Defeasance

We may discharge or defease our obligations under the indenture as set forth below.

Under terms satisfactory to the trustee, we may discharge certain obligations to holders of the securities of either series that have not already been delivered to the trustee for cancellation. The securities must also:

. have become due and payable;

. be due and payable by their terms within one year; or

. be scheduled for redemption by their terms within one year.

We may discharge the securities by irrevocably depositing an amount certified to be sufficient to pay at maturity, or upon redemption, the principal, premium, if any, additional amounts, if any, and interest on the securities. We may make the deposit in cash or U.S. Government Obligations, as defined in the indenture.

We may also, upon satisfaction of the conditions listed below, discharge particular obligations to holders of any of the securities at any time. This is referred to as a defeasance. Under terms satisfactory to the trustee, we may be released with respect to any outstanding securities from the obligations imposed by sections 3.07 and 4.01 of the indenture. These sections contain the covenants described above limiting liens and consolidations, mergers and conveyances of assets. Also under terms satisfactory to the trustee, we may no longer be required to comply with these sections without the creation of an event of default. This is typically referred to as covenant defeasance. Defeasance or covenant defeasance may be effected by us only if, among other things:

. we irrevocably deposit with the trustee cash or U.S. Government Obligations as trust funds in an amount certified to be sufficient to pay at maturity or upon redemption the principal of, premium, if any, additional amounts, if any, and interest on all outstanding securities; and

. we deliver to the trustee an opinion of counsel to the effect that the holders of the securities will not recognize income, gain or loss for United States federal income tax purposes as a result of our defeasance or covenant defeasance. This opinion must further state that these holders will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if our defeasance or covenant defeasance had not occurred. In the case of our defeasance, this opinion must be based on a ruling of the Internal Revenue Service or a change in United States federal income tax law occurring after the date of the indenture, since this result would not occur under current tax law.

Payment of Additional Amounts

Unless otherwise required by Canadian law, neither we nor Devon Energy will deduct or withhold from payments made with respect to the securities and the guarantee on account of any present or future taxes, duties, levies, imposts, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any political subdivisions or taxing authorities in Canada having the power to tax. In the event that either we or Devon Energy are required to withhold or deduct on account of any Canadian taxes due from any payment made under or with respect to the securities or the guarantee, as the case may be, we or Devon Energy, as the case may be, will pay additional amounts so that the net amount received by each holder of securities will equal the amount that the holder would have received if the Canadian taxes had not been required to be withheld or deducted. The amounts that we or Devon Energy are required to pay to preserve the net amount receivable by the holders of the securities are referred to as "additional amounts."

Additional amounts will not be payable with respect to a payment made to a holder of the securities to the extent:

. that any Canadian taxes would not have been so imposed but for the existence of any present or former connection between the holder and Canada or a province or territory of Canada, other than the mere receipt of the payment, acquisition, ownership or disposition of such securities or the exercise or enforcement of rights under the securities, the guarantee or the indenture;

. of any estate, inheritance, gift, sales, transfer or personal property taxes imposed with respect to the securities, except described below or as otherwise provided in the indenture;

. that any such Canadian taxes would not have been imposed but for the presentation of the securities, where presentation is required, for payment on a date more than 30 days after the date on which the payment became due and payable or the date on which payment thereof is duly provided for, whichever is later, except to the extent that the beneficiary or holder thereof would have been entitled to additional amounts had the securities been presented for payment on any date during such 30-day period; or

. that the holder would not be liable or subject to such withholding or deduction of Canadian taxes but for the failure to make a valid declaration of non-residence or other similar claim for exemption, if:

. the making of the declaration or claim is required or imposed by statute, treaty, regulation, ruling or administrative practice of the relevant taxing authority as a precondition to an exemption from, or reduction in, the relevant taxes; and

. at least 60 days prior to the first payment date with respect to which we or Devon Energy shall apply this clause, we or Devon Energy shall have notified all holders of the securities in writing that they shall be required to provide this declaration or claim.

We and Devon Energy will also:

. withhold or deduct such Canadian taxes as required;

. remit the full amount of taxes deducted or withheld to the relevant taxing authority in accordance with all applicable laws;

. use reasonable efforts to obtain from each relevant taxing authority imposing the taxes certified copies of tax receipts evidencing the payment of any taxes deducted or withheld; and

. upon request, make available to the holders of the securities, within 60 days after the date the payment of any taxes deducted or withheld is due pursuant to applicable law, certified copies of tax receipts evidencing such payment by us or Devon Energy and, notwithstanding our or Devon Energy's efforts to obtain the receipts, if the same are not obtainable, other evidence of such payments.

In addition, we or Devon Energy will pay any stamp, issue, registration, documentary or other similar taxes and duties, including interest, penalties and additional amounts with respect thereto, payable in Canada or the United States or any political subdivision or taxing authority of or in the foregoing with respect to the creation, issue, offering, enforcement, redemption or retirement of the securities or guarantee.

Concerning the Trustee

The Chase Manhattan Bank, the trustee under the indenture, is one of a number of banks with which Devon Energy and its subsidiaries maintains ordinary banking relationships and with which Devon Energy and its subsidiaries maintains credit facilities.

Governing Law

The indenture, the securities and the guarantee will be governed by, and construed in accordance with, the laws of the State of New York.

Book-Entry Only Issuance

The exchange securities will be represented by one or more registered securities in global form, without interest coupons. The global securities will be deposited on the issue date with, or on behalf of, the DTC and registered in the name of Cede & Co., the DTC nominee, or will remain in the custody of the trustee pursuant to the FAST Balance Certificate Agreement between the DTC and the trustee. Investors may hold their beneficial interests in the global securities directly through the DTC, Euroclear or Clearstream, if they are participants in those systems, or, indirectly, through organizations that are participants in those systems. Clearstream and Euroclear will hold interests on behalf of their participants through customers' securities accounts in Clearstream's and Euroclear's names on the books of their respective depositaries, which in turn will hold such interests in customers' securities accounts in the depositaries' names on the books of the DTC.

Except as set forth below, the global securities may be transferred in whole, and not in part, solely to another nominee of the DTC or a successor to the DTC or its nominee. All interests in the global securities, including those held through Euroclear or Clearstream, may be subject to procedures and requirements of the DTC and its direct or indirect participants. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of those systems.

Depositary Procedures

The following description of the operations and procedures of the DTC is provided solely as a matter of convenience. These operations and procedures are solely within the control of the DTC and are subject to changes by the DTC. We take no responsibility for these operations and procedures and urge investors to contact the DTC directly to discuss these matters.

The DTC has advised us that it is a:

. limited purpose trust company organized under the laws of the State of New York;

. banking organization within the meaning of the laws of the State of New York;

. member of the Federal Reserve System;

. clearing corporation within the meaning of the New York Uniform Commercial Code; and

. clearing agency registered pursuant to the provisions of Section 17A of the Securities Exchange Act.

The DTC was created to hold securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants through electronic book-entry changes in their accounts, thereby eliminating the need for physical movement of securities represented by physical certificates. The DTC's participants include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. Banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant referred to as "indirect participants," also have access to the DTC's book-entry system.

Upon deposit of the global securities with the DTC, the DTC will credit, on its book-entry registration and transfer system, the accounts of those participants designated by the initial purchasers with the principal amounts of the global securities held by or through the participants. The record of the DTC will show ownership and effect the transfer of ownership of the global securities by its participants. The records of the participants will show ownership and effect the transfer of ownership of the global securities by persons holding beneficial interests in the global securities through them.

In the case of beneficial interests held by or though participants in Euroclear or Clearstream, the DTC will credit the accounts of Euroclear, Clearstream and their depositaries with the principal amounts of the global securities beneficially owned by or through Euroclear and Clearstream, respectively. These records of the DTC will show ownership and effect the transfer of ownership of the global securities by Euroclear, Clearstream and their depositaries. The records of Euroclear and Clearstream will show ownership and effect the transfer of ownership of the global securities by their participants, and the records of the participants will show ownership or transfer of ownership of the global securities by persons holding through them.

So long as the DTC or its nominee is the registered owner of the global securities, the DTC or such nominee will be considered the sole owner and holder of the securities for all purposes under the indenture. Except as set forth below, if you own a beneficial interest in the global securities, you will not:

. be entitled to have the securities registered in your name;

. receive or be entitled to receive physical delivery of a certificate in definitive form representing the securities; or

. be considered the owner or holder of the securities under the applicable indenture for any purpose, including with respect to the giving of any directions, approvals or instructions to the trustee.

Therefore, if you are required by state law to take physical delivery of the securities in definitive form, you may not be able to own, transfer or pledge beneficial interests in the global securities. In addition, the lack of a physical certificate evidencing your beneficial interests in the global securities may limit your ability to pledge the interests to a person or entity that is not a participant in the DTC.

If you own beneficial interests in a global security, you will have to rely on the procedures of the DTC and, if you are not a participant in the DTC, the procedures of the participant through which you hold your beneficial interests, to exercise your rights as a holder of the securities under the indenture. The DTC has advised us that it will take any action permitted to be taken by a holder of beneficial interests in the global securities only at the direction of one or more of the participants to whose accounts the interests are credited. We understand that, under existing industry practice, when a beneficial owner of a global security wants to give any notice or take any action that a registered holder is entitled to take, at our request or under the indenture, the DTC will authorize the participant to give the notice or take the action, and the participant will authorize its beneficial owners to give

the notice or take the action. Accordingly, we, the trustee and the paying agent will treat as a holder of beneficial interests in the global securities anyone designated as such in writing by the DTC for purposes of obtaining any consents or directions required under the indenture.

We will pay the principal of, premium, if any, additional amounts, if any, and interest on, any of the securities through the trustee or paying agent to the DTC or its nominee, as the registered holder of the global securities, in immediately available funds. We expect the DTC or its nominee, upon receipt of any payments, to immediately credit each participant's account with payments in amounts proportionate to that participant's beneficial interest as shown on the records of the DTC or its nominee. We also expect each participant to pay each owner of beneficial interests in the global securities held through that participant in accordance with standing customer instructions and customary practices. These payments will be the sole responsibility of the participants.

Neither we, the trustee nor paying agent will assume any responsibility or liability for any aspect of the records relating to, payments made on account of or actions taken with respect to the beneficial ownership interests in the global securities, or for any other aspect of the relationship between the DTC and its participants, Euroclear or Clearstream and their participants, or between the participants and the owners of beneficial interests. We, the trustee and the paying agent may conclusively rely on instructions from the DTC for all purposes. We obtained the above information about the DTC, Euroclear and Clearstream and their book-entry systems from sources we believe are reliable, but we take no responsibility for the accuracy of the information.

Settlement Procedures

Secondary market trading between the DTC participants will occur in the ordinary way in accordance with the DTC's rules and procedures and will be settled in immediately available funds using the DTC's same-day funds settlement system.

Subject to compliance with the transfer restrictions applicable to the securities, secondary market trading between participants of Euroclear and/or Clearstream will occur in the ordinary way in accordance with each of its rules and procedures and will be settled using the procedures applicable to conventional Eurobonds in immediately available funds. Euroclear or its depositaries will effect transfers in global securities between the DTC participants, on the one hand, and Euroclear or Clearstream participants, on the other hand, in accordance with the DTC's procedures and will settle them in same-day funds. Euroclear or its depositaries, as the case may be, must deliver instructions to Euroclear or Clearstream in accordance with Euroclear's or Clearstream's procedures. If the transfer meets its settlement requirements, Euroclear or Clearstream will instruct Euroclear or its depositaries to effect final settlement on its behalf by delivering or receiving interests in the global securities in its accounts with the DTC and making or receiving payment in accordance with normal procedures of same-day funds settlement applicable to the DTC. Participants in Euroclear and Clearstream may not deliver instructions directly to Euroclear or its depositaries, as applicable.

Because of time zone differences, the accounts of Euroclear and Clearstream participants purchasing beneficial interests in the global securities from the Depository Trust Company participants will be credited with the securities purchased, and the crediting will be reported to Euroclear and Clearstream participants, on the securities settlement processing day immediately following the DTC settlement processing day. Likewise, the accounts of Euroclear and Clearstream participants selling beneficial interests in the global securities to the DTC participants will be credited with the cash received on the DTC settlement processing day, but the cash will not be available in the relevant Euroclear or Clearstream cash account until the settlement processing day immediately following the DTC settlement processing day.

Although the DTC, Euroclear and Clearstream have agreed to foregoing procedures to facilitate transfers of interests in the global securities among participants in the DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform these procedures. These procedures may be changed or

discontinued at any time. Neither we, the trustee nor the paying agent will have any responsibility for the performance by the DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Exchange of Global Securities for Certificated Securities

We will exchange beneficial interests in global securities for certificated securities only if:

. the DTC notifies us that it is unwilling or unable to continue as a depositary for the global securities;

. the DTC ceases to be a clearing agency registered under the Securities Exchange Act; or

. we decide at any time not to have the securities represented by global securities and so notify the trustee.

If there is an exchange, upon the surrender by the DTC of the global securities, we will issue certificated securities in authorized denominations and registered in the names that the DTC directs.

Neither we nor the trustee shall be liable for any delay by the DTC or any participant or indirect participant in identifying the beneficial owners of the related securities and each such person may conclusively rely on, and shall be protected in relying on, instructions from the DTC for all purposes, including with respect to the registration and delivery, and the respective principal amounts, of the securities to be issued.

MATERIAL UNITED STATES AND CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The summaries below are for general information only and do not consider all aspects of U.S. and Canadian federal income taxation that may be relevant to the purchase, ownership and disposition of the securities by a holder in light of the holder's particular circumstances.

United States

The following summary of U.S. federal income tax consequences of the purchase, ownership and disposition of the securities is based upon the Internal Revenue Code of 1986, as amended, existing and proposed Treasury regulations, Internal Revenue Service rulings and pronouncements and administrative and judicial decisions currently in effect, all of which are subject to change, possibly with retroactive effect, and any change could affect the continuing validity of this summary. This summary of U.S. federal income tax consequences deals only with the securities held as "capital assets" as defined in the Internal Revenue Code by investors who purchase the securities in the initial offering at the initial offering price and does not purport to deal with persons in special tax situations, such as financial institutions, insurance companies, regulated investment companies, real estate investment trusts, dealers in securities or currencies, persons holding securities as a hedge against currency risk or as a position in a "straddle" or "conversion transaction" or persons whose functional currency is not the U.S. dollar. This summary does not address the effect of any applicable state, local or foreign tax laws or, except to the limited extent discussed under "non-U.S. holders," any estate and gift taxation laws.

A "U.S. holder" is a beneficial owner of the securities that is for U.S. federal income tax purposes:

. a citizen or resident of the United States;

. a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof (other than a partnership that is not treated as a United States person under any applicable Treasury regulations);

. an estate the income of which is subject to U.S. federal income tax regardless of its source; or

. a trust if a court within the United States 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.

As used in this prospectus, the term "non-U.S. holder" means a beneficial owner of the securities that is not a U.S. holder.

Prospective investors (whether U.S. holders or non-U.S. holders) should consult their own tax advisors concerning the application of U.S. federal income tax laws to their particular situations, as well as any consequences of the purchase, ownership and disposition of the securities arising under the laws of any other taxing jurisdiction.

For U.S. federal income tax purposes, we, Devon Financing Corporation, U.L.C., will not be treated as an entity separate from Devon Energy Corporation (Oklahoma). Accordingly, the term "Issuer," as used in the summary, refers to Devon Energy Corporation (Oklahoma) and includes, where appropriate, Devon Financing Corporation, U.L.C.

Exchange Offer

The exchange of unregistered securities for exchange securities pursuant to the exchange offer will not be a taxable event for U.S. federal income tax purposes. Accordingly, a holder will not recognize taxable gain or loss as a result of such exchange and will have the same adjusted tax basis and holding period in the exchange securities as such holder had in the unregistered securities immediately before the exchange.

Expected tax treatment of U.S. holders

Interest on the securities will constitute "qualified stated interest" and generally will be includable in the income of a U.S. holder as ordinary interest income at the time such payments are accrued or received, in accordance with the U.S. holder's regular method of tax accounting.

Upon the sale, exchange or retirement of any of the securities, a U.S. holder generally will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement (other than amounts representing accrued and unpaid interest) and such U.S. holder's adjusted tax basis in the securities. A U.S. holder's adjusted tax basis in the securities generally will equal such U.S. holder's initial investment in the securities decreased by the amount of any payments, other than qualified stated interest payments, received with respect to any of the securities. Such gain or loss will generally be capital gain or loss and will be long-term capital gain or loss if any of the securities have been held by the U.S. holder for more than one year on the date of disposition.

Foreign tax credit considerations

As described below under "Canada," and subject to the limitations therein, payment of interest on the securities will not be subject to Canadian withholding tax. If, however, the interest payments become subject to Canadian withholding taxes as the result of a change in Canadian tax law, U.S. holders will be treated for U.S. federal income tax purposes as having actually received the amount of taxes paid to the Canadian taxing authority by the Issuer, and as having paid the taxes to the Canadian taxing authorities. As a result, the amount of interest income included in your gross income generally would be greater than the amount of cash you actually receive. Subject to generally applicable limitations, a foreign tax credit may be claimed or deduction taken for Canadian withholding taxes imposed on interest payments. Interest on the securities will be treated as income from sources within the United States for U.S. foreign tax credit purposes. Accordingly, these taxes would be creditable only to the extent of other foreign source income. Gain or loss on the sale, redemption, retirement at maturity or other taxable disposition of the securities generally will constitute U.S. source gain or loss for U.S. foreign tax credit purposes.

Non-U.S. Holders

Subject to the discussion below concerning backup withholding, a non-U.S. holder will not be subject to U.S. federal withholding taxes on payments of principal or interest on any of the securities, unless the non-U.S. holder:

. constructively owns 10% or more of the total combined voting power of all classes of stock of the Issuer entitled to vote;

. is a controlled foreign corporation that is related to the Issuer through stock ownership; or

. does not satisfy the statement requirement, described generally below.

A non-U.S. holder generally will not be subject to U.S. federal income tax with respect to any gain or income realized by non-U.S. holders upon the sale, exchange, retirement or other disposition of any of the securities unless:

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

. in the case of a non-U.S. holder who is an individual, the individual is present in the United States for 183 days or more in the taxable year of the sale, exchange, retirement or other disposition of the securities, and certain other conditions are met.

If a non-U.S. holder is engaged in a trade or business in the United States and interest on the securities is effectively connected with the conduct of such trade or business, or, in the case of an individual non-U.S. holder,

is present in the United States for 183 days or more, such non-U.S. holder will generally be treated in the same manner as a U.S. holder with respect to interest or other income and any gain realized on the sale, exchange, retirement or other disposition of any of the securities held by that non-U.S. holder. In addition, if such non-U.S. holder is a foreign corporation, it may be subject to a branch profits tax equal to 30%, or such lower rate provided by an applicable treaty, of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

To satisfy the statement requirement described above, either:

. the beneficial owner of the securities must certify to the Issuer or its agent in compliance with applicable laws and regulations and under penalties of perjury, by submitting to the Issuer or its agent an Internal Revenue Service Form W-8BEN or other suitable form, that it is not a "United States person" as defined in the Internal Revenue Code and provide its name and address; or

. a securities clearing organization, bank, or other financial institution that holds customers' securities in the ordinary course of its trade or business and that holds the securities on behalf of the beneficial owner provides a statement to the Issuer or its agent in which it certifies that an Internal Revenue Service Form W-8BEN or other suitable form has been received from the beneficial owner by it or by a financial institution between it and the beneficial owner and furnishes the payor with a copy thereof.

Special rules apply to non-U.S. holders that are partnerships, estates, or trusts and, in certain circumstances, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

If a non-U.S. holder cannot satisfy this statement requirement described above, payments of interest made to such non-U.S. holder will be subject to a 30% withholding tax unless the beneficial owner of the security provides the Issuer or its agent with a properly executed:

. Internal Revenue Service Form W-8BEN claiming an exemption from withholding tax or a reduction in withholding tax under the benefit of a tax treaty; or

. Internal Revenue Service Form W-8ECI stating that interest paid on the securities is not subject to withholding tax because it is effectively connected with the beneficial owner's conduct of a trade or business in the United States.

Securities beneficially owned by an individual who at the time of death is not a U.S. citizen or resident as specifically defined for U.S. estate tax purposes will not be subject to the U.S. federal estate tax as a result of such individual's death, provided that such individual does not constructively own 10% or more of the total combined voting power of all classes of stock of the Issuer entitled to vote and provided that the interest payments with respect to such securities would not have been, if received at the time of such individual's death, effectively connected with the conduct of a U.S. trade or business by such individual.

Backup Withholding

Backup withholding of U.S. federal income tax may apply to payments made with respect to the securities to registered owners who are not "exempt recipients" and who fail to provide certain identifying information, such as the registered owner's taxpayer identification number, in the required manner. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. The backup withholding tax rate of 30.5% will be reduced to 30% for payments made during the years 2002 and 2003, 29% for payments made during the years 2004 and 2005, and 28% for payments made during the years 2006 through 2010. For payments made after 2010, the backup withholding rate will be increased to 31%.

Payments made with respect to the securities to a U.S. holder must be reported to the Internal Revenue Service, unless the U.S. holder is an exempt recipient or establishes an exemption. Compliance with the identification procedures described in the preceding section would establish an exemption from backup withholding for non-U.S. holders. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or a credit against such beneficial owner's U.S. federal income tax, provided the required information is furnished to the Internal Revenue Service.

Canada

The following is a summary of the principal Canadian federal income tax considerations generally applicable under the Income Tax Act (Canada) to a person who acquires beneficial ownership of securities pursuant to this offering and who for purposes of the Income Tax Act (Canada), and at all relevant times, is not resident or deemed to be resident in Canada, deals at arm's length with the issuer of the securities, and does not use or hold, and is not deemed to use or hold, the securities in carrying on business in Canada. For the purposes of the Income Tax Act (Canada), related persons (as defined therein) are deemed not to deal at arm's length and it is a question of fact whether persons not related to each other deal at arm's length.

The discussion below is intended to be a general description of the Canadian income tax considerations applicable in respect of the securities acquired pursuant to this prospectus and is not intended to be, nor should it be construed to be, legal or tax advice to any particular purchaser. Accordingly, prospective investors are urged to consult their own tax advisors with respect to the tax consequences of an investment in the securities.

This summary is based on the current provisions of the Income Tax Act (Canada) and the regulations thereunder in force on the date hereof, specific proposals to amend the Income Tax Act (Canada) and the regulations thereunder publicly announced by the Minister of Finance (Canada) as of the date of this prospectus, and the current published administrative and assessing practices of the Canada Customs and Revenue Agency. This summary is not exhaustive of all possible Canadian income tax consequences and, except for publicly announced tax proposals, does not otherwise take into account or anticipate changes in the law or in the assessment and administrative practices of the Canada Customs and Revenue Agency, whether by judicial, governmental or legislative decision or action, nor does it take into account tax legislation or considerations of any province or territory of Canada or any jurisdiction other than Canada. No assurance can be given that tax proposals will become law in their present form or at all. This summary is not applicable to any person other than a person who acquires securities pursuant to this offering and may not be applicable after any amendment of the securities or the indenture.

The payment of interest by Devon Financing Corporation, U.L.C. on the securities to such a person will be exempt from Canadian non-resident withholding tax under the Income Tax Act (Canada), provided that the terms of the securities do not require Devon Financing Corporation, U.L.C. to repay more than 25% of the principal amount payable thereunder before the fifth anniversary of the date of issue of the securities, except in the event of a default under the securities that is commercially reasonable and beyond the control of the holders of the securities or the trustee. Certain events of default under the securities can be triggered by a default under indebtedness other than the securities, and it is assumed that the events of default under such other indebtedness are commercially reasonable and beyond the control of the holders of the securities or the trustee. Subject to the foregoing, the payment of interest, premium, if any, and principal by Devon Financing Corporation, U.L.C. on the securities will be exempt from non-resident withholding tax under the Income Tax Act (Canada). If the terms of the securities do require Devon Financing Corporation, U.L.C. to repay more than 25% of the principal amount thereof before the fifth anniversary of the date of issue thereof, or if a holder thereof does not deal at arm's length with Devon Financing Corporation, U.L.C., the payment of interest thereon will be subject to Canadian non-resident withholding tax under the Income Tax Act (Canada) at a rate of 25% thereof (or, if applicable, such lower rate as is specified by a tax treaty between Canada and the holder's country of residence).

No other tax on income (including capital gains) will be payable under the Income Tax Act (Canada) in respect of the holding, repayment, redemption or disposition of the securities, or the receipt of interest, premium, if any, or principal thereon, except that in certain circumstances, a holder that has elected to have the securities treated as taxable Canadian property, or that uses, holds or is deemed to use or hold the securities in the course of carrying on a business in Canada may be subject to such taxes, as will a holder that is a non-resident insurer carrying on business in Canada and elsewhere in respect of which the securities are designated insurance property for purposes of the Income Tax Act (Canada).

PLAN OF DISTRIBUTION

Each broker-dealer that receives exchange securities for its own account in the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of the exchange securities. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange securities received in exchange for unregistered securities where the unregistered securities were acquired as a result of market-making activities or other trading activities. We have agreed that for 180 days after the date of this prospectus we will make this prospectus, as amended or supplemented, available to any broker-dealer that requests these documents from the exchange agent for use in connection with resales of the exchange securities. In addition, until , 2002, all dealers affecting transactions in the exchange securities may be required to deliver a prospectus.

We will not receive any proceeds from any sale of exchange securities by broker-dealers. Exchange securities received by broker-dealers for their own account in the exchange offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the exchange securities or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or negotiated prices. Any resale of the exchange securities may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer and/or the purchasers of any such exchange securities. Any broker-dealer that resells exchange securities that were received by it for its own account in the exchange offer and any broker or dealer that participates in a distribution of the exchange securities may be deemed to be an "underwriter" within the meaning of the Securities Act. Any profit on any resale of exchange securities and any commissions or concessions received by any persons deemed to be underwriters may be deemed to be underwriting compensation under the Securities Act. The enclosed letter of transmittal states that by acknowledging that it will deliver and be delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

For a period of 180 days after the date of this prospectus, we will promptly send additional copies of this prospectus and any amendment or supplement to this prospectus to any broker-dealer that requests such documents in the letter of transmittal. We have agreed to pay all expenses incident to the exchange offer (including the expenses of one counsel for the holders of the unregistered securities) other than commissions or concessions of any brokers or dealers and will indemnify the holders of the unregistered securities (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

Following completion of the exchange offer, we may, in our sole discretion, commence one or more additional exchange offers to holders of unregistered securities who did not exchange their unregistered securities for exchange securities in the exchange offer on terms which may differ from those contained in the prospectus and the enclosed letter of transmittal. This prospectus, as it may be amended or supplemented from time to time, may be used by us in connection with any additional exchange offers. These additional exchange offers may take place from time to time until all outstanding unregistered securities have been exchanged for exchange securities, subject to the terms and conditions in the prospectus and letter of transmittal distributed by us in connection with these additional exchange offers.

LEGAL MATTERS

The validity of the exchange securities and the guarantees will be passed upon for us by Mayer, Brown & Platt. Mayer, Brown & Platt will rely upon the opinion of Stewart McKelvey Stirling Scales of Halifax, Nova Scotia, concerning matters of Canadian law.

EXPERTS

The consolidated financial statements of Devon Energy and its subsidiaries as of December 31, 2000, 1999, and 1998 and for each of the years then ended have been incorporated by reference herein and in the registration statement in reliance upon the report of KPMG LLP, independent certified public accountants, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing. The report of KPMG LLP expresses reliance on other auditors for 1999 and 1998.

The consolidated financial statements of Northstar Energy Corporation as of and for the year ended December 31, 1998, not separately presented in this Registration Statement on Form S-4, have been audited by Deloitte & Touche LLP, Chartered Accountants, whose report thereon appears in Devon Energy's 2000 Annual Report on Form 10-K, incorporated by reference herein. Such consolidated financial statements, to the extent they have been included in the consolidated financial statements of Devon Energy, have been so included in reliance on the report of such independent accountants given on the authority of said firm as experts in accounting and auditing.

The audited consolidated financial statements of Santa Fe Snyder Corporation as of December 31, 1999 and 1998 and for the years then ended, not separately presented in this Devon Financing Corporation, U.L.C. and Devon Energy Corporation Registration Statement on Form S-4, have been audited by PricewaterhouseCoopers LLP, independent accountants, whose report thereon appears in Devon Energy Corporation's 2000 Annual Report on Form 10-K, incorporated by reference herein. Such consolidated financial statements, to the extent they have been included in the consolidated financial statements of Devon Energy Corporation, have been so included in reliance on the report of such independent accountants given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements of Anderson as of September 30, 2000 and 2001 and for each of the years in the three-year period ended September 30, 2001, have been incorporated by reference into this document in reliance on the report of KPMG LLP, Chartered Accountants, incorporated by reference into this document, and upon the authority of said firm as experts in accounting and auditing.

Certain information with respect to Devon Energy's oil and gas reserves derived from the reports of LaRoche Petroleum Consultants, Ltd., Ryder Scott Company, L.P., AMH Group, Ltd. and Paddock Lindstrom & Associates, Ltd., independent consulting petroleum engineers, has been included and incorporated by reference into this document on the authority of said firms as experts with respect to matters covered by such reports and in giving such reports.

Certain information relating to Anderson's oil and gas reserves derived from the reports of Gilbert Laustsen Jung Associates Ltd., independent consulting petroleum engineers, has been included in this document on the authority of said firm as experts with respect to such reports and in giving such reports.

COMMONLY USED OIL AND GAS TERMS

The following are abbreviations and definitions of terms commonly used in the oil and gas industry and in this document:

"Bbl" means one stock tank barrel, or 42 U.S. gallons liquid volume of oil or NGLs.

"Bcf" means one billion cubic feet.

"Boe" means barrel of oil equivalent, determined by using the ratio of one Bbl of oil or NGLs to six Mcf of natural gas.

"MBbls" means one thousand Bbls.

"Mcf" means one thousand cubic feet.

"MMBoe" means one million Boe.

"net acres" or "net wells" means the sum of the fractional working interests owned in gross acres or gross wells.

"NGL" or "NGLs" means natural gas liquids.

"oil" includes crude oil and condensate.

"proved reserves" are the estimated quantities of crude oil, natural gas and NGLs that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions (i.e., prices and costs as of the date the estimate is made). Prices include consideration of changes in existing prices provided only by contractual arrangements, but not on escalations based on future conditions.

. Reservoirs are considered proved if economic productibility is supported by either actual production or conclusive formation test. The area of a reservoir considered proved includes:

. that portion delineated by drilling and defined by gas-oil and/or oil-water contacts, if any; and

. the immediately adjoining portions not yet drilled, but which can be reasonably judged as economically productive on the basis of available geological and engineering data. In the absence of information on fluid contacts, the lowest known structural occurrence of hydrocarbons controls the lower proved limit of the reservoir.

. Reserves that can be produced economically through application of improved recovery techniques, such as fluid injection, are included in the "proved" classification when successful testing by a pilot project, or the operation of an installed program in the reservoir, provides support for the engineering analysis on which the project or program was based.

. Estimates of proved reserves do not include the following:

. oil that may become available from known reservoirs but is classified separately as "indicated additional reserves";

. crude oil, natural gas and NGLs, the recovery of which is subject to reasonable doubt because of uncertainty as to geology, reservoir characteristics or economic factors;

. crude oil, natural gas and NGLs that may occur in undrilled prospects; and

. crude oil, natural gas and NGLs that may be recovered from oil shales, coal, gilsonite and other such sources.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. Indemnification of Directors and Officers

Except to the extent indicated below, there is no charter provision, bylaw, contract, arrangement or statute under which any director or officer of Devon Financing Corporation, U.L.C. or Devon Energy Corporation is insured or indemnified in any manner against any liability that he or she may incur in his or her capacity as such.

Devon Financing Corporation, U.L.C.

Article 160 of Devon Financing's Memorandum and Articles of Association contain a provision, permitted by the Companies Act of Nova Scotia, to indemnify every director or officer, former director or officer, or person who acts or acted at Devon Financing's request, as a director or officer of Devon Financing, a body corporate, partnership or other association of which Devon Financing is or was a shareholder, partner, member or creditor, and the heirs and legal representatives of such person, in the absence of any dishonesty on the part of such person, against, and it shall be the duty of the directors out of the funds of Devon Financing to pay, all costs, losses and expenses, including an amount paid to settle an action or claim or satisfy a judgment, that such director, officer or person may incur or become liable to pay in respect of any claim made against such person or civil, criminal or administrative action or proceeding to which such person is made a party by reason of being or having been a director or officer of Devon Financing or such body corporate, partnership or other association, whether Devon Financing is a claimant or party to such action or proceeding or otherwise; and the amount for which such indemnity is proved shall immediately attach as a lien on the property of Devon Financing and have priority as against the shareholders over all other claims.

Article 161 of Devon Financing's Memorandum and Articles of Association contain a provision, permitted by the Companies Act of Nova Scotia, to indemnify every director or officer, former director or officer, or person who acts or acted at Devon Financing's request, as a director or officer of Devon Financing, a body corporate, partnership or other association of which Devon Financing is or was a shareholder, partner, member or creditor, in the absence of any dishonesty on such person's part, from the acts, receipts, neglects or defaults of any other director, officer or such person, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to Devon Financing through the insufficiency or deficiency of title to any property acquired for or on behalf of Devon Financing, or through the insufficiency or deficiency of any security in or upon which any of the funds of Devon Financing are invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any funds, securities or effects are deposited, or for any loss occasioned by error of judgment or oversight on the part of such person, or for any other loss, damage or misfortune whatsoever which happens in the execution of the duties of such person or in relation thereto.

Devon Energy Corporation

Article VIII of Devon Energy's restated certificate of incorporation, as amended, contains a provision, permitted by Section 102(b)(7) of the Delaware General Corporation Law, limiting the personal monetary liability of directors for breach of fiduciary duty as a director. This provision and Delaware law provide that the provision does not eliminate or limit liability:

. for any breach of the director's duty of loyalty to Devon Energy or its stockholders;

. for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;

. for unlawful payments of dividends or unlawful stock repurchases or redemptions, as provided in Section 174 of the Delaware General Corporation Law; or

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

Section 145 of the Delaware General Corporation Law 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 Devon Energy's restated certificate of incorporation, as amended, provides for such indemnification.

Section 145 of the Delaware General Corporation Law also permits a corporation to purchase and maintain insurance on behalf of its directors and officers against any liability that may be asserted against, or incurred by, such persons in their capacities as directors or officers of the corporation whether or not the corporation would have the power to indemnify such persons against such liabilities under the provisions of such sections. Devon Energy has purchased such insurance.

Section 145 of the Delaware General Corporation Law 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 bylaw, 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 Devon Energy's bylaws contains provisions regarding indemnification that parallel those described above.

The amended and restated merger agreement, dated as of May 19, 1999, between Devon Energy and PennzEnergy Company provides that for seven years after the effective time of the merger contemplated by that agreement, Devon Energy will indemnify and hold harmless each person who was a director or officer of Devon Energy or PennzEnergy prior to the effective time of that merger from their acts or omissions in those capacities occurring prior to the effective time of that merger to the fullest extent permitted by applicable law.

The merger agreement, dated as of May 25, 2000, as amended, between Devon Energy and Santa Fe Snyder Corporation provides that for six years after the effective time of the merger contemplated by that agreement, Devon Energy will indemnify and hold harmless each person who was a director or officer of Santa Fe Snyder prior to the effective time of that merger from their acts or omissions in those capacities occurring prior to the effective time of that merger to the fullest extent permitted by applicable law.

The amended and restated agreement and plan of merger, dated as of August 13, 2001, by and among Devon Energy, Devon NewCo Corporation, Devon Holdco Corporation, Devon Merger Corporation, Mitchell Merger Corporation and Mitchell Energy & Development Corp. provides that for six years after the effective time of the merger contemplated by that agreement, Devon Holdco Corporation will cause the surviving corporation of the merger to indemnify and hold harmless to the fullest extent permitted under applicable law each person who was a director or officer of Mitchell prior to the effective time of that merger.

Item 21. Exhibits and Financial Statement Schedules

(a) Exhibits

See Index to Exhibits which is incorporated by reference in this item.

(b) Financial Statement Schedule

Not applicable.

Item 22. Undertakings

Each of the undersigned registrants, hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (1)(i) and (1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to
Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement;

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment 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.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the 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.

(5) To respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11, or 13 of this form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(6) To supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

(7) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described under Item 20, or

otherwise, each 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 of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by a registrant of expenses incurred or paid by a director, officer or controlling person of such registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, each 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 whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Oklahoma City, state of Oklahoma, on December 14, 2001.

DEVON FINANCING CORPORATION, U.L.C.

By:

/s/ J. LARRY NICHOLS

J. Larry Nichols
President

KNOW ALL MEN BY THESE PRESENTS that each person whose signature appears below constitutes and appoints J. Larry Nichols and Marian J. Moon, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this Form S-4 Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as he might or could do in person hereby ratifying and confirming that all said attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons on behalf of the registrant in the capacities and on the dates indicated.

Signature	Title	Date
/S/ J. LARRY NICHOLS J. Larry Nichols	President	December 14, 2001
/S/ WILLAIM T. VAUGHN William T. Vaughn	Senior Vice President	December 14, 2001
/S/ DANNY J. HEATLY Danny J. Heatly	Vice President	December 14, 2001
/S/ PAUL BRERETON Paul Brereton	Director	December 14, 2001
/S/ MURRAY T. BROWN Murray T. Brown	Director	December 14, 2001
/S/ J. M. LACEY J.M. Lacey	Director	December 14, 2001
/S/ JOHN RICHELS John Richels	Director	December 14, 2001
/S/ DARRYL G. SMETTE Darryl G. Smette	Director	December 14, 2001

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Oklahoma City, state of Oklahoma, on December 14, 2001.

DEVON ENERGY CORPORATION

By:_____

/S/ J. LARRY NICHOLS
J. Larry Nichols
Chairman, President and Chief Executive Officer

KNOW ALL MEN BY THESE PRESENTS that each person whose signature appears below constitutes and appoints J. Larry Nichols and Marian J. Moon, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this Form S-4 Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as he might or could do in person hereby ratifying and confirming that all said attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons on behalf of the registrant in the capacities and on the dates indicated.

Signature	*Title*	*Date*
/S/ J. LARRY NICHOLS	*Chairman, President and Chief Executive Officer*	*December 14, 2001*
/S/ WILLIAM T. VAUGHN	*Senior Vice President - Finance*	*December 14, 2001*
/S/ DANNY J. HEATLY	*Vice President - Accounting*	*December 14, 2001*
/S/ THOMAS F. FERGUSON	*Director*	*December 14, 2001*
/S/ DAVID M. GAVRIN	*Director*	*December 14, 2001*
/S/ MICHAEL E. GELLERT	*Director*	*December 14, 2001*
/S/ JOHN A. HILL	*Director*	*December 14, 2001*
/S/ WILLIAM J. JOHNSON	*Director*	*December 14, 2001*
/S/ MICHAEL M. KANOVSKY	*Director*	*December 14, 2001*
/S/ ROBERT A. MOSBACHER, JR.	*Director*	*December 14, 2001*
/S/ ROBERT B. WEAVER	*Director*	*December 14, 2001*

---------- Executive Officer J. Larry Nichols

---------- *William T. Vaughn*

---------- *Danny J. Heatly*

---------- *Thomas F. Ferguson*

---------- *David M. Gavrin*

---------- *Michael E. Gellert*

---------- *John A. Hill*

---------- *William J. Johnson*

---------- *Michael M. Kanovsky*

---------- *Robert A. Mosbacher, Jr.*

---------- *Robert B. Weaver*

INDEX TO EXHIBITS

Exhibit Number		Description
1.1	--	Purchase Agreement, dated September 28, 2001, by and among Devon Financing Corporation, U.L.C., Devon Energy Corporation, UBS Warburg LLC and Banc of America Securities LLC, as representatives of the initial purchasers.
3.1	--	Memorandum and Articles of Association of Devon Financing Corporation, U.L.C.
4.1	--	Indenture, dated October 3, 2001, by and among Devon Financing Corporation, U.L.C. (as issuer), Devon Energy Corporation (as guarantor) and The Chase Manhattan Bank (as trustee) (incorporated by reference to Exhibit 4.7 to Devon Energy Corporation's Form S-4 filed on October 31, 2001).
4.2	--	Registration Rights Agreement, dated October 3, 2001, by and among Devon Financing Corporation, U.L.C. (as issuer), Devon Energy Corporation (as guarantor) and UBS Warburg LLC, Banc of America Securities LLC, ABN AMRO Incorporated, BMO Nesbitt Burns Corp., Credit Suisse First Boston Corporation, Deutsche Banc Alex. Brown Inc., First Union Securities, Inc., J.P. Morgan Securities Inc., RBC Dominion Securities Corporation, Salomon Smith Barney Inc., as initial purchasers (incorporated by reference to Exhibit 4.8 to Devon Energy Corporation's Form S-4 filed on October 31, 2001).
4.3	--	Form of Exchange Note (included in Exhibit 4.1).
4.4	--	Form of Exchange Debenture (included in Exhibit 4.1).
*5.1	--	Opinion and Consent of Mayer, Brown & Platt.
*5.2	--	Opinion and Consent of Stewart McKelvey Stirling Scales.
12.1	--	Computation of Ratio of Earnings to Fixed Charges.
*23.1	--	Consent of Mayer, Brown & Platt (included in Exhibit 5.1).
*23.2	--	Consent of Stewart McKelvey Stirling Scales (included in Exhibit 5.2).
23.3	--	Consent of Deloitte & Touche LLP.
23.4	--	Consent of KPMG LLP (as to its report on the consolidated financial statements of Devon Energy Corporation).
23.5	--	Consent of PricewaterhouseCoopers LLP.
23.6	--	Consent of AMH Group, Ltd.
23.7	--	Consent of LaRoche Petroleum Consultants, Ltd.
23.8	--	Consent of Paddock Lindstrom & Associates, Ltd.
23.9	--	Consent of Ryder Scott Company, L.P.
23.10	--	Consent of Gilbert Laustsen Jung Associates Ltd.
23.11	--	Consent of KPMG LLP (as to its report on the consolidated financial statements of Anderson Exploration Ltd.).
24.1	--	Powers of Attorney (included in the signature page to this registration statement).
25.1	--	Statement of Eligibility and Qualification (as to Devon Financing Corporation, U.L.C.) of the Trustee on Form T-1.
25.2	--	Statement of Eligibility and Qualification (as to Devon Energy Corporation) of the Trustee on Form T-1.
*99.1	--	Form of Letter of Transmittal.
*99.2	--	Form of Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.
*99.3	--	Form of Notice of Guaranteed Delivery.
*99.4	--	Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
*99.5	--	Form of Letter to Clients.
*99.6	--	Form of Exchange Agent Agreement.

* To be filed by amendment.

EXHIBIT 1.1

[EXECUTION COPY]

DEVON FINANCING CORPORATION, U.L.C.

(Fully And Unconditionally Guaranteed by
DEVON ENERGY CORPORATION)

$1,750,000,000 6.875% Notes due September 30, 2011 $1,250,000,000 7.875% Debentures due September 30, 2031

PURCHASE AGREEMENT

September 28, 2001
New York, New York

UBS Warburg LLC
Banc of America Securities LLC
ABN AMRO Incorporated
BMO Nesbitt Burns Corp.
Credit Suisse First Boston Corporation
Deutsche Banc Alex. Brown Inc.
First Union Securities, Inc.
J.P. Morgan Securities Inc.
RBC Dominion Securities Corporation
Salomon Smith Barney Inc.
c/o UBS Warburg LLC
677 Washington Blvd.
Stamford, Connecticut 06901

Ladies and Gentlemen:

Devon Financing Corporation, U.L.C., an unlimited liability company organized under the laws of Nova Scotia, Canada (the "Company"), proposes to issue and sell to the initial purchasers named on Schedule B hereto (the "Initial Purchasers") $1,750,000,000 aggregate principal amount of 6.875% notes due September 30, 2011 (the "6.875% Notes"), and $1,250,000,000 aggregate principal amount of 7.875% debentures due September 30, 2031 (the "7.875% Debentures" and, together with the 6.875% Notes, the "Original Debentures"). The Original Debentures and the Exchange Debentures (as defined herein) will be issued pursuant to an indenture (the "Indenture"), to be dated the Closing Date (as defined herein), by and among the Company, the Guarantor (as defined herein) and The Chase Manhattan Bank, as trustee (the "Trustee"). The Original Debentures are, and the Exchange Debentures will be, fully and unconditionally guaranteed (the "Guarantees") by Devon Energy

Corporation, a Delaware corporation (the "Guarantor" or "Devon"). The Company and the Guarantor are sometimes referred to collectively as the "Issuers," and the Original Debentures and the Guarantees endorsed thereon are sometimes referred to collectively as the "Securities." Capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Indenture or the Offering Memorandum (as defined herein).

1. Issuance of Securities. The Original Debentures will be offered and sold to the Initial Purchasers pursuant to an exemption from the registration requirements under the Securities Act of 1933, as amended (the "Act"). The Issuers have prepared a preliminary offering memorandum, dated September 21, 2001 (the "Preliminary Offering Memorandum"), and a final offering memorandum dated and available for distribution on the date hereof (the "Offering Memorandum") relating to the Issuers and the Original Debentures. Any reference herein to the Preliminary Offering Memorandum or the Offering Memorandum shall be deemed to refer to and include the documents incorporated by reference therein (and any documents filed after such date under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are deemed to be incorporated therein).

The Initial Purchasers have advised the Issuers that the Initial Purchasers intend, as soon as they deem practicable after this Purchase Agreement (this "Agreement") has been executed and delivered, to resell (the "Exempt Resales") the Original Debentures purchased by the Initial Purchasers under this Agreement in private sales exempt from registration under the Act on the terms set forth in the Offering Memorandum, as amended or supplemented, solely to (i) persons whom the Initial Purchasers reasonably believe to be "qualified institutional buyers," as defined in Rule 144A under the Act ("QIBs"), and (ii) other eligible purchasers pursuant to offers and sales that occur outside the United States within the meaning of Regulation S under the Act; the persons specified in clauses (i) and (ii) are sometimes collectively referred to herein as the "Eligible Purchasers."

Holders (including subsequent transferees) of the Securities will have the registration rights set forth in the registration rights agreement (the "Registration Rights Agreement") to be dated the Closing Date in form and substance satisfactory to the Initial Purchasers and the Issuers and conforming to the description thereof in the Offering Memorandum, for so long as such Original Debentures constitute "Registrable Securities" (as defined in the Registration Rights Agreement). Pursuant to the Registration Rights Agreement, the Issuers will agree to (i) file with the Securities and Exchange Commission (the "Commission") under the circumstances set forth in the Registration Rights Agreement, (a) a registration statement under the Act (the "Exchange Offer Registration Statement") relating to a new issue of debt securities (collectively with the Private Exchange Securities (as defined in the Registration Rights Agreement), the "Exchange Debentures" and, together with the Original Debentures, the "Debentures") to be offered in exchange for the Original Debentures (the "Exchange Offer"), and the Guarantees endorsed thereon and issued under the Indenture or an indenture substantially identical to the Indenture and/or (b) under certain circumstances set forth in the Registration Rights Agreement, a shelf registration statement pursuant to Rule 415 under the

Act (the "Shelf Registration Statement" and, together with the Exchange Offer Registration Statement, the "Registration Statements") relating to the resale by certain holders of the Original Debentures, and (ii) cause such Registration Statements to be declared effective.

The Debentures are being issued (1) to finance a portion of the acquisition (the "Anderson Acquisition") of Anderson Exploration Ltd. ("Anderson") by Devon Acquisition Corporation pursuant to a formal takeover bid circular dated September 6, 2001, made to all of the holders of common shares of Anderson (the "Anderson Takeover Bid") pursuant to a Pre-Acquisition Agreement dated August 31, 2001 between the Guarantor and Anderson (the "Anderson Acquisition Agreement"), (2) to finance a portion of Devon's acquisition (the "Mitchell Acquisition") of Mitchell Energy & Development Corp. ("Mitchell") pursuant to an agreement and plan of merger dated August 13, 2001 (the "Mitchell Merger Agreement") and (3) for general corporate purposes, including repayment and refinancing of a portion of Devon's debt, acquisitions, additions to working capital and capital expenditures.

This Agreement, the Debentures (and the Guarantees endorsed thereon), the Indenture and the Registration Rights Agreement are hereinafter sometimes referred to collectively as the "Operative Documents."

Upon original issuance of the Securities and until such time as the same is no longer required under the applicable requirements of the Act, the Securities shall bear the legend relating thereto set forth under "Notice to Investors" in the Offering Memorandum.

2. Agreements to Sell and Purchase. On the basis of the representations, warranties and covenants contained in this Agreement, and subject to the terms and conditions contained in this Agreement, the Company agrees to issue and sell to the Initial Purchasers, and each of the Initial Purchasers, severally and not jointly, agrees to purchase from the Company, the aggregate principal amount of 6.875% Notes and 7.875% Debentures set forth in columns A and B of Schedule B hereto opposite its name at a purchase price for the 6.875% Notes of 98.984% of the principal amount thereof and a purchase price for the 7.875% Debentures of 98.905% of the principal amount thereof (collectively, the "Purchase Price"). The Initial Purchasers will offer the Original Debentures to Eligible Purchasers at the prices set forth in the Offering Memorandum. Such prices may change at any time without notice.

3. Delivery and Payment. Delivery of the Securities, and payment of the Purchase Price shall be made at 10:00 a.m., New York City time, on October 3, 2001 (such date and time, the "Closing Date") at the offices of Cahill Gordon & Reindel, 80 Pine Street, New York, New York 10005. The Closing Date and the location of delivery of and the form of payment for the Securities may be varied by mutual agreement between the Initial Purchasers and the Issuers.

One or more of each of the 6.875% Notes and the 7.875% Debentures, together with the Guarantees endorsed thereon, in global form registered in such names as the Initial

Purchasers may request upon at least one business day's notice prior to the Closing Date, having an aggregate principal amount corresponding to the aggregate principal amount of such Debentures, shall be delivered by the Issuers to the Initial Purchasers (or as the Initial Purchasers direct), against payment by the Initial Purchasers of the Purchase Price therefor by means of transfer of immediately available funds to such account or accounts as the Issuers shall specify prior to the Closing Date, or by such means as the parties hereto shall agree prior to the Closing Date. The Original Debentures, together with the Guarantees endorsed thereon, in global form shall be made available to the Initial Purchasers for inspection not later than 11:00 a.m. on the business day immediately preceding the Closing Date.

4. Agreements of the Issuers. The Issuers, jointly and severally, covenant and agree with the Initial Purchasers as follows:

(a) To furnish the Initial Purchasers and those persons identified by the Initial Purchasers, without charge, with as many copies of the Preliminary Offering Memorandum and the Offering Memorandum, and any amendments or supplements thereto, and any documents incorporated by reference therein, as the Initial Purchasers may reasonably request. The Issuers consent to the use of the Preliminary Offering Memorandum and the Offering Memorandum, and any amendments and supplements thereto, and any documents incorporated by reference therein, required pursuant to this Agreement, by the Initial Purchasers in connection with Exempt Resales.

(b) Not to amend or supplement the Offering Memorandum prior to the Closing Date unless the Initial Purchasers shall previously have been advised of, and shall not have objected to, such amendment or supplement within a reasonable time, but in any event not longer than two business days after being furnished with a copy of such amendment or supplement. The Issuers shall promptly prepare, upon the Initial Purchasers' reasonable request, any amendment or supplement to the Offering Memorandum that may be necessary or advisable in connection with Exempt Resales.

(c) If, during the time that an Offering Memorandum is required to be delivered in connection with any Exempt Resales or market-making transactions after the date of this Agreement and prior to the consummation of the Exchange Offer, any event shall occur that, in the judgment of the Issuers or in the judgment of counsel to the Initial Purchasers, makes any statement of a material fact in the Offering Memorandum as then amended or supplemented untrue or that requires the making of any additions to or changes in the Offering Memorandum in order to make the statements in the Offering Memorandum as then amended or supplemented, in light of the circumstances under which they are made, not misleading, or if it is necessary to amend or supplement the Offering Memorandum to comply with all applicable laws, the Issuers shall promptly notify the Initial Purchasers of such event and prepare an appropriate amendment or supplement to the Offering Memorandum so that (i) the statements in the Offering Memorandum as amended or supplemented will, in light of the circum-

stances at the time that the Offering Memorandum is delivered to prospective Eligible Purchasers, not be misleading and (ii) the Offering Memorandum will comply with applicable law.

(d) To cooperate with the Initial Purchasers and counsel to the Initial Purchasers in connection with the qualification or registration of the Securities under the securities or Blue Sky laws of such jurisdictions as the Initial Purchasers may request and to continue such qualification in effect so long as required for the Exempt Resales. Notwithstanding the foregoing, neither Issuer shall be required to qualify as a foreign corporation in any jurisdiction in which it is not so qualified or to file a general consent to service of process in any such jurisdiction or subject itself to taxation in excess of a nominal dollar amount in any such jurisdiction where it is not then so subject (except service of process with respect to the offering and sale of the Securities).

(e) To advise the Initial Purchasers promptly and, if requested by the Initial Purchasers, to confirm such advice in writing, of the issuance by any state or provincial securities commission of any stop order suspending the qualification or exemption from qualification of any of the Securities for offering or sale in any jurisdiction, or the initiation of any proceeding for such purpose by any state or provincial securities commission or other regulatory authority. The Issuers shall use their reasonable best efforts to prevent the issuance of any stop order or order suspending the qualification or exemption of any of the Securities under any state securities or Blue Sky laws, and if at any time any state or provincial securities commission or other regulatory authority shall issue an order suspending the qualification or exemption of any of the Securities under any state or provincial securities or Blue Sky laws, the Issuers shall use their reasonable best efforts to obtain the withdrawal or lifting of such order at the earliest possible time.

(f) Whether or not the transactions contemplated by this Agreement are consummated or this Agreement becomes effective or is terminated, to pay all costs, expenses, fees, disbursements (including fees, expenses and disbursements of counsel to the Issuers, but not of counsel to the Initial Purchasers (except pursuant to clause (iv) herein) or expenses of the Initial Purchasers) and stamp, documentary or similar taxes incident to and in connection with: (i) the preparation, printing and distribution of the Preliminary Offering Memorandum and the Offering Memorandum (including, without limitation, financial statements) and all amendments and supplements thereto, (ii) the preparation and delivery of the Operative Documents and all other agreements, memoranda, correspondence and documents prepared and delivered in connection with this Agreement and with the Exempt Resales, (iii) the issuance, transfer and delivery by the Issuers of the Securities to the Initial Purchasers, (iv) the qualification or registration of the Debentures and the Guarantees for offer and sale under the securities or Blue Sky laws of the several states of the United States (including, without limitation, the cost of printing and mailing a preliminary and final Blue Sky memorandum and the

fees and disbursements of counsel to the Initial Purchasers relating thereto) and all similar expenses and fees in connection with the offer and sale of the Securities in Canada on a private placement basis pursuant to applicable provincial securities laws, (v) the furnishing of such copies of the Preliminary Offering Memorandum and the Offering Memorandum, and all amendments and supplements thereto, as may be reasonably requested by the Initial Purchasers for use in connection with Exempt Resales, (vi) the preparation of certificates for the Debentures and the Guarantees, (vii) the approval of the Debentures and the Guarantees by The Depository Trust Company ("DTC") for "book-entry" transfer, (viii) the rating of the Debentures by rating agencies, (ix) the fees and expenses of the Trustee and its counsel in accordance with the Indenture and (x) the performance by the Issuers of their other obligations under the Operative Documents, including, but not limited to, the fees, disbursements and expenses of the Issuer's counsel and accountants.

(g) To use the proceeds from the sale of the Securities in the manner described in the Offering Memorandum under the caption "Use of Proceeds."

(h) To do and perform all things required to be done and performed under this Agreement by them prior to or after the Closing Date and to satisfy all conditions precedent on their part to the delivery of the Securities.

(i) Not to, and not to permit any subsidiary of the Guarantor to, sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in the Act) that would be integrated with the sale of the Securities in a manner that would require the registration under the Act of the sale of the Securities to the Initial Purchasers or any Eligible Purchasers.

(j) Not to, and to use their reasonable best efforts to cause their affiliates (as defined in Rule 144 under the Act) not to, resell any of the Securities that have been reacquired by any of them.

(k) Not to engage, not to allow any subsidiary of the Guarantor to engage, and to use their reasonable best efforts to cause their other affiliates and any person acting on their behalf (other than in any case the Initial Purchasers, as to whom the Issuers make no covenant) not to engage, in any form of general solicitation or general advertising (within the meaning of Regulation D under the Act) in connection with any offer or sale of the Securities in the United States.

(l) Not to engage, not to allow any subsidiary of the Guarantor to engage, and to use their reasonable best efforts to cause their other affiliates and any person acting on their behalf (other than in any case the Initial Purchasers, as to whom the Issuers make no covenant) not to engage, in any directed selling effort with respect to the Securities, and agree to comply with the offering restrictions requirement of Regulation S

under the Act. Terms used in this paragraph have the meanings given to them by Regulation S.

(m) From and after the Closing Date, for so long as any of the Securities remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Act and during any period in which the Company and the Guarantor are not subject to Section 13 or 15(d) of the Exchange Act to make available upon request the information required by Rule 144A(d)(4) under the Act to (i) any Holder or beneficial owner of Securities in connection with any sale of such Securities and (ii) any prospective purchaser of such Securities from any such Holder or beneficial owner designated by such Holder or beneficial owner. The Issuers will pay the expenses of printing and distributing such documents.

(n) To comply with all of their agreements set forth in the Registration Rights Agreement and all agreements set forth in the representations letter of the Company to DTC relating to the approval of the Debentures by DTC for "book-entry" transfer and to obtain approval of the Debentures by DTC for "book-entry" transfer.

(o) Prior to the Closing Date, to furnish without charge to the Initial Purchasers (i) all reports and other communications (financial or otherwise) that either Issuer mails or otherwise makes available to security holders and (ii) such other information as the Initial Purchasers shall reasonably request.

(p) Not to distribute prior to the Closing Date any offering material in connection with the offer and sale of the Securities other than the Preliminary Offering Memorandum and the Offering Memorandum.

5. Representations and Warranties. (a) The Issuers, jointly and severally, represent and warrant to the Initial Purchasers that:

(i) Each of the Preliminary Offering Memorandum and the Offering Memorandum has been prepared in connection with the Exempt Resales. None of the Preliminary Offering Memorandum, as of its date, or the Offering Memorandum, or any supplement or amendment thereto, as of its date or as of the Closing Date, contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that the Issuers make no representation or warranty with respect to information contained in or omitted from the Preliminary Offering Memorandum or the Offering Memorandum, as supplemented or amended, in reliance upon and in conformity with the information furnished to the Issuers in writing by or on behalf of the Initial Purchasers relating to the Initial Purchasers expressly for inclusion in the Preliminary Offering Memorandum, the Offering Memorandum or any supplement or amendment thereto. No order

preventing the use of the Preliminary Offering Memorandum or the Offering Memorandum, or asserting that any of the transactions contemplated by this Agreement are subject to the registration requirements of the Act, has been issued or to the knowledge of either Issuer has been threatened.

(ii) The Issuers filed all documents with the Commission that they are required to file under the Act or Exchange Act, as applicable, and the rules and regulations of the Commission thereunder, and such documents at the time so filed conformed in all material respects to the requirements of the Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder, and at the time so filed none of such documents contained an 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 any further documents so filed and incorporated by reference in the documents filed with the Commission or any further amendment or supplement thereto, when such documents become effective or are filed with the Commission, as the case may be, will conform in all material respects to the requirements of the Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder and will not contain an 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, in light of the circumstances in which they were made, not misleading.

(iii) Attached as Schedule A is a true and complete list of all Restricted Subsidiaries (as defined in the Offering Memorandum (and including the Company)) of the Guarantor, their jurisdictions of incorporation or formation, type of entity and equity ownership. Other than Devon Energy Corporation (Oklahoma) (which shall be deemed a "Restricted Subsidiary" for purposes of this Agreement), no subsidiary of the Guarantor other than the Restricted Subsidiaries constitutes a "significant" subsidiary of the Guarantor within the meaning of Regulation S-X under the Act. All of the issued and outstanding shares of capital stock or other equity interests of each Restricted Subsidiary have been duly authorized and validly issued and are fully paid and nonassessable, except as such nonassessability may be affected by certain provisions of any applicable jurisdiction's statutes. All shares of capital stock or other equity interests of the Restricted Subsidiaries that are owned of record directly by the Guarantor or indirectly by a wholly owned subsidiary of the Guarantor are owned free and clear of any lien, security interest, pledge, charge, encumbrance, equity or claim; none of the outstanding shares of capital stock or other equity interests of each such Restricted Subsidiary was issued in violation of any preemptive or similar rights or the charter or by-laws or other organizational documents of the Guarantor or such Restricted Subsidiary or any agreement to which the Guarantor or such Restricted Subsidiary is a party. Upon the closing of the transactions contemplated by the Offering Memorandum, except as set forth in the Offering Memorandum, there will not be any outstanding rights, warrants or options to acquire, or instruments convertible into or ex-

changeable for, any shares of capital stock or other equity interest of the Restricted Subsidiaries. No holder of any securities of the Guarantor or of its subsidiaries is entitled to have such securities (other than the Securities) registered under any registration statement contemplated by the Registration Rights Agreement.

(iv) The Guarantor and each Restricted Subsidiary has been duly incorporated, organized or formed as a corporation, partnership or other entity in good standing under the laws of its respective jurisdiction of incorporation, organization or formation and has all requisite power and authority to carry on its business as it is currently being conducted and as described in the Offering Memorandum and to own, lease, license and operate its respective properties in accordance with its business as currently conducted. The Guarantor and each Restricted Subsidiary is duly qualified and in good standing as a foreign corporation, partnership or other entity authorized to do business in each jurisdiction in which the nature of its business or its ownership or leasing of property requires such qualification, except where the failure to be so qualified would not, either individually or in the aggregate, result in a Material Adverse Effect. A "Material Adverse Effect" means any material adverse effect on the business, condition (financial or other), properties, results of operations or prospects of the Guarantor and its subsidiaries, taken as a whole.

(v) Each of the Issuers has all requisite power and authority to execute, deliver and perform all of its obligations under the Operative Documents and to consummate the transactions contemplated by the Operative Documents to be consummated on its part and, without limitation, the Company has all requisite power and authority to issue, sell and deliver the Debentures and the Guarantor has all the requisite corporate power to issue and deliver the Guarantees.

(vi) This Agreement has been duly and validly authorized, executed and delivered by each of the Issuers.

(vii) The Indenture has been duly and validly authorized by each of the Issuers and, when duly executed and delivered by the Issuers (assuming the due authorization, execution and delivery thereof by the Trustee), will constitute a legal, valid and binding obligation of the Issuers, enforceable against them in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity and the discretion of the court before which any proceedings therefor may be brought. The Indenture, when executed and delivered, will conform in all material respects to the description thereof in the Offering Memorandum.

(viii) The Original Debentures have been duly and validly authorized for issuance and sale to the Initial Purchasers by the Company and, when issued, authenti-

cated and delivered by the Company against payment by the Initial Purchasers in accordance with the terms of this Agreement and the Indenture, the Original Debentures will be legal, valid and binding obligations of the Company, entitled to the benefits of the Indenture and enforceable against the Company in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity and the discretion of the court before which any proceedings therefor may be brought. The Original Debentures, when issued, authenticated and delivered, will conform in all material respects to the description thereof in the Offering Memorandum.

(ix) The Guarantees to be endorsed on the Original Debentures have been duly and validly authorized by the Guarantor and, when the Original Debentures are issued, authenticated and delivered by the Company against payment by the Initial Purchasers in accordance with the terms of this Agreement and the Indenture, the Guarantees endorsed thereon will be legal, valid and binding obligations of the Guarantor, entitled to the benefits of the Indenture and enforceable against the Guarantor in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity and the discretion of the court before which any proceedings therefor may be brought. The Guarantees, when executed and delivered, will conform in all material respects to the description thereof in the Offering Memorandum.

(x) The Exchange Debentures have been duly and validly authorized for issuance by the Company and, when issued, authenticated and delivered by the Company in accordance with the terms of the Registration Rights Agreement, the Exchange Offer and the Indenture, the Exchange Debentures will be legal, valid and binding obligations of the Company, entitled to the benefits of the Indenture and enforceable against the Company in accordance with their terms, except that enforceability thereof may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity and the discretion of the court before which any proceedings therefor may be brought.

(xi) The Guarantees to be endorsed on the Exchange Debentures have been duly and validly authorized by the Guarantor, and, when the Exchange Debentures are issued, authenticated and delivered by the Company in accordance with the terms of the Registration Rights Agreement, the Exchange Offer and the Indenture, the Guarantees endorsed thereon will be legal, valid and binding obligations of the Guarantor, entitled to the benefits of the Indenture and enforceable against the Guarantor in accordance with their terms, except that enforceability thereof may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar laws

affecting the enforcement of creditors' rights generally and by general principles of equity and the discretion of the court before which any proceedings therefor may be brought.

(xii) The Registration Rights Agreement has been duly and validly authorized by each of the Issuers and, when duly executed and delivered by the Issuers (assuming the due authorization, execution and delivery thereof by the Initial Purchasers), will constitute a legal, valid and binding obligation of the Issuers, enforceable against them in accordance with its terms, except that (A) enforceability of the Registration Rights Agreement may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity and the discretion of the court before which any proceedings therefor may be brought and (B) any rights to indemnity or contribution thereunder may be limited by federal and state securities laws and public policy considerations. The Registration Rights Agreement will conform in all material respects to the description thereof in the Offering Memorandum.

(xiii) All taxes, fees and other governmental charges that are due and payable on or prior to the Closing Date in connection with the execution, delivery and performance of the Operative Documents and the execution, delivery and sale of the Securities shall have been paid by or on behalf of the Issuers at or prior to the Closing Date, except for those failures which would not reasonably be expected, either individually or in the aggregate, to interfere with or adversely affect the issuance of the Debentures (or the Guarantees endorsed thereon) in any jurisdiction or adversely affect the consummation of the transactions contemplated by any of the Operative Documents.

(xiv) None of the Guarantor or any Restricted Subsidiary is (A) in violation of its charter, bylaws or other constitutive documents, (B) in default (or, with notice or lapse of time or both, would be in default) in the performance or observance of any obligation, agreement, covenant or condition contained in any bond, debenture, note, indenture, mortgage, deed of trust, loan or credit agreement, lease, license, franchise agreement, authorization, permit, certificate or other agreement or instrument to which any of them is a party or by which any of them is bound or to which any of their assets or properties is subject (collectively, "Agreements and Instruments"), or (C) in violation of any law, statute, rule, regulation, judgment, order or decree of any domestic or foreign court with jurisdiction over any of them or any of their assets or properties or other governmental or regulatory authority, agency or other body, that, in the case of clauses (B) and (C) herein, would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. There exists no condition that, with notice, the passage of time or otherwise, would constitute a default by the Guarantor or any Restricted Subsidiary under any such document or instrument or result in the imp-

position of any penalty or the acceleration of any indebtedness, other than penalties, defaults or conditions that would not have a Material Adverse Effect.

(xv) The execution, delivery and performance by each of the Issuers of the Operative Documents to which it is a party, including the consummation of the offer and sale of the Securities, does not or will not violate, conflict with or constitute a breach of any of the terms or provisions of, or a default under (or an event that with notice or the lapse of time, or both, would constitute a default), or require consent under, or result in the creation or imposition of a lien, charge or encumbrance on any property or assets of the Guarantor or any Restricted Subsidiary or an acceleration of any indebtedness of the Guarantor or any Restricted Subsidiary pursuant to, (i) the charter, bylaws or other constitutive documents of the Guarantor or any Restricted Subsidiary, (ii) assuming the consummation of the transactions contemplated thereby, any Agreements and Instruments, (iii) any law, statute, rule or regulation applicable to the Guarantor or any Subsidiary or their respective assets or properties or (iv) any judgment, order or decree of any domestic or foreign court or governmental agency or authority having jurisdiction over the Guarantor or any Restricted Subsidiary or its respective assets or properties that, in the case of clauses (ii) through (iv), would reasonably be expected, either individually or in the aggregate, (1) to have a Material Adverse Effect or (2) to interfere with or adversely affect the issuance of the Debentures (or the Guarantees endorsed thereon) in any jurisdiction or adversely affect the consummation of the transactions contemplated by any of the Operative Documents. Assuming the accuracy of the representations and warranties of the Initial Purchasers in Section 5(b) of this Agreement, no consent, approval, authorization or order of, or filing, registration, qualification, license or permit of or with, any court or governmental agency, body or administrative agency, domestic or foreign, is required to be obtained or made by the Issuers for the execution, delivery and performance by each of the Issuers of the Operative Documents to which it is a party, including the consummation of any of the transactions contemplated thereby, except (v) such as have been or will be obtained or made on or prior to the Closing Date, (w) registration of the Exchange Offer or resale of the Debentures under the Act pursuant to the Registration Rights Agreement, (x) qualification of the Indenture under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), in connection with the issuance of the Securities, (y) such as may be required by the NASD, or (z) those for which the failure to obtain would not reasonably be expected, either individually or in the aggregate, (1) to have a Material Adverse Effect or (2) to interfere with or adversely affect the issuance of the Debentures (or the Guarantees endorsed thereon) in any jurisdiction or adversely affect the consummation of the transactions contemplated by any of the Operative Documents. No consents or waivers from any other person or entity are required for the execution, delivery and performance of this Agreement or any of the other Operative Documents or the consummation of any of the transactions contemplated thereby, other than such consents and waivers as have been obtained or will be obtained prior to the Closing Date, except for those consents or waivers, the failure of which to ob-

tain would not, either individually or in the aggregate, (1) have a Material Adverse Effect or (2) interfere with or adversely affect the issuance of the Debentures (or the Guarantees endorsed thereon) in any jurisdiction or adversely affect the consummation of the transactions contemplated by any of the Operative Documents.

(xvi) Except as set forth in the Offering Memorandum, there is (A) no action, suit or proceeding before or by any court, arbitrator or governmental agency, body or official, domestic or foreign, now pending or, to the knowledge of the Issuers, threatened or contemplated to which the Guarantor or any of its subsidiaries is a party or to which the business, assets or property of such person is subject, (B) no statute, rule, regulation or order that has been enacted, adopted or issued or, to the knowledge of the Issuers, that has been proposed by any governmental body or agency, domestic or foreign, (C) no injunction, restraining order or order of any nature by a federal or state court or foreign court of competent jurisdiction to which the Guarantor or any of its subsidiaries is subject that (x) in the case of clause (A) above, if determined adversely to the Guarantor or such subsidiary, would reasonably be expected, either individually or in the aggregate, (1) to have a Material Adverse Effect or
(2) to interfere with or adversely affect the issuance of the Debentures (or the Guarantees endorsed thereon) in any jurisdiction or adversely affect the consummation of the transactions contemplated by any of the Operative Documents and (y) in the case of clauses (B) and (C) above, would reasonably be expected, either individually or in the aggregate, (1) to have a Material Adverse Effect or (2) to interfere with or adversely affect the issuance of the Debentures (or the Guarantees endorsed thereon) in any jurisdiction or adversely affect the consummation of the transactions contemplated by any of the Operative Documents. Every request of any securities authority or agency of any jurisdiction for additional information with respect to the Debentures (or the Guarantees endorsed thereon) that has been received by the Issuers or their counsel prior to the date hereof has been, or will prior to the Closing Date be, complied with in all material respects.

(xvii) Except as set forth in the Offering Memorandum, the Guarantor and each Restricted Subsidiary (A) is in compliance with, or not subject to costs or liabilities under, all local, state, provincial, federal and foreign laws, regulations, rules of common law, orders and decrees, as in effect as of the date hereof, and any present judgments and injunctions issued or promulgated thereunder relating to pollution or protection of public and employee health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants applicable to it or its business or operations or ownership or use of its property ("Environmental Laws"), other than noncompliance or such costs or liabilities that would not reasonably be expected to have a Material Adverse Effect, and (B) possesses all permits, licenses or other approvals required under applicable Environmental Laws, except where the failure to possess any such permit, license or other approval would not reasonably be expected to have a Material Adverse Effect.

(xviii) There are no defects in title to, or encumbrances upon the leasehold interests in, the oil and gas producing properties of the Guarantor and its Restricted Subsidiaries or the assets or facilities used by the Guarantor and its Restricted Subsidiaries in the production and marketing of oil and gas which would reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect.

(xix) None of the Guarantor or any of its subsidiaries is an "investment company" or a company "controlled" by an "investment company" incorporated in the United States within the meaning of the Investment Company Act.

(xx) Within the preceding six months, none of the Guarantor, the Company or any other person acting on their behalf has offered or sold to any person any Securities, or any securities of the same or similar class as the Securities, other than the Securities offered and sold to the Initial Purchasers hereunder.

(xxi) The Guarantor maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (A) transactions are executed in accordance with management's general or specific authorizations; (B) transactions are recorded as necessary to permit preparation of its financial statements in conformity with United States generally accepted accounting principles and to maintain accountability for assets; (C) access to assets is permitted only in accordance with management's general or specific authorization; and (D) the recorded accountability for its assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(xxii) None of the Guarantor or the Company or any of their respective affiliates (as defined in Rule 501(b) of Regulation D under the Act) has (A) taken, directly or indirectly, any action designed to, or that might reasonably be expected to, cause or result in stabilization or manipulation of the price of any security of the Guarantor or the Company to facilitate the sale or resale of the Securities or (B) sold, bid for, purchased or paid any person any compensation for soliciting purchases of the Securities in a manner that would require registration of the Securities under the Act or paid or agreed to pay to any person any compensation for soliciting another to purchase any other securities of the Guarantor or the Company in a manner that would require registration of the Securities under the Act.

(xxiii) None of the Guarantor or the Company or any of their respective affiliates (as defined in Rule 501(b) of Regulation D under the Act) has, directly or through any agent, sold, offered for sale, contracted to sell, pledged, solicited offers to buy or otherwise disposed of or negotiated in respect of any security (as defined in the Act) that is currently or will be integrated with the sale of the Securities in a manner that would require the registration of the Securities under the Act.

(xxiv) None of the Guarantor or the Company or any of their respective affiliates, or any person acting on its or their behalf (other than the Initial Purchasers, as to whom the Issuers makes no representation), is engaged in any directed selling effort with respect to the Securities, and each of them has complied with the offering restrictions requirement of Regulation S under the Act. Terms used in this paragraph have the meaning given to them by Regulation S.

(xxv) No registration under the Act of the Securities or qualification of the Indenture under the Trust Indenture Act is required for the sale of the Original Debentures to the Initial Purchasers as contemplated by this Agreement or for the Exempt Resales, assuming in each case (A) that the purchasers who buy the Original Debentures in the Exempt Resales are Eligible Purchasers and (B) the accuracy of and compliance with the Initial Purchasers' representations, warranties and covenants contained in Section 5(b) of this Agreement. No form of general solicitation or general advertising (prohibited by the Act in connection with offers or sales such as the Exempt Resales) was used by the Guarantor or the Company or any of their respective representatives (other than the Initial Purchasers, as to whom the Issuers make no representation) in connection with the offer and sale of any of the Original Debentures or in connection with Exempt Resales, including, but not limited to, articles, notices or other communications published in any newspaper, magazine or similar medium or broadcast over television or radio or displayed on any computer terminal, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising. None of the Guarantor or the Company or any of their respective affiliates has entered into, and none of the Guarantor or the Company or any of their respective affiliates will enter into, any contractual arrangement with respect to the distribution of the Original Debentures except for this Agreement.

(xxvi) The Original Debentures (and the Guarantees endorsed thereon) satisfy the requirements of Rule 144A(d)(3) under the Act.

(xxvii) Each of the Preliminary Offering Memorandum and the Offering Memorandum, as of its date, and each amendment or supplement thereto, as of its date, contains the information specified in, and meets the requirements of, Rule 144A(d)(4) under the Act.

(xxviii) As of December 31, 2000, neither the Guarantor nor any of its subsidiaries had any liabilities or obligations, direct or contingent, which either individually or in the aggregate were material to the business, condition (financial or otherwise), properties, results of operations or prospects of the Guarantor and its subsidiaries, taken as a whole, that were not set forth in the Guarantor's consolidated balance sheet as of such date or in the notes thereto set forth or incorporated by reference in the Offering Memorandum. Since December 31, 2000, except as set forth or contemplated by reference in the Offering Memorandum, (a) none of the Guarantor or any of its sub-

sidiaries has (1) incurred any liabilities or obligations, direct or contingent, that would reasonably be expected to have a Material Adverse Effect, or (2) entered into any material transaction not in the ordinary course of business, (b) there has not been any event or development in respect of the business or condition (financial or other) of the Guarantor and its subsidiaries that, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect and (c) there has been no dividend or distribution of any kind declared, paid or made by the Guarantor on any class of its capital stock except in a manner consistent with past practices.

(xxix) None of the Guarantor or any of its subsidiaries (or any agent thereof acting on their behalf other than the Initial Purchasers, as to whom the Issuers make no representation) has taken, and none of them will take (other than the Initial Purchasers, as to whom the Issuers make no representation), any action that would reasonably be expected to cause this Agreement or the issuance or sale of the Debentures to violate Regulations T, U or X of the Board of Governors of the Federal Reserve System or analogous foreign laws and regulations, in each case as in effect, or as the same may hereafter be in effect, on the Closing Date.

(xxx) Each firm of accountants that has certified or shall certify the financial statements included or to be included as part of or incorporated by reference in the Offering Memorandum is an independent accountant within the meaning of the Act. The historical financial statements and the notes thereto included in or incorporated by reference in the Offering Memorandum present fairly in all material respects the consolidated financial position and results of operations of the Guarantor and its subsidiaries at the respective dates and for the respective periods indicated. Such financial statements have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis throughout the periods presented (except as disclosed in the Offering Memorandum). The pro forma financial statements included in or incorporated by reference in the Offering Memorandum have been prepared on a basis consistent with such historical statements, except for the pro forma adjustments specified therein, and give effect to assumptions made on a reasonable basis and present fairly in all material respects the historical and proposed transactions contemplated by the Offering Memorandum, this Agreement and the other Operative Documents. The other financial and statistical information and data included in or incorporated by reference in the Offering Memorandum are accurately presented in all material respects and prepared on a basis consistent with the financial statements and the books and records of the Guarantor and its subsidiaries.

(xxxi) The Mitchell Merger Agreement has been duly authorized, executed and delivered by the Guarantor, and, as of its date of execution, was in full force and effect and was a valid and binding agreement of the Guarantor, enforceable against the Guarantor in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or

similar laws affecting the enforcement of creditors' rights generally and by general principles of equity and the discretion of the court before which any proceedings therefor may be brought.

(xxxii) The Anderson Acquisition Agreement has been duly authorized, executed and delivered by the Guarantor, and, as of its date of execution, was in full force and effect and was a valid and binding agreement of the Guarantor, enforceable against the Guarantor in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity and the discretion of the court before which any proceedings therefor may be brought. The Anderson Takeover Bid has been duly authorized by Devon Acquisition Corporation and made in accordance with applicable Canadian and United States securities laws.

(xxxiii) Except as described in the Offering Memorandum, there are no contracts, agreements or understandings between the Guarantor or any subsidiaries and any other person other than the Initial Purchasers that would give rise to a valid claim against the Guarantor, any of its subsidiaries or the Initial Purchasers for a brokerage commission, finder's fee or like payment in connection with the issuance, purchase and sale of the Debentures.

(xxxiv) The statistical and market-related data and forward-looking statements (within the meaning of Section 27A of the Act and Section 21E of the Exchange Act) included in the Offering Memorandum are based on or derived from sources that the Issuers believe to be reliable and accurate in all material respects and represent their good faith estimates that are made on the basis of data derived from such sources.

(xxxv) Each certificate signed by any officer of either Issuer and delivered to the Initial Purchasers or counsel for the Initial Purchasers pursuant to, or in connection with, this Agreement shall be deemed to be a representation and warranty by such Issuer to the Initial Purchasers as to the matters covered by such certificate.

(xxxvi) The Debentures constitute unsecured and unsubordinated obligations of the Company and rank pari passu without any preference among themselves; the Debentures rank pari passu with all other unsecured and unsubordinated debt obligations of the Company.

(xxxvii) The Guarantees constitute unsecured and unsubordinated obligations of the Guarantor and rank pari passu without any preference among themselves; the Guarantees rank pari passu with all other unsecured and unsubordinated obligations of the Guarantor.

(xxxviii) Except as set forth in the Offering Memorandum, or as has already been paid or authorized for payment, no stamp duty or similar tax or duty is payable under applicable laws or regulations of Canada or any political subdivision thereof (collectively, "Canada") in connection with the creation, issuance or delivery of the Debentures, the transfer of any of the Debentures or with respect to the execution and delivery of the Operative Documents or any document contemplated hereby or thereby.

(xxxix) Except as set forth in the Offering Memorandum, payments made by the Company under the Debentures or the Guarantor under the Guarantees or either of them hereunder or under the Indenture will not be subject under the current laws or regulations of Canada to any withholdings or similar charges for or on account of taxation.

(xl) The choice of the laws of the State of New York as the governing law of the Operative Documents are a valid choice of law under the laws of Canada and courts of Canada will honor this choice of law. The Company has the power to submit and pursuant to this Agreement and, as of the Closing Date, the Indenture and the Registration Rights Agreement, has legally, validly, effectively and irrevocably submitted to the personal jurisdiction of the United States District Court for the Southern District of New York and the Supreme Court of New York, New York County (including, in each case, any appellate courts therefrom) in any suit, action or proceeding against it arising out of or related to any of the Debentures, the Indenture, the Guarantees and the Registration Rights Agreement or with respect to its obligations, liabilities or any other matter arising out of or in connection with the sale of the Debentures by the Company to the Initial Purchasers under this Agreement and has validly and irrevocably waived any objection to the venue of a proceeding in any such court; and has the power to designate, appoint and empower and pursuant to this Agreement and, as of the Closing Date, the Indenture and the Registration Rights Agreement, has legally, validly, effectively and irrevocably designated, appointed and empowered an agent for service or process in any suit or proceeding based on or arising under this Agreement, the Debentures or the Indenture, as the case may be, in any federal or state court in the State of New York.

(xli) Except as set forth in the Offering Memorandum, any final judgment for a definite sum of money rendered by any court of the State of New York or of the United States located in the State of New York having jurisdiction under its own domestic laws in respect of any suit, action or proceeding against the Company based upon any instruments or agreements entered into for the consummation of the transactions contemplated herein would be declared enforceable against the Company by the courts of Canada without reexamination, review of the merits of the cause of action in respect of which the original judgment was given or relitigation of the matters adjudicated upon or payment of any stamp, registration or similar tax or duty, provided that (A) the judgment is consistent with public policy in Canada and any relevant political

subdivision, (B) the judgment was not given or obtained by fraud or in a manner contrary to natural justice, (C) the judgment was not based on a clear mistake of law or fact, (D) the judgment was not directly or indirectly for the payment of taxes or other charges of a like nature or of a fine or other penalty, (E) the judgment is for a definite sum, and (F) there has been no prior judgment in another court between the same parties concerning the same issues as are dealt with in the judgment to be enforced in Canada. The Company is not aware of any reason why the enforcement in Canada of such a judgment in respect of any of the instruments or agreements executed for consummation of the transactions contemplated herein or in the Offering Memorandum would be contrary to public policy in Canada.

(xlii) The Company, and its obligations under the Operative Documents, are subject to civil and commercial law and to suit and neither it nor any of its properties, assets or revenues have any right of immunity, on the grounds of sovereignty, from any legal action, suit or proceeding, from the giving of any relief in any such legal action, suit or proceeding, from setoff or counterclaim, from the jurisdiction of any Canadian, New York State or U.S. federal court, as the case may be, from service of process, attachment upon or prior to judgment, or attachment in aid of execution of judgment, or from execution or enforcement of a judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of a judgment, in any such court, with respect to its obligations or liabilities or any other matter under or arising out of or in connection with the Operative Documents; and, to the extent that the Company or any of its properties, assets or revenues may have or may hereafter become entitled to any such right of immunity in any such court in which proceedings may at any time be commenced, the Company has waived or will waive such right to the extent permitted by law and has consented to such relief and enforcement as provided in this Agreement and the Indenture.

(xliii) It is not necessary under the laws of Canada or any authority or agency therein in order to enable an owner of any interest in the Debentures or the Guarantees endorsed thereon to enforce its rights under the Debentures or the Guarantees endorsed thereon or to enable any of the Initial Purchasers to enforce its rights under this Agreement, as the case may be, that it should, as a result solely of its holding or underwriting, as the case may be, of the Debentures, be licensed, qualified or otherwise entitled to carry on business in Canada or any authority or agency therein; the Debentures, the Indenture, this Agreement and the Registration Rights Agreement are in proper legal form under the laws of Canada or authority or agency therein for the enforcement thereof against the Company therein; and it is not necessary to ensure the legality, validity, enforceability or admissibility in evidence of the Operative Documents in Canada or any authority or agency therein that any of them be filed or recorded or enrolled with any court, authority or agency in, or that any stamp, registration or similar taxes or duties be paid to any court, authority or agency of Canada.

(xliv) Except as set forth in the Offering Memorandum, no exchange control authorization or other authorization, approval, consent or license of any governmental authority or agency of or in Canada is required for the payment by the Company of any amounts in United States dollars pursuant to the terms of the Debentures or to the Initial Purchasers pursuant to this Agreement.

(xlv) The Company has no employees, carries on no active business, and, prior to the issuance of the Original Debentures, had no assets or liabilities (other than its rights and obligations under the Operative Documents).

The Issuers acknowledge that the Initial Purchasers and, for purposes of the opinions to be delivered to the Initial Purchasers pursuant to Section 8 of this Agreement, counsel to the Issuers and counsel to the Initial Purchasers will rely upon the accuracy and truth of the foregoing representations and the Issuers hereby consent to such reliance.

(b) Each Initial Purchaser, severally and not jointly, represents, warrants and covenants to the Issuers that:

(i) It is a QIB with such knowledge and experience in financial and business matters as are necessary in order to evaluate the merits and risks of an investment in the Debentures.

(ii) (A) It has not and will not solicit offers for, or offer or sell, the Securities by any form of general solicitation or general advertising (as those terms are used in Regulation D under the Act) or in any manner involving a public offering within the meaning of Section 4(2) of the Act and (B) it has and will solicit offers for the Securities only from, and will offer and sell the Securities only to (1) persons whom such Initial Purchaser reasonably believes to be QIBs or, if any such person is buying for one or more institutional accounts for which such person is acting as fiduciary or agent, only when such person has represented to such Initial Purchaser that each such account is a QIB to whom notice has been given that such sale or delivery is being made in reliance on Rule 144A, and, in each case, in reliance on the exemption from the registration requirements of the Act pursuant to Rule 144A, or (2) persons other than U.S. persons outside the United States in reliance on the exemption from the registration requirements of the Act provided by Regulation S.

(iii) With respect to offers and sales outside the United States:

(A) such Initial Purchaser will comply with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Securities or has in its possession or distributes either any Offering Memorandum or any such other material, in all cases at its own expense; and

(B) the Initial Purchasers have offered the Securities and will offer and sell the Securities (1) as part of their distribution at any time and (2) otherwise until 40 days after the later of the commencement of the offering of the Securities and the Closing Date, only in accordance with Rule 903 of Regulation S or another exemption from the registration requirements of the Act. Accordingly, neither the Initial Purchasers nor any persons acting on their behalf have engaged or will engage in any directed selling efforts (within the meaning of Regulation S) with respect to the Original Debentures, and any such persons have complied and will comply with the offering restrictions requirements of Regulation S.

Terms used in this Section 5(b)(iii) have the meanings given to them by Regulation S.

(iv) It has not offered or sold and prior to the date six months after the date of issue of the Securities will not offer or sell any Securities to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 as amended, (b) it has complied, and will comply, with all applicable provisions of the Financial Services Act of 1986 of the United Kingdom with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom, and (c) it has issued or passed on and will issue or pass on in the United Kingdom any document received by it in connection with the issuance of the Securities only to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 of the United Kingdom or is a person to whom the document may otherwise lawfully be issued or passed on.

The Initial Purchasers understand that the Issuers and, for purposes of the opinions to be delivered to them pursuant to Section 8 hereof, counsel to the Issuers and counsel to the Initial Purchasers will rely upon the accuracy and truth of the foregoing representations, and the Initial Purchasers hereby consent to such reliance.

6. Indemnification. (a) Each of the Issuers, jointly and severally, agrees to indemnify and hold harmless the Initial Purchasers, each person, if any, who controls any Initial Purchaser within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, the agents, employees, officers and directors of any Initial Purchaser and the agents, employees, officers and directors of any such controlling person and the successors and assigns of all the foregoing from and against any and all losses, liabilities, claims, damages and expenses whatsoever (including, but not limited, to reasonable attorneys' fees and any and all reasonable expenses whatsoever incurred in investigating, preparing or defending against any

litigation, commenced or threatened, or any claim whatsoever, and any and all reasonable amounts paid in settlement of any claim or litigation) (collectively, "Losses") to which they or any of them may become subject under the Act, the Exchange Act or otherwise insofar as such Losses (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Offering Memorandum or the Offering Memorandum, or in any supplement thereto or amendment thereof, or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the Issuers will not be liable in any such case to the extent, but only to the extent, that any such Loss arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information relating to the Initial Purchasers furnished to the Issuers by or on behalf of the Initial Purchasers expressly for use therein. This indemnity agreement will be in addition to any liability that the Issuers may otherwise have, including, but not limited to, liability under this Agreement.

(b) Each Initial Purchaser, severally and not jointly, agrees to indemnify and hold harmless the Issuers, each person, if any, who controls the Issuers within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, and each of the respective agents, employees, officers and directors and the agents, employees, officers and directors of any such controlling person from and against any Losses to which they or any of them may become subject under the Act, the Exchange Act or otherwise insofar as such Losses (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Offering Memorandum or the Offering Memorandum, or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that any such Loss arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with information relating to such Initial Purchaser furnished in writing to the Company by such Initial Purchaser expressly for use therein. The Issuers and the Initial Purchasers acknowledge that the information set forth in
Section 9 is the only information furnished in writing by the Initial Purchasers to the Issuers expressly for use in the Preliminary Offering or the Offering Memorandum.

(c) Promptly after receipt by an indemnified party under subsection 6(a) or 6(b) above of notice of the commencement of any action, suit or proceeding (collectively, an "action"), such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify each party against whom indemnification is to be sought in writing of the commencement of such action (but the failure so to notify an indemnifying party shall not relieve such indemnifying party from any liability that it may have under this Section 6 except to the extent that it has been prejudiced in any material respect by such failure or from any liability which it may otherwise have). In case any such ac-

tion is brought against any indemnified party, and it notifies an indemnifying party of the commencement of such action, the indemnifying party will be entitled to participate in such action, and to the extent it may elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense of such action with counsel satisfactory to such indemnified party. Notwithstanding the foregoing, the indemnified party or parties shall have the right to employ its or their own counsel in any such action, but the reasonable fees and expenses of such counsel shall be at the expense of such indemnified party or parties unless (i) the employment of such counsel shall have been authorized in writing by the indemnifying parties in connection with the defense of such action, (ii) the indemnifying parties shall not have employed counsel to take charge of the defense of such action within a reasonable time after notice of commencement of the action, or (iii) the named parties to such action (including any impleaded parties) include such indemnified party and the indemnifying party or parties (or such indemnifying parties have assumed the defense of such action), and such indemnified party or parties shall have reasonably concluded that there may be defenses available to it or them that are different from or additional to those available to one or all of the indemnifying parties (in which case the indemnifying parties shall not have the right to direct the defense of such action on behalf of the indemnified party or parties), in any of which events such reasonable fees and expenses of counsel shall be borne by the indemnifying parties. In no event shall the indemnifying party be liable for the fees and expenses of more than one counsel (together with appropriate local counsel) at any time for all indemnified parties in connection with any one action or separate but substantially similar or related actions arising in the same jurisdiction out of the same general allegations or circumstances. An indemnifying party shall not be liable for any settlement of any claim or action effected without its written consent; provided, however, that such consent was not unreasonably withheld. 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 paragraph (a) or (b) of this Section 6, then 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 60 business days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement and (iii) such indemnified party shall have given the indemnifying party at least 30 days prior notice of its intention to settle. 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.

7. Contribution. In order to provide for contribution in circumstances in which the indemnification provided for in Section 6 of this Agreement is for any reason held to be unavailable from the indemnifying party, or is insufficient to hold harmless a party indemnified under Section 6 of this Agreement, the Issuers and the Initial Purchasers shall con-

tribute to the amount paid or payable by such indemnified party as a result of such aggregate Losses of the nature contemplated by such indemnification provision (but after deducting in the case of Losses suffered by the indemnifying party, any contribution received by the indemnifying party from persons other than the indemnified party who may also be liable for contribution, including persons who control the indemnified party within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act) to which the Issuers and the Initial Purchasers may be subject in such proportion as is appropriate to reflect the relative benefits received by the Issuers, on the one hand, and the Initial Purchasers, on the other hand, from the offering of the Original Debentures or, if such allocation is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to above but also the relative fault of the Issuers, on the one hand, and the Initial Purchasers, on the other hand, in connection with the statements or omissions that resulted in such Losses, as well as any other relevant equitable considerations. The relative benefits received by the Issuers, on the one hand, and the Initial Purchasers, on the other hand, shall be deemed to be in the same proportion as (x) the total proceeds from the offering of Original Debentures (net of discounts and commissions but before deducting expenses) received by the Company, and (y) the total discounts and commissions received by the Initial Purchasers. The relative fault of the Issuers, on the one hand, and the Initial Purchasers, 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 Issuers or the Initial Purchasers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission or alleged statement or omission.

The Issuers and the Initial Purchasers agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to above. Notwithstanding the provisions of this Section 7, (i) in no case shall the Initial Purchasers be required to contribute any amount in excess of the amount by which the total discount and commissions applicable to the Original Debentures pursuant to this Agreement exceeds the amount of any damages that the Initial Purchasers have otherwise been required to pay by reason of any untrue or alleged untrue statement or omission or alleged omission and (ii) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 7, each person, if any, who controls the Initial Purchasers within the meaning of Section 15 of the Act or
Section 20(a) of the Exchange Act and each of their respective agents, employees, officers and directors of the Initial Purchasers shall have the same rights to contribution as the Initial Purchasers, and each person, if any, who controls the Issuers within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act and each of their respective agents, employees, officers and directors of the Issuers shall have the same rights to contribution as the Issuers. Any party entitled to contribution will, promptly after receipt of notice of commencement of any action against such party in respect of which a claim for contribution may be made against another party or

parties under this Section 7, notify such party or parties from whom contribution may be sought, but the omission to so notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any obligation it or they may have under this Section 7 or otherwise, except to the extent that it has been prejudiced in any material respect by such failure; provided, however, that no additional notice shall be required with respect to any action for which notice has been given under Section 6 for purposes of indemnification. Anything in this section to the contrary notwithstanding, no party shall be liable for contribution with respect to any action or claim settled without its written consent, provided, however, that such written consent was not unreasonably withheld. The Initial Purchasers' obligations to contribute pursuant to this Section 7 are several in proportion to their respective purchaser commitments and not joint.

8. Conditions of Initial Purchasers' Obligations. The obligations of the Initial Purchasers to purchase and pay for the Original Debentures, as provided for in this Agreement, shall be subject to satisfaction of the following conditions prior to or concurrently with such purchase:

(a) All of the representations and warranties of the Issuers contained in this Agreement shall be true and correct, or true and correct in all material respects where such representations and warranties are not qualified by materiality or Material Adverse Effect, on the date of this Agreement and, in each case after giving effect to the transactions contemplated hereby, on the Closing Date, except that if a representation and warranty is made as of a specific date, and such date is expressly referred to therein, such representation and warranty shall be true and correct (or true and correct in all material respects, as applicable) as of such date. The Issuers shall have performed or complied with all of the agreements and covenants contained in this Agreement and required to be performed or complied with by them at or prior to the Closing Date.

(b) The Offering Memorandum shall have been printed and copies distributed to the Initial Purchasers not later than 5:00 p.m., New York City time, on the day following the date of this Agreement or at such later date and time as the Initial Purchasers may determine. No stop order suspending the qualification or exemption from qualification of the Securities in any jurisdiction shall have been issued and no proceeding for that purpose shall have been commenced or shall be pending or threatened.

(c) No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any governmental agency that would, as of the Closing Date, prevent the issuance of the Securities or consummation of the Exchange Offer; except as disclosed in the Offering Memorandum, no action, suit or proceeding shall have been commenced and be pending against or affecting or, to the best knowledge of the Issuers, threatened against either Issuer and/or any Restricted Subsidiary before any court or arbitrator or any governmental body, agency or official that,

if adversely determined, would reasonably be expected to have a Material Adverse Effect; and no stop order preventing the use of the Preliminary Offering Memorandum or the Offering Memorandum, or any amendment or supplement thereto, or any order asserting that any of the transactions contemplated by this Agreement are subject to the registration requirements of the Act shall have been issued.

(d) The Initial Purchasers shall have received certificates, dated the Closing Date, signed by two authorized officers of each of the Issuers confirming, as of the Closing Date, the matters set forth in paragraphs (a), (b) and (c) of this Section 8.

(e) The Initial Purchasers shall have received on the Closing Date opinions dated the Closing Date, addressed to the Initial Purchasers, of (i) Mayer, Brown & Platt, United States counsel to the Guarantor and the Company, substantially in the form of Exhibit A-1 hereto, (ii) Stewart McKelvey Sterling Scales, Canadian counsel to the Company, substantially in the form of Exhibit A-2 hereto and (iii) Burnett, Duckworth & Palmer LLP, Canadian counsel to the Company, substantially in the form of Exhibit A-3 hereto, each in form and substance reasonably satisfactory to the Initial Purchasers and counsel to the Initial Purchasers.

(f) The Initial Purchasers shall have received on the Closing Date an opinion (satisfactory in form and substance to the Initial Purchasers) dated the Closing Date of Cahill Gordon & Reindel, special counsel to the Initial Purchasers, covering such matters as are customarily covered in such opinions.

(g) The Initial Purchasers shall have received "comfort letters" from each of (i) KPMG LLP (the "Company Accountants"), (ii) Arthur Andersen LLP, independent public accountants for Mitchell (the "Mitchell Accountants") and (iii) KPMG LLP, independent public accountants for Anderson (the "Anderson Accountants") dated the date of this Agreement, addressed to the Initial Purchasers and in form and substance satisfactory to the Initial Purchasers and counsel to the Initial Purchasers. In addition, the Initial Purchasers shall have received a "bring-down comfort letter" from each of the Company Accountants, the Mitchell Accountants and the Anderson Accountants, dated as of the Closing Date, addressed to the Initial Purchasers and in form and substance satisfactory to the Initial Purchasers and counsel to the Initial Purchasers.

(h) The Issuers shall have entered into the Indenture and the Initial Purchasers shall have received copies, conformed as executed, thereof.

(i) The Issuers shall have entered into the Registration Rights Agreement and the Initial Purchasers shall have received counterparts, conformed as executed, thereof.

(j) The Initial Purchasers shall have been furnished with copies of such documents as they may reasonably request and all closing documents from the closings of the transactions contemplated hereby.

(k) Cahill Gordon & Reindel, counsel to the Initial Purchasers, shall have been furnished with such documents as they may reasonably request to enable them to review or pass upon the matters referred to in this Section 8 and in order to evidence the accuracy, completeness or satisfaction in all material respects of any of the representations, warranties or conditions contained in this Agreement.

(l) The Debentures shall have initially been assigned ratings of "BBB+" (with negative watch) and "Baa2" (with negative watch) by Standard & Poor's Rating Services and Moody's Investors Service, Inc., respectively, and no such rating (or other debt rating of the Guarantor or the Company) shall have been downgraded or placed on any "watch list" for possible downgrading as of or prior to the Closing Date.

(m) All agreements set forth in the representation letter of the Company to DTC relating to the approval of the Debentures by DTC for "book-entry" transfer shall have been complied with.

(n) The Guarantor shall have obtained all waivers, amendments or modifications such that the issuance of the Securities shall not violate the Guarantor's existing senior credit facility.

If any of the conditions specified in this Section 8 shall not have been fulfilled when and as required by this Agreement to be fulfilled, this Agreement may be terminated by the Initial Purchasers on notice to the Issuers at any time at or prior to the Closing Date, and such termination shall be without liability of any party to any other party.

9. Initial Purchasers' Information. The Issuers and the Initial Purchasers severally acknowledge that the statements with respect to the offer and sale of the Securities set forth in the third, eighth, tenth paragraphs and the eleventh paragraph (furnished by UBS Warburg LLC and Banc of America Securities LLC only) under the caption "Plan of Distribution," in the Preliminary Offering Memorandum and the Offering Memorandum (to the extent such statements relate to the Initial Purchasers) constitute the only information furnished in writing by the Initial Purchasers expressly for use in the Preliminary Offering Memorandum or the Offering Memorandum.

10. Survival of Representations and Agreements. All representations and warranties, covenants and agreements contained in this Agreement, including the agreements contained in Sections 4(f) and 11(d), the indemnity agreements contained in Section 6 and the contribution agreements contained in Section 7, shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Initial Purchasers or any controlling person thereof or by or on behalf of the Issuers or any controlling person

thereof, and shall survive delivery of and payment for the Original Debentures to and by the Initial Purchasers. The agreements contained in Sections 4(f), 6, 7, 9, 11(d), 14 and 17 shall survive the termination of this Agreement, including pursuant to Section 11.

11. Effective Date of Agreement; Termination. (a) This Agreement shall become effective upon execution and delivery of a counterpart hereof by each of the parties hereto.

(b) The Initial Purchasers shall have the right to terminate this Agreement at any time prior to the Closing Date by notice to the Issuers from the Initial Purchasers, without liability (other than with respect to Sections 6 and 7) on the Initial Purchasers' part to the Issuers if, on or prior to such date, (i) the Issuers shall have failed, refused or been unable to perform in any material respect any agreement on their part to be performed under this Agreement when and as required, (ii) any other condition to the obligations of the Initial Purchasers under this Agreement to be fulfilled by the Issuers pursuant to Section 8 is not fulfilled when and as required in any material respect, (iii) trading in any securities of the Guarantor has been suspended by the Commission or a national securities exchange, or trading in securities generally on the New York Stock Exchange, the American Stock Exchange or the Nasdaq National Market shall have been suspended or materially limited, or minimum prices shall have been established thereon by the Commission, or by such exchange or other regulatory body or governmental authority having jurisdiction, (iv) a general banking moratorium shall have been declared by Canadian, United States or New York or Oklahoma authorities, (v) there is an outbreak or escalation of armed hostilities involving Canada or the United States on or after the date of this Agreement, or if there has been a declaration by Canada or the United States of a national emergency or war or other national or international calamity or crisis (economic, political, financial or otherwise) which affects the U.S. and international markets, making it, in the Initial Purchasers' judgment, impracticable to proceed with the offering or delivery of the Original Debentures on the terms and in the manner contemplated in the Offering Memorandum, or (vi) there shall have been such a material adverse change or material disruption in the financial, banking or capital markets generally (including, without limitation, the markets for debt securities of companies similar to the Guarantor) or the effect (or potential effect if the financial markets in Canada or the United States have not yet opened) of international conditions on the financial markets in Canada or the United States shall be such as, in the Initial Purchasers' reasonable judgment, to make it inadvisable or impracticable to proceed with the offering or delivery of the Original Debentures on the terms and in the manner contemplated in the Offering Memorandum.

(c) Any notice of termination pursuant to this Section 11 shall be given at the address specified in Section 12 below by telephone, telex, telephonic facsimile or telegraph, confirmed in writing by letter.

(d) If this Agreement shall be terminated pursuant to clause (i) or
(ii) of Section 11(b), or if the sale of the Debentures provided for in this Agreement is not consummated

because of any refusal, inability or failure on the part of the Company to satisfy any condition to the obligations of the Initial Purchasers set forth in this Agreement to be satisfied on their part or because of any refusal, inability or failure on the part of the Company to perform any agreement in this Agreement or comply with any provision of this Agreement, the Company will, subject to demand by the Initial Purchasers, reimburse the Initial Purchasers for all of their reasonable out-of-pocket expenses
(including the fees and expenses of the Initial Purchasers' counsel)
incurred in connection with this Agreement.

(e) If any Initial Purchaser shall fail to purchase and pay for any of the Original Debentures agreed to be purchased by such Initial Purchaser hereunder and such failure to purchase shall constitute a default in the performance of its obligations under this Agreement, the remaining Initial Purchasers shall be obligated to take up and pay for the Original Debentures which the defaulting Initial Purchaser agreed but failed to purchase; provided, however, that in the event that the aggregate principal amount of Original Debentures which the defaulting Initial Purchaser agreed but failed to purchase shall exceed 10% of the aggregate principal amount of Original Debentures set forth in Schedule B hereto, the remaining Initial Purchasers shall have the right to purchase all, but shall not be under any obligation to purchase any, of the Original Debentures, and if such nondefaulting Initial Purchasers do not purchase all the Original Debentures within 36 hours after such default, then the Issuers shall be entitled to a further period of 36 hours within which to procure another party or parties reasonably satisfactory to the nondefaulting Initial Purchasers to purchase such Original Debentures. In the event that neither the nondefaulting Initial Purchasers nor the Issuers procure another party or parties to purchase such Original Debentures as described above, this Agreement will terminate without liability to the nondefaulting Initial Purchasers or the Issuers. In the event of a default by any Initial Purchaser as set forth in this paragraph (e), the Closing Date shall be postponed for such period, not exceeding five Business Days, as the other Initial Purchasers shall determine in order that the required changes in the Offering Memorandum or in any other documents or arrangements may be effected. Nothing contained in this Agreement shall relieve any defaulting Initial Purchaser of its liability, if any, to the Issuers or any nondefaulting Initial Purchaser if any, for damages occasioned by its default hereunder.

12. Notice. All communications with respect to or under this Agreement, except as may be otherwise specifically provided in this Agreement, shall be in writing and, if sent to the Initial Purchasers, shall be mailed, delivered, or telexed, telegraphed or telecopied and confirmed in writing to UBS Warburg LLC, 677 Washington Blvd., Stamford, Connecticut 06901 (telephone: (203) 719-1088), Attention: Syndicate Department, telecopy number: (203) 719-0495; and if sent to the Issuers, shall be mailed, delivered or telexed, telegraphed or telecopied and confirmed in writing to 20 North Broadway, Suite 1500, Oklahoma City, Oklahoma 73102-8260 (telephone: (405) 235-3611, Telecopy: (405) 552-4550, Attention: General Counsel).

All such notices and communications shall be deemed to have been duly given: when delivered by hand, if personally delivered; five business days after being deposited in

the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt acknowledged by telecopier machine, if telecopied; and one business day after being timely delivered to a next-day air courier.

13. Parties. This Agreement shall inure solely to the benefit of, and shall be binding upon, the InitialPurchasers, the Issuers and the controlling persons and agents referred to in Sections 6 and 7, and their respective successors and assigns, and no other person shall have or be construed to have any legal or equitable right, remedy or claim under or in respect of or by virtue of this Agreement or any provision herein contained. The term "successors and assigns" shall not include a purchaser, in its capacity as such, of Debentures from the Initial Purchasers.

14. Construction. This Agreement shall be construed in accordance with the laws of the State of New York and each of the parties hereto consent to the jurisdiction of the courts of the State of New York. Each of the parties hereto agrees to submit to the jurisdiction of the courts of the State of New York and the U.S. federal courts sitting in The City of New York for the purposes of any suit, action or proceeding arising out of or relating to this Agreement. Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of the Initial Purchasers to bring proceedings against the Issuers in the courts of any other jurisdiction.

15. Captions. The captions included in this Agreement are included solely for convenience of reference and are not to be considered a part of this Agreement.

16. Counterparts. This Agreement may be executed in various counterparts that together shall constitute one strument.

17. Consent to Jurisdiction; Appointment of Agent to Accept Service of Process. (a) The Company irrevocably consents and agrees, for the benefit of the holders from time to time of the Debentures, the Initial Purchasers and the other persons referred to in Section 13 that any legal action, suit or proceeding against it with respect to its obligations, liabilities or any other matter arising out of or in connection with the Operative Documents may be brought in the courts of the State of New York, or the courts of the United States of America, in each case located in the Borough of Manhattan in The City and the State of New York and, until all amounts due and to become due in respect of the Guarantees and all the Debentures have been paid, or until any such legal action, suit or proceeding commenced prior to such payment has been concluded, hereby irrevocably consents and submits to the non-exclusive jurisdiction of each such court in person, generally and for itself and in respect of its properties, assets and revenues.

(b) The Company hereby irrevocably designates, appoints, and empowers Corporation Service Company, 80 State Street, Albany, New York 12207-2543, as its designee, appointee and agent to receive, accept and acknowledge for and on its behalf service of

any and all legal process, summons, notices and documents that may be served in any action, suit or proceeding brought against the Company in any such United States federal or state court with respect to its obligations, liabilities or any other matter arising out of or in connection with the Operative Documents and that may be made on such designee, appointee and agent in accordance with legal procedures prescribed for such courts. If for any reason such designee, appointee and agent hereunder shall cease to be available to act as such, the Company agrees to designate a new designee, appointee and agent in The City of New York on the terms and for the purposes of this Section 17 reasonably satisfactory to each of the Initial Purchasers. The Company further hereby irrevocably consents and agrees to the service of any and all legal process, summons, notices and documents in any such action, suit or proceeding against the Company by serving a copy thereof upon the relevant agent for service of process referred to in this Section 17 (whether or not the appointment of such agent shall for any reason prove to be ineffective or such agent shall accept or acknowledge such service) or by mailing copies thereof by registered or certified air mail, postage prepaid, to the Company at its address specified in or designated pursuant to this Agreement, with a copy (similarly mailed) to Corporation Service Company, 80 State Street, Albany, New York 12207-2543. The Company agrees that the failure of any such designee, appointee and agent to give any notice of such service to it shall not impair or affect in any way the validity of such service or any judgment rendered in any action or proceeding based thereon. Nothing herein shall in any way be deemed to limit the ability of the holders of the Securities, the Initial Purchasers and the other persons referred to in
Section 13 to serve any such legal process, summons, notices and documents in any other manner permitted by applicable law or to obtain jurisdiction over the Company or bring actions, suits or proceedings against the Company in such other jurisdictions, and in such manner, as may be permitted by applicable law. The Company hereby irrevocably and unconditionally waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any of the aforesaid actions, suits or proceedings arising out of or in connection with this Agreement brought in the United States federal courts located in the Borough of Manhattan in The City of New York or the courts of the State of New York located in the Borough of Manhattan in The City and the State of New York and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

18. Foreign Taxes. All payments by the Company or the Guarantor to an Initial Purchaser hereunder shall be made free and clear of, and without deduction or withholding for or on account of, any and all present and future income, stamp or other taxes, levies, imposts, duties, charges, fees deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by Canada or any other jurisdiction in which the Company or the Guarantor has a branch or an office from which payment is made or deemed to be made, excluding any such tax imposed in respect of amounts due hereunder (i) by reason of such Initial Purchaser having some connection with Canada or such other jurisdiction, other than its participation as dealer hereunder, or (ii) by reason of any income or franchise tax on the overall net income or net receipts of an Initial Purchaser imposed by the United States of

America or by the State of New York or any political subdivision of the United States of America or of the State of New York or by any jurisdiction of which such Initial Purchaser is a resident, or (iii) if any Initial Purchaser would not be liable or subject to such impost, levy, collection, withholding or deduction if it were to make a declaration of nonresident or other similar claim for exemption but fails to do so, or (iv) pursuant to any back-up withholding taxes applicable to any payments to a noncorporate person acting as agent hereunder who fails to furnish an accurate taxpayer identification number (all such non-excluded taxes, "Taxes"). If the Company or the Guarantor is prevented by operation of law or otherwise from paying, causing to be paid or remitting that portion of amounts payable represented by Taxes withheld or deducted, then amounts payable under this Agreement shall be increased to such amount as is necessary to yield and remit to the Initial Purchaser an amount which, after deduction of all Taxes (including all Taxes payable on such increased payments), equals the amount that would have been payable if no Taxes applied.

19. Jurisdictional Restrictions on Sale of Debentures. Each Initial Purchaser severally agrees to use its reasonable efforts to ensure that (i) no Original Debentures issued by the Company shall be offered or sold directly or indirectly, in Canada or to a corporation, partnership, trust or other entity organized under the laws of, or resident in, Canada and (ii) no documents in relation to an offer of Securities shall be distributed in Canada, except, in each case, in accordance with applicable law.

20. Waiver of Immunities. To the extent that the Company or the Guarantor or any of their properties, assets or revenues may have or may hereafter become entitled to, or have attributed to them, any right of immunity, on the gro unds of sovereignty or otherwise, from any legal action, suit or proceeding, from the giving of any relief in any thereof, from set-off or counterclaim, from the jurisdiction of any court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution of judgment, or from execution of judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, in any jurisdiction in which proceedings may at any time be commenced, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with the Operative Documents, the Company and the Guarantor hereby irrevocably and unconditionally waive, and agree not to plead or claim, any such immunity and consent to such relief and enforcement.

21. Judgment Currency. The Company and the Guarantor, jointly and severably, agree to indemnify each of the Initial Purchasers against any loss incurred by such Initial Purchasers as a result of any judgment or order being given or made for any amount due hereunder and such judgment or order being expressed and paid in a currency (the "Judgment Currency") other than United States dollars and as a result of any variation as between (i) the rate of exchange at which the United States dollar amount is converted into the Judgment Currency for the purpose of such judgment or order, and (ii) the rate of exchange at which such Initial Purchasers are able to purchase United States dollars with the amount of the Judgment Currency actually received by such Initial Purchasers. The foregoing indemnity shall consti-

tute a separate and independent obligation of each of the Company and the Guarantor and shall continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term "rate of exchange" shall include any premiums and costs of exchange payable in connection with the purchase of, or conversion into, the relevant currency.

[Signature Pages Follow]

If the foregoing Purchase Agreement correctly sets forth the understanding among the Issuers and the Initial Purchasers, please so indicate in the space provided below for the purpose, whereupon this letter and your acceptance shall constitute a binding agreement among the Issuers and the Initial Purchasers.

DEVON FINANCING CORPORATION, U.L.C.

By: /s/ WILLIAM T. VAUGHN
Name: William T. Vaughn
Title: Senior Vice President - Finance

DEVON ENERGY CORPORATION

By: /s/ WILLIAM T. VAUGHN
Name: William T. Vaughn
Title: Senior Vice President - Finance

Confirmed and accepted as of
the date first above written:

UBS WARBURG LLC
BANC OF AMERICA SECURITIES LLC
ABN AMRO INCORPORATED
BMO NESBITT BURNS CORP.
CREDIT SUISSE FIRST BOSTON CORPORATION
DEUTSCHE BANC ALEX. BROWN INC.
FIRST UNION SECURITIES, INC.
J.P. MORGAN SECURITIES INC.
RBC DOMINION SECURITIES CORPORATION
SALOMON SMITH BARNEY INC.

By: UBS WARBURG LLC
Acting on behalf of itself and the several Initial Purchasers

By: /s/ KIMBERLY BLUE
Name: Kimberly Blue
Title: Managing Director

By: /s/ SCOTT D. WHITNEY
Name: Scott D. Whitney
Title: Associate Director

Schedule A

Restricted Subsidiary	Jurisdiction of Incorporation or Organization
Devon Energy Production Company L.P.	Oklahoma
Devon SFS Operating Inc.	Delaware
The Company	Nova Scotia, Canada
Northstar Energy Corporation	Alberta, Canada
Northstar Energy Partnership	Alberta, Canada
Devon Energy Corporation (Oklahoma)/a/	Oklahoma

/a/ Deemed a "Restricted Subsidiary" for purposes of this Agreement.

Schedule B

PRINCIPAL AMOUNT OF SECURITIES TO BE PURCHASED

INITIAL PURCHASER	A PRINCIPAL AMOUNT OF 6.875% NOTES	B PRINCIPAL AMOUNT OF 7.875% DEBENTURES
UBS Warburg LLC	$ 918,750,000	$ 656,250,000
Banc of America Securities LLC	$ 306,250,000	$ 218,750,000
ABN AMRO Incorporated	$ 65,625,000	$ 46,875,000
BMO Nesbitt Burns Corp.	$ 65,625,000	$ 46,875,000
Credit Suisse First Boston Corporation	$ 65,625,000	$ 46,875,000
Deutsche Banc Alex. Brown Inc.	$ 65,625,000	$ 46,875,000
First Union Securities, Inc.	$ 65,625,000	$ 46,875,000
J.P. Morgan Securities Inc.	$ 65,625,000	$ 46,875,000
RBC Dominion Securities Corporation	$ 65,625,000	$ 46,875,000
Salomon Smith Barney Inc.	$ 65,625,000	$ 46,875,000
TOTAL	$1,750,000,000	$1,250,000,000

Exhibit A-1

FORM OF OPINION OF COUNSEL TO THE GUARANTOR AND THE COMPANY

The opinion of Mayer, Brown & Platt, counsel for the Guarantor and the Company (capitalized terms not otherwise defined herein shall have the meanings provided in the Purchase Agreement, to which this is an Exhibit), to be delivered pursuant to Section 8(e) of the Purchase Agreement shall be to the effect that:

(i) Each of the Guarantor and Devon Energy Production Company L.P., Devon SFS Operating Inc. and Devon Energy Corporation (Oklahoma) (collectively, the "U.S. Restricted Subsidiaries"): (a) is a corporation, partnership or other entity duly incorporated or formed, as the case may be, and validly existing and in good standing under the laws of the jurisdiction of its incorporation, organization or formation; (b), to such counsel's knowledge, has all requisite corporate or other power and authority necessary to carry on its business as it is currently being conducted and as described in the Offering Memorandum and to own, lease, license and operate its respective properties in accordance with its business as currently conducted; and (c) is qualified to do business and is in good standing in all other jurisdictions identified by such counsel on a schedule attached to its opinion and based solely on certificates of good standing from such identified jurisdictions.

(ii) The Guarantor has all requisite power and authority to execute, deliver and perform all of its obligations under the Operative Documents to which it is a party and to consummate the transactions contemplated by the Operative Documents to be consummated on its part and, without limitation, the Guarantor has all requisite corporate power and authority to execute and deliver and perform its obligations under the Guarantees.

(iii) The Purchase Agreement has been duly and validly authorized, executed and delivered by the Guarantor.

(iv) The Indenture has been duly and validly authorized, executed and delivered by the Guarantor and (assuming the due authorization, execution and delivery thereof by the Trustee and the Company) constitutes a legal, valid and binding obligation of each of the Guarantor and the Company, enforceable against it in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity and the discretion of the court before which any proceeding therefor may be brought.

(v) The Original Debentures, when issued, authenticated and delivered by the Company in accordance with the terms of the Purchase Agreement and Indenture, will constitute legal, valid and binding obligations of the Company, entitled to the benefits of the Indenture and enforceable against the Company in accordance with their terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity and the discretion of the court before which any proceeding therefor may be brought.

(vi) The Guarantees endorsed on the Original Debentures have been duly and validly authorized by the Guarantor and sale to the Initial Purchasers, and when the Original Debentures are issued, authenticated and delivered by the Company in accordance with the terms of the Purchase Agreement and the Indenture, will be duly and validly executed and delivered to the Initial Purchasers by the Guarantor and will constitute legal, valid and binding obligations of the Guarantor, entitled to the benefits of the Indenture and enforceable against the Guarantor in accordance with their terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity and the discretion of the court before which any proceeding therefor may be brought.

(vii) The Exchange Debentures, when issued, authenticated and delivered by the Company in accordance with the terms of the Registration Rights Agreement, the Exchange Offer and the Indenture, will be legal, valid and binding obligations of the Company, entitled to the benefits of the Indenture and enforceable against the Company in accordance with their terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity and the discretion of the court before which any proceeding therefor may be brought.

(viii) The Guarantees to be endorsed on the Exchange Debentures have been duly and validly authorized for issuance by the Guarantor, and when the Exchange Debentures are issued, authenticated and delivered by the Company in accordance with the terms of the Registration Rights Agreement, the Exchange Offer and the Indenture, the Guarantees will be legal, valid and binding obligations of the Guarantor, entitled to the benefits of the Indenture and enforceable against the Guarantor in accordance with their terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity and the discretion of the court before which any proceeding therefor may be brought.

(ix) The Registration Rights Agreement has been duly and validly authorized, executed and delivered by the Guarantor and constitutes a legal, valid and binding ob-

ligation of each of the Guarantor and the Company, enforceable against it in accordance with its terms, except that (A) the enforcement thereof may be limited by (i) bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally, and (ii) general principles of equity and the discretion of the court before which any proceeding therefor may be brought and (B) any rights to indemnity or contribution thereunder may be limited by federal and state securities laws and public policy considerations.

(x) The execution, delivery and performance by each of the Guarantor and the Company of the Operative Documents to which it is a party, including the consummation of the offer and sale of the Securities, does not or will not violate, conflict with or constitute a breach of any of the terms or provisions of, or a default under (or an event that with notice or the lapse of time, or both, would constitute a default), or require consent under, or result in the creation or imposition of a lien, charge or encumbrance on any property or assets of the Guarantor or any Restricted Subsidiary or an acceleration of any indebtedness of the Guarantor or any Restricted Subsidiary pursuant to, (i) the charter, bylaws or other constitutive documents of the Guarantor or any U.S. Restricted Subsidiary,
(ii) to the knowledge of such counsel, any Agreements and Instruments filed as an exhibit to the Guarantor's Annual Report on Form 10-K for the fiscal year ended December 31, 2000, the Guarantor's Quarterly Reports on Form 10-Q for the periods ended March 31, 2001 and June 30, 2001 or the Guarantor's Registration Statement on Form S-4, as amended, originally filed with the Securities and Exchange Commission on August 30, 2001, together with any amendments to such Agreements or Instruments, (iii) to the knowledge of such counsel, any law, statute, rule or regulation applicable to the Guarantor or any Restricted Subsidiary or its respective assets or properties typical, in such counsel's experience, for transactions contemplated by the Operative Documents and assuming the accuracy of the representations and warranties of the Guarantor, the Company and the Initial Purchasers in the Purchase Agreement and the due performance by the Guarantor, the Company and the Initial Purchasers thereof or (iv) to the knowledge of such counsel, any judgment, order or decree of any domestic or foreign court or governmental agency or authority having jurisdiction over the Guarantor or any U.S. Restricted Subsidiary or their respective assets or properties.

(xi) Assuming the accuracy of and compliance with the Initial Purchaser's representations, warranties and covenants contained in Section 5(b) of the Purchase Agreement and the accuracy of and compliance with the Guarantor's and the Company's representations, warranties and covenants contained in the Purchase Agreement, no consent, approval, authorization or order of, or filing, registration, qualification, license or permit of or with, any United States court or governmental agency, body or administrative agency is required to be obtained or made by the Guarantor, the Company or any Restricted Subsidiary for the execution, delivery and performance by

the Guarantor or the Company of the Operative Documents to which it is a party including the consummation of any of the transactions contemplated thereby, except (v) such as have been obtained or made on or prior to the date hereof, (w) registration of the Exchange Offer or resale of the Debentures under the Act pursuant to the Registration Rights Agreement, or
(x) qualification of the Indenture under the Trust Indenture Act of 1939, as amended, in connection with the issuance of the Exchange Debentures or
(y) such as may be required by the NASD, or (z) that would not reasonably be expected, either individually or in the aggregate, (1) to have a Material Adverse Effect or (2) to interfere with or adversely affect the issuance of the Debentures (or the Guarantees endorsed thereon) in any jurisdiction or adversely affect the consummation of the transactions contemplated by any of the Operative Documents.

(xii) Neither the Guarantor nor the Company is an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(xiii) No registration under the Act of the Securities or qualification of the Indenture under the Trust Indenture Act is required for the sale of the Original Debentures to the Initial Purchasers as contemplated by the Purchase Agreement or for the Exempt Resales, assuming in each case (A) that the purchasers who buy the Original Debentures in the Exempt Resales are Eligible Purchasers, (B) the accuracy of and compliance with the Initial Purchasers' representations, warranties and covenants contained in Section 5(b) of the Purchase Agreement and (C) the accuracy of and compliance with the Guarantor's and the Company's representations, warranties and covenants contained in the Purchase Agreement.

(xiv) Each of the Original Debentures, the Indenture, the Registration Rights Agreement and the Guarantee related to the Original Debentures conforms as to legal matters in all material respects to the description thereof contained in the Offering Memorandum; the statements under the caption "Material United States and Canadian Income Tax Considerations" in the Offering Memorandum, insofar as such statements constitute a summary of United States legal matters, documents or proceedings referred to therein, fairly present in all material respects such legal matters, documents and proceedings.

(xv) Each document filed under the Exchange Act and incorporated by reference in the Offering Memorandum (other than the financial statements and related schedules included therein, as to which such counsel need not comment), when they were filed with the Commission, appeared on their face to comply as to form in all material respects with the requirements of the Exchange Act and the rules and regulations promulgated thereunder.

(xvi) Assuming the due authorization, execution and delivery by the Company of the Operative Documents, under the laws of The State of New York the submission by the Company set forth in each of the Operative Documents to the non-exclusive ju-

risdiction of the courts of the State of New York located in the Borough of Manhattan in The City of New York would be enforceable, and the submission by the Company set forth in each of the Operative Documents to the non-exclusive personal jurisdiction of any United States federal court located in the Borough of Manhattan in The City and State of New York would be enforceable.

In addition, such counsel shall state that they have participated in discussions with your representatives, representatives of the Issuers and their counsel and independent public accountants concerning the preparation of the Offering Memorandum. Such counsel shall state that, although they are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of any of the statements in the Offering Memorandum (except to the extent specified elsewhere in such letter or with reference to such counsel), no facts have come to their attention that lead such counsel to believe that the Offering Memorandum (other than the financial statements and related schedules and other financial data contained or incorporated therein as to which such counsel need express no belief), on the date of such Offering Memorandum and as of the Closing Date, contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Exhibit A-2 and A-3

FORM OF OPINION OF CANADIAN COUNSEL TO THE COMPANY

The opinions of (a) Stewart McKelvey Sterling Scales and (b) Burnet, Duckworth & Palmer LLP, Canadian counsels for the Company/a/ (capitalized terms not otherwise defined herein shall have the meanings provided in the Purchase Agreement, to which this is an Exhibit), to be delivered pursuant to Section 8(e) of the Purchase Agreement shall be to the effect that:

(i) The Company (a) is an unlimited liability company duly organized and validly existing and in good standing under the laws of Nova Scotia, Canada and has no subsidiaries; (b) has all requisite corporate power and authority necessary to carry on its business as it is currently being conducted and as described in the Offering Memorandum and to own, lease, license and operate its respective properties in accordance with its business as currently conducted; and (c) is qualified to do business and is in good standing in all other jurisdictions identified by such counsel on a schedule attached to its opinion and based solely on certificates of good standing from such identified jurisdictions.

(ii) Each of Northstar Energy Corporation and Northstar Energy Partnership (together with the Company, the "Canadian Restricted Subsidiaries"): (a) is a corporation, partnership or other entity duly organized and validly existing and in good standing under the laws of the jurisdiction of its incorporation, organization or formation; (b) has all requisite corporate or other power and authority necessary to carry on its business as it is currently being conducted and as described in the Offering Memorandum and to own, lease, license and operate its respective properties in accordance with its business as currently conducted; and (c) is qualified to do business and is in good standing in all other jurisdictions identified by such counsel on a schedule attached to its opinion and based solely on certificates of good standing from such identified jurisdictions.

(iii) The Company has all requisite corporate power and authority to execute, deliver and perform all of its obligations under the Operative Documents and to consummate the transactions contemplated by the Operative Documents to be consummated on its part and, without limitation, the Company has all requisite corporate

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/a/ To be appropriately divided between the two firms.

power and authority to issue, sell and deliver and perform its obligations under the Debentures.

(iv) The Purchase Agreement has been duly and validly authorized, executed and delivered by the Company.

(v) The Indenture has been duly and validly authorized, executed and delivered by the Company.

(vi) The Original Debentures have been duly and validly authorized by the Company for issuance and sale to the Initial Purchasers.

(vii) The Exchange Debentures have been duly and validly authorized for issuance by the Company.

(viii) The Registration Rights Agreement has been duly and validly authorized, executed and delivered by the Company.

(ix) The execution, delivery and performance by each of the Guarantor and the Company of the Operative Documents to which it is a party, including the consummation of the offer and sale of the Original Debentures, does not or will not violate, conflict with or constitute a breach of any of the terms or provisions of, or a default under (or an event that with notice or the lapse of time, or both, would constitute a default), or require consent under, or result in the creation or imposition of a lien, charge or encumbrance on any property or assets of any Canadian Restricted Subsidiary or an acceleration of any indebtedness of any Canadian Restricted Subsidiary pursuant to its the charter, bylaws or other constitutive documents of any Canadian Restricted Subsidiary, (ii) any Agreements and Instruments to which any Canadian Restricted Subsidiary is a party filed as an exhibit to the Guarantor's Annual Report on Form 10-K for the fiscal year ended December 31, 2000 or the Guarantor's Quarterly Reports on Form 10-Q for the periods ended March 31, 2001 and June 30, 2001 or the Guarantor's Registration Statement on Form S-4, as amended, originally filed with the Securities and Exchange Commission on August 30, 2001, together with any amendments to such Agreements or Instruments, (iii) the Anderson Acquisition Agreement, (iv) any law, statute, rule or regulation of Canada, Alberta or Nova Scotia applicable to any Canadian Restricted Subsidiary or its assets or properties or (v) any judgment, order or decree of any court or governmental agency or authority of Canada, Alberta or Nova Scotia having jurisdiction over any Canadian Restricted Subsidiary or its assets or properties.

(x) No consent, approval, authorization or order of, or filing, registration, qualification, license or permit of or with, any court or governmental agency, body or administrative agency of Canada or Nova Scotia is required to be obtained or made by the Company for the execution, delivery and performance by the Company of the Op-

erative Documents to which it is a party including the consummation of any of the transactions contemplated thereby, except such as have been obtained or made on or prior to the date hereof.

(xi) The statements under the caption "Material United States and Canadian Income Tax Considerations" in the Offering Memorandum, insofar as such statements constitute a summary of Canadian legal matters, documents or proceedings referred to therein, fairly present in all material respects such legal matters, documents and proceedings.

(xii) The Anderson Takeover Bid has been made in accordance with applicable Canadian securities laws.

(xiii) It is not necessary under the laws of Nova Scotia or the laws of Canada applicable therein or any authority or agency therein in order to enable an owner of any interest in the Debentures or the Guarantees to enforce its rights under the Debentures or the Guarantees or to enable any of the Initial Purchasers to enforce its rights under the Purchase Agreement, as the case may be, that it should, as a result solely of its holding or reselling of the Original Debentures, be licensed, qualified or otherwise entitled to carry on business in Canada or any authority or agency therein; the Operative Documents are in proper legal form under the laws of Canada or authority or agency therein for the enforcement thereof against the Company therein; and it is not necessary to ensure the legality, validity, enforceability or admissibility in evidence of the Operative Documents in Canada or any authority or agency therein that any of them be filed or recorded or enrolled with any court, authority or agency in, or that any stamp, registration or similar taxes or duties be paid to any court, authority or agency of Canada.

(xiv) No stamp duty or similar tax duty is payable under current applicable laws or regulations of the Province of Nova Scotia, the Province of Alberta and the federal laws or regulations of Canada in connection with the creation, issuance or delivery of the Securities, the transfer of any of the Securities or with respect to the execution and delivery of the Purchase Agreement, the Securities or the Indenture or any document contemplated hereby or thereby.

(xv) The choice of the laws of the State of New York as the governing law of the Operative Documents is a valid choice of law under the laws of Nova Scotia and of Canada applicable therein. In any proceeding brought before a court of competent jurisdiction (a "Local Court") in the Province of Nova Scotia (the "Local Jurisdiction") for the enforcement of the Operative Documents, the laws of the State of New York (being the stated governing laws of such documents) would, to the extent specifically pleaded and proven as a fact by expert evidence and subject to the Local Court's residual equitable jurisdiction, be applied by the Local Court to all issues which under the conflict of laws rules of the Province of Nova Scotia and the federal laws of Canada

applicable therein are to be determined in accordance with the proper or governing law of a contract provided that the Local Court finds that such choice of law is bona fide (in the sense that it was not made with a view to avoiding the consequences of the law of the jurisdiction with which the transaction has its most real and substantial connection), and except that in any such proceeding the Local Court:

(a) will apply those laws of the Province of Nova Scotia which the Local Court would characterize as procedural and will not apply those laws of the State of New York which the Local Court would characterize as procedural;

(b) will not apply those laws of the State of New York which the Local Court would characterize as revenue, expropriatory, penal or similar laws (and such counsel is not aware of any laws which would be so characterized and would be applied in enforcing the Operative Documents); and

(c) will not apply those laws of the State of New York, the application of which would be inconsistent with public policy, as such term is interpreted under the laws of the Local Jurisdiction and the federal laws of Canada applicable therein ("Public Policy"). Nothing has come to such counsel's attention that would cause us to believe that Public Policy would be offended by the recognition of the choice of law made in the Operative Documents or by the enforcement of the provisions of the Operative Documents to the extent that such provisions would be enforceable under the laws of the State of New York.

(xvi) The laws of the Province of Nova Scotia would permit an action to be brought before a Local Court to enforce, without relitigation of the merits of any claim that is the subject of such judgment, a final and conclusive in personam judgment of a New York court related to the Operative Documents which is not impeachable as void or voidable under the domestic laws of New York for a sum certain in money (including a judgment issued in an action commenced and maintained in accordance with the provisions of the Operative Documents respecting submission to jurisdiction, choice of venue and service of process to the extent that such provisions are enforceable under the laws of New York), provided that:

(a) the court rendering such judgment had jurisdiction over the defendant and the subject matter of the proceedings according to the conflict of law rules of the State of New York;

(b) the judgment was not obtained by fraud, or in a manner contrary to natural justice or contrary to any order made by The Attorney General of Canada under the Foreign Extraterritorial Measures Act (Canada) or by the Competition Tribunal under the Competition Act (Canada) in respect of certain judgments referred to therein;

(c) the enforcement of the judgment would not be inconsistent with Public Policy (and nothing has come to our attention that would cause us to believe that Public Policy would be offended by the enforcement of the Operative Documents);

(d) the judgment is not in respect of a revenue or penal law of a foreign jurisdiction;

(e) the action on the New York judgment is brought in Nova Scotia within the applicable limitation period of the date of the judgment;

(f) the judgment does not conflict with another final and conclusive judgment in or relating to the same cause of action in another jurisdiction;

(g) in the case of a judgment obtained by default, there was no manifest error in the granting of such judgment; and

(h) the judgment has neither been satisfied nor is it for any other reason not a subsisting judgment.

(xvii) Subject to paragraph (xv) above, the Company, and its obligations under the Operative Documents, are subject to civil and commercial law and to suit and neither it nor any of its properties, assets or revenues have any right of immunity, on the grounds of sovereignty, from any legal action, suit or proceeding, from the giving of any relief in any such legal action, suit or proceeding, from setoff or counterclaim, from the jurisdiction of any Nova Scotia court, Canadian federal court, New York State or U.S. federal court, as the case may be, from service of process, attachment upon or prior to judgment, or attachment in aid of execution of judgment, or from execution or enforcement of a judgment, or other legal processor proceeding for the giving of any relief or for the enforcement of a judgment, in any such court, with respect to its obligations or liabilities or any other matter under or arising out of or in connection with the Operative Documents; and, to the extent that the Company or any of its properties, assets or revenues may have or may hereafter become entitled to any such right of immunity in any such court in which proceedings may at any time be commenced, the Company may waive such right to the extent permitted by law and may consent to such relief and enforcement as provided in the Operative Documents.

(xviii) No exchange control authorization or any other authorization, approval, consent or license of any governmental authority or agency of or in Nova Scotia or Canada is required for the payment by the Company of any amounts in United States dollars pursuant to the terms of the Securities or to the Initial Purchasers pursuant to the Purchase Agreement.

EXHIBIT 3.1

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

DEVON FINANCING CORPORATION, U.L.C.

STEWART McKELVEY STIRLING SCALES

BARRISTERS & SOLICITORS

Halifax, Nova Scotia

MEMORANDUM OF ASSOCIATION

OF

DEVON FINANCING CORPORATION, U.L.C.

1. The name of the Company is DEVON FINANCING CORPORATION, U.L.C

2. There are no restrictions on the objects and powers of the Company and the Company shall expressly have the following powers:

(1) to sell or dispose of its undertaking, or a substantial part thereof;

(2) to distribute any of its property in specie among its members; and

(3) to amalgamate with any company or other body of persons.

3. The liability of the members is unlimited.

I, the undersigned, whose name, address and occupation are subscribed, am desirous of being formed into a company in pursuance of this Memorandum of Association, and I agree to take the number and kind of shares in the capital stock of the Company written opposite my name.

[Signed] "Maurice P. Chiasson"
Name of Subscriber: Maurice P. Chiasson 800-1959 Upper Water Street, Halifax, NS B3J 2X2 Occupation: Solicitor Number of shares subscribed: One Common share

TOTAL SHARES TAKEN: one common share
Dated this 12th day of September, 2001.

Witness to above signature: [Signed] "Amy Smith"

Name of Witness: Amy Smith
800-1959 Upper Water Street, Halifax, NS B3J 2X2
Occupation: Legal Assistant

ARTICLES OF A SSOCIATION

OF

DEVON FINANCING CORPORATION, U.L.C.

INTERPRETATION

1. In these Articles, unless there be something in the subject or context inconsistent therewith:

(1) "Act" means the Companies Act (Nova Scotia);

(2) "Articles" means these Articles of Association of the Company and all amendments hereto;

(3) "Company" means the company named above;

(4) "director" means a director of the Company;

(5) "Memorandum" means the Memorandum of Association of the Company and all amendments thereto;

(6) "month" means calendar month;

(7) "Office" means the registered office of the Company;

(8) "person" includes a body corporate;

(9) "proxyholder" includes an alternate proxyholder;

(10) "Register" means the register of members kept pursuant to the Act, and where the context permits includes a branch register of members;

(11) "Registrar" means the Registrar as defined in the Act;

(12) "Secretary" includes any person appointed to perform the duties of the Secretary temporarily;

(13) "shareholder" means member as that term is used in the Act in connection with an unlimited company having share capital and as that term is used in the Memorandum;

(14) "special resolution" has the meaning assigned by the Act;

(15) "in writing" and "written" includes printing, lithography and other modes of representing or reproducing words in visible form;

(16) words importing number or gender include all numbers and genders unless the context otherwise requires.

2. The regulations in Table A in the First Schedule to the Act shall not apply to the Company.

3. The directors may enter into and carry into effect or adopt and carry into effect any agreement made by the promoters of the Company on behalf of the Company and may agree to any modification in the terms of any such agreement, either before or after its execution.

4. The directors may, out of the funds of the Company, pay all expenses incurred for the incorporation and organization of the Company.

5. The Company may commence business on the day following incorporation or so soon thereafter as the directors think fit, notwithstanding that part only of the shares has been allotted.

SHARES

6. The capital of the company shall consist of 1,000,000 common shares without nominal or par value, with the power to divide the shares in the capital for the time being into classes or series and to attach thereto respectively any preferred, deferred or qualified rights, privileges or conditions, including restrictions on voting rights and including redemption, purchase and other acquisition of such shares, subject, however, to the provisions of the Act.

7. The directors shall control the shares and, subject to the provisions of these Articles, may allot or otherwise dispose of them to such person at such times, on such terms and conditions and, if the shares have a par value, either at a premium or at par, as they think fit.

8. The directors may pay on behalf of the Company a reasonable commission to any person in consideration of subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company, or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company. Subject to the Act, the commission may be paid or satisfied in shares of the Company.

9. On the issue of shares the Company may arrange among the holders thereof differences in the calls to be paid and in the times for their payment.

10. If the whole or part of the allotment price of any shares is, by the conditions of their allotment, payable in instalments, every such instalment shall, when due, be payable to the Company by the person who is at such time the registered holder of the shares.

11. Shares may be registered in the names of joint holders not exceeding three in number.

12. Joint holders of a share shall be jointly and severally liable for the payment of all instalments and calls due in respect of such share. On the death of one or more joint holders of shares the survivor or survivors of them shall alone be recognized by the Company as the registered holder or holders of the shares.

13. Save as herein otherwise provided, the Company may treat the registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction or required by statute, be bound to recognize any equitable or other claim to or interest in such share on the part of any other person.

14. The Company is a private company, and:

(1) no transfer of any share or prescribed security of the Company shall be effective unless or until approved by the directors;

(2) the number of holders of issued and outstanding prescribed securities or shares of the Company, exclusive of persons who are in the employment of the Company or in the employment of an affiliate of the Company and exclusive of persons who, having been formerly in the employment of the Company or the employment of an affiliate of the Company, were, while in that employment, and have continued after termination of that employment, to own at least one prescribed security or share of the Company, shall not exceed 50 in number, two or more persons or companies who are the joint registered owners of one or more prescribed securities or shares being counted as one holder; and

(3) the Company shall not invite the public to subscribe for any of its securities.

In this Article, "private company" and "securities" have the meanings ascribed to those terms in the Securities Act (Nova Scotia), and "prescribed security" means any of the securities prescribed by the Nova Scotia Securities Commission from time to time for the purpose of the definition of "private company" in the Securities Act (Nova Scotia).

CERTIFICATES

15. Certificates of title to shares shall comply with the Act and may otherwise be in such form as the directors may from time to time determine. Unless the directors otherwise determine, every certificate of title to shares shall be signed manually by at least one of the Chairman, President, Secretary, Treasurer, a vice-president, an assistant secretary, any other officer of the Company or any director of the Company or by or on behalf of a share registrar transfer agent or branch transfer agent appointed by the Company or by any other person whom the directors may designate. When signatures of more than one person appear on a certificate all but one may be printed or otherwise mechanically reproduced. All such certificates when signed as provided in this Article shall be valid and binding upon the Company. If a certificate contains a printed or mechanically reproduced signature of a person, the Company may issue the certificate, notwithstanding that the person has ceased to be a director or an officer of the Company and the certificate is as valid as if such person were a director or an officer at the date of its issue. Any certificate representing shares of a class publicly traded on any stock exchange shall be valid and binding on the Company if it complies with the rules of such exchange whether or not it otherwise complies with this Article.

16. Except as the directors may determine, each shareholder's shares may be evidenced by any number of certificates so long as the aggregate of the shares stipulated in such certificates equals the aggregate registered in the name of the shareholder.

17. Where shares are registered in the names of two or more persons, the Company shall not be bound to issue more than one certificate or set of certificates, and such certificate or set of certificates shall be delivered to the person first named on the Register.

18. Any certificate that has become worn, damaged or defaced may, upon its surrender to the directors, be cancelled and replaced by a new certificate. Any certificate that has become lost or destroyed may be replaced by a new certificate upon proof of such loss or destruction to the satisfaction of the directors and the furnishing to the Company of such undertakings of indemnity as the directors deem adequate.

19. The sum of one dollar or such other sum as the directors from time to time determine shall be paid to the Company for every certificate other than the first certificate issued to any holder in respect of any share or shares.

20. The directors may cause one or more branch Registers of shareholders to be kept in any place or places, whether inside or outside of Nova Scotia.

CALLS

21. The directors may make such calls upon the shareholders in respect of all amounts unpaid on the shares held by them respectively and not made payable at fixed times by the conditions on which such shares were allotted, and each shareholder shall pay the amount of every call so made to the person and at the times and places appointed by the directors. A call may be made payable by instalments.

22. A call shall be deemed to have been made at the time when the resolution of the directors authorizing such call was passed.

23. At least 14 days' notice of any call shall be given, and such notice shall specify the time and place at which and the person to whom such call shall be paid.

24. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for the payment thereof, the holder for the time being of the share in respect of which the call has been made or the instalment is due shall pay interest on such call or instalment at the rate of 9% per year or such other rate of interest as the directors may determine from the day appointed for the payment thereof up to the time of actual payment.

25. At the trial or hearing of any action for the recovery of any amount due for any call, it shall be sufficient to prove that the name of the shareholder sued is entered on the Register as the holder or one of the holders of the share or shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book and that such notice of such call was duly given to the shareholder sued in pursuance of these Articles. It shall not

be necessary to prove the appointment of the directors who made such call or any other matters whatsoever and the proof of the matters stipulated shall be conclusive evidence of the debt.

FORFEITURE OF SHARES

26. If any shareholder fails to pay any call or instalment on or before the day appointed for payment, the directors may at any time thereafter while the call or instalment remains unpaid serve a notice on such shareholder requiring payment thereof together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

27. The notice shall name a day (not being less than 14 days after the date of the notice) and a place or places on and at which such call or instalment and such interest and expenses are to be paid. The notice shall also state that, in the event of non-payment on or before the day and at the place or one of the places so named, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.

28. If the requirements of any such notice are not complied with, any shares in respect of which such notice has been given may at any time thereafter, before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

29. When any share has been so forfeited, notice of the resolution shall be given to the shareholder in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture shall be made in the Register.

30. Any share so forfeited shall be deemed the property of the Company and the directors may sell, re-allot or otherwise dispose of it in such manner as they think fit.

31. The directors may at any time before any share so forfeited has been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as they think fit.

32. Any shareholder whose shares have been forfeited shall nevertheless be liable to pay and shall forthwith pay to the Company all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon at the rate of 9% per year or such other rate of interest as the directors may determine from the time of forfeiture until payment. The directors may enforce such payment if they think fit, but are under no obligation to do so.

33. A certificate signed by the Secretary stating that a share has been duly forfeited on a specified date in pursuance of these Articles and the time when it was forfeited shall be conclusive evidence of the facts therein stated as against any person who would have been entitled to the share but for such forfeiture.

LIEN ON SHARES

34. The Company shall have a first and paramount lien upon all shares (other than fully paid-up shares) registered in the name of a shareholder (whether solely or jointly with others) and upon the proceeds from the sale thereof for debts, liabilities and other engagements of the shareholder, solely or jointly with any other person, to or with the Company, whether or not the period for the payment, fulfilment or discharge thereof has actually arrived, and such lien shall extend to all dividends declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of any lien of the Company on such shares.

35. For the purpose of enforcing such lien the directors may sell the shares subject to it in such manner as they think fit, but no sale shall be made until the period for the payment, fulfilment or discharge of such debts, liabilities or other engagements has arrived, and until notice in writing of the intention to sell has been given to such shareholder or the shareholder's executors or administrators and default has been made by them in such payment, fulfilment or discharge for seven days after such notice.

36. The net proceeds of any such sale after the payment of all costs shall be applied in or towards the satisfaction of such debts, liabilities or engagements and the residue, if any, paid to such shareholder.

VALIDITY OF SALES

37. Upon any sale after forfeiture or to enforce a lien in purported exercise of the powers given by these Articles the directors may cause the purchaser's name to be entered in the Register in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after the purchaser's name has been entered in the Register in respect of such shares the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

TRANSFER OF SHARES

38. The instrument of transfer of any share in the Company shall be signed by the transferor. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof and shall be entitled to receive any dividend declared thereon before the registration of the transfer.

39. The instrument of transfer of any share shall be in writing in the following form or to the following effect:

For value received, _____ hereby sell, assign, and transfer unto _____, _____ shares in the capital of the Company represented by the within certificate, and do hereby irrevocably constitute and appoint _____ attorney to transfer such shares on the books of the Company with full power of substitution in the premises.

Dated the ____ day of _____, _____

Witness:

40. The directors may, without assigning any reason therefor, decline to register any transfer of shares

(1) not fully paid-up or upon which the Company has a lien, or

(2) the transfer of which is restricted by any agreement to which the Company is a party.

41. Every instrument of transfer shall be left for registration at the Office of the Company, or at any office of its transfer agent where a Register is maintained, together with the certificate of the shares to be transferred and such other evidence as the Company may require to prove title to or the right to transfer the shares.

42. The directors may require that a fee determined by them be paid before or after registration of any transfer.

43. Every instrument of transfer shall, after its registration, remain in the custody of the Company. Any instrument of transfer that the directors decline to register shall, except in case of fraud, be returned to the person who deposited it.

TRANSMISSION OF SHARES

44. The executors or administrators of a deceased shareholder (not being one of several joint holders) shall be the only persons recognized by the Company as having any title to the shares registered in the name of such shareholder. When a share is registered in the names of two or more joint holders, the survivor or survivors or the executors or administrators of the deceased survivor, shall be the only persons recognized by the Company as having any title to, or interest in, such share.

45. Notwithstanding anything in these Articles, if the Company has only one shareholder (not being one of several joint holders) and that shareholder dies, the executors or administrators of the deceased shareholder shall be entitled to register themselves in the Register as the holders of the shares registered in the name of the deceased shareholder whereupon they shall have all the rights given by these Articles and by law to shareholders.

46. Any person entitled to shares upon the death or bankruptcy of any shareholder or in any way other than by allotment or transfer, upon producing such evidence of entitlement as the directors require, may be registered as a shareholder in respect of such shares, or may, without being registered, transfer such shares subject to the provisions of these Articles respecting the transfer of shares. The directors shall have the same right to refuse registration as if the transferee were named in an ordinary transfer presented for registration.

SURRENDER OF SHARES

47. The directors may accept the surrender of any share by way of compromise of any question as to the holder being properly registered in respect thereof. Any share so surrendered may be disposed of in the same manner as a forfeited share.

INCREASE AND REDUCTION OF CAPITAL

48. Subject to the Act, the shareholders may by special resolution amend these Articles to increase or alter the share capital of the Company as they think expedient. Without prejudice to any special rights previously conferred on the holders of existing shares, any share may be issued with such preferred, deferred or other special rights, or with such restrictions, whether in regard to dividends, voting, return of share capital or otherwise, as the shareholders may from time to time determine by special resolution. Except as otherwise provided by the conditions of issue, or by these Articles, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to payment of calls and instalments, transfer and transmission, forfeiture, lien and otherwise.

49. The Company may, by special resolution where required, reduce its share capital in any way and with and subject to any incident authorized and consent required by law. Subject to the Act and any provisions attached to such shares, the Company may redeem, purchase or acquire any of its shares and the directors may determine the manner and the terms for redeeming, purchasing or acquiring such shares and may provide a sinking fund on such terms as they think fit for the redemption, purchase or acquisition of shares of any class or series.

MEETINGS AND VOTING BY CLASS OR SERIES

50. Where the holders of shares of a class or series have, under the Act, the terms or conditions attaching to such shares or otherwise, the right to vote separately as a class in respect of any matter then, except as provided in the Act, these Articles or such terms or conditions, all the provisions in these Articles concerning general meetings (including, without limitation, provisions respecting notice, quorum and procedure) shall, mutatis mutandis, apply to every meeting of holders of such class or series of shares convened for the purpose of such vote.

51. Unless the rights, privileges, terms or conditions attached to a class or series of shares provide otherwise, such class or series of shares shall not have the right to vote separately as a class or series upon an amendment to the Memorandum or Articles to:

(1) increase or decrease any maximum number of authorized shares of such class or series, or increase any maximum number of authorized shares of a class or series having rights or privileges equal or superior to the shares of such class or series;

(2) effect an exchange, reclassification or cancellation of all or part of the shares of such class or series; or

(3) create a new class or series of shares equal or superior to the shares of such class or series.

BORROWING POWERS

52. The directors on behalf of the Company may:

(1) raise or borrow money for the purposes of the Company or any of them;

(2) secure, subject to the sanction of a special resolution where required by the Act, the repayment of funds so raised or borrowed in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the execution and delivery of mortgages of the Company's real or personal property, or by the issue of bonds, debentures or other securities of the Company secured by mortgage or other charge upon all or any part of the property of the Company, both present and future including its uncalled capital for the time being;

(3) sign or endorse bills, notes, acceptances, cheques, contracts, and other evidence of or securities for funds borrowed or to be borrowed for the purposes aforesaid;

(4) pledge debentures as security for loans;

(5) guarantee obligations of any person.

53. Bonds, debentures and other securities may be made assignable, free from any equities between the Company and the person to whom such securities were issued.

54. Any bonds, debentures and other securities may be issued at a discount, premium or otherwise and with special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of directors and other matters.

GENERAL MEETINGS

55. Ordinary general meetings of the Company shall be held at least once in every calendar year at such time and place as may be determined by the directors and not later than 15 months after the preceding ordinary general meeting. All other meetings of the Company shall be called special general meetings. Ordinary or special general meetings may be held either within or without the Province of Nova Scotia.

56. The President, a vice-president or the directors may at any time convene a special general meeting, and the directors, upon the requisition of shareholders in accordance with the Act shall forthwith proceed to convene such meeting or meetings to be held at such time and place or times and places as the directors determine.

57. The requisition shall state the objects of the meeting requested, be signed by the requisitionists and deposited at the Office of the Company. It may consist of several documents in like form each signed by one or more of the requisitionists.

58. At least seven clear days' notice, or such longer period of notice as may be required by the Act, of every general meeting, specifying the place, day and hour of the meeting and, when special business is to be considered, the general nature of such business, shall be given to the shareholders entitled to be present at such meeting by notice given as permitted by these Articles. With the consent in writing of all the shareholders entitled to vote at such meeting, a meeting may be convened by a shorter notice and in any manner they think fit, or notice of the time, place and purpose of the meeting may be waived by all of the shareholders.

59. When it is proposed to pass a special resolution, the two meetings may be convened by the same notice, and it shall be no objection to such notice that it only convenes the second meeting contingently upon the resolution being passed by the requisite majority at the first meeting.

60. The accidental omission to give notice to a shareholder, or non-receipt of notice by a shareholder, shall not invalidate any resolution passed at any general meeting.

RECORD DATES

61. (1) The directors may fix in advance a date as the record date for the determination of shareholders

(a) entitled to receive payment of a dividend or entitled to receive any distribution;

(b) entitled to receive notice of a meeting; or

(c) for any other purpose.

(2) If no record date is fixed, the record date for the determination of shareholders

(a) entitled to receive notice of a meeting shall be the day immediately preceding the day on which the notice is given, or, if no notice is given, the day on which the meeting is held; and

(b) for any other purpose shall be the day on which the directors pass the resolution relating to the particular purpose.

PROCEEDINGS AT GENERAL MEETINGS

62. The business of an ordinary general meeting shall be to receive and consider the financial statements of the Company and the report of the directors and the report, if any, of the

auditors, to elect directors in the place of those retiring and to transact any other business which under these Articles ought to be transacted at an ordinary general meeting.

63. No business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business. A corporate shareholder of the Company that has a duly authorized agent or representative present at any such meeting shall for the purpose of this Article be deemed to be personally present at such meeting.

64. One person, being a shareholder, proxyholder or representative of a corporate shareholder, present and entitled to vote shall constitute a quorum for a general meeting, and may hold a meeting.

65. The Chairman shall be entitled to take the chair at every general meeting or, if there be no Chairman, or if the Chairman is not present within fifteen minutes after the time appointed for holding the meeting, the President or, failing the President, a vice-president shall be entitled to take the chair. If the Chairman, the President or a vice-president is not present within 15 minutes after the time appointed for holding the meeting or if all such persons present decline to take the chair, the shareholders present entitled to vote at the meeting shall choose another director as chairman and if no director is present or if all the directors present decline to take the chair, then such shareholders shall choose one of their number to be chairman.

66. If within half an hour from the time appointed for a general meeting a quorum is not present, the meeting, if it was convened pursuant to a requisition of shareholders, shall be dissolved; if it was convened in any other way, it shall stand adjourned to the same day, in the next week, at the same time and place. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the shareholders present shall be a quorum and may hold the meeting.

67. Subject to the Act, at any general meeting a resolution put to the meeting shall be decided by a show of hands unless, either before or on the declaration of the result of the show of hands, a poll is demanded by the chairman, a shareholder or a proxyholder; and unless a poll is so demanded, a declaration by the chairman that the resolution has been carried, carried by a particular majority, lost or not carried by a particular majority and an entry to that effect in the Company's book of proceedings shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

68. When a poll is demanded, it shall be taken in such manner and at such time and place as the chairman directs, and either at once or after an interval or adjournment or otherwise. The result of the poll shall be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn. When any dispute occurs over the admission or rejection of a vote, it shall be resolved by the chairman and such determination made in good faith shall be final and conclusive.

69. The chairman shall not have a casting vote in addition to any vote or votes that the Chairman has as a shareholder.

70. The chairman of a general meeting may with the consent of the meeting adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting that was adjourned.

71. Any poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith without adjournment.

72. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

VOTES OF SHAREHOLDERS

73. Subject to the Act and to any provisions attached to any class or series of shares concerning or restricting voting rights:

(1) on a show of hands every shareholder present in person, every duly authorized representative of a corporate shareholder, and, if not prevented from voting by the Act, every proxyholder, shall have one vote; and

(2) on a poll every shareholder present in person, every duly authorized representative of a corporate shareholder, and every proxyholder, shall have one vote for every share held;

whether or not such representative or proxyholder is a shareholder.

74. Any person entitled to transfer shares upon the death or bankruptcy of any shareholder or in any way other than by allotment or transfer may vote at any general meeting in respect thereof in the same manner as if such person were the registered holder of such shares so long as the directors are satisfied at least 48 hours before the time of holding the meeting of such person's right to transfer such shares.

75. Where there are joint registered holders of any share, any of such holders may vote such share at any meeting, either personally or by proxy, as if solely entitled to it. If more than one joint holder is present at any meeting, personally or by proxy, the one whose name stands first on the Register in respect of such share shall alone be entitled to vote it. Several executors or administrators of a deceased shareholder in whose name any share stands shall for the purpose of this Article be deemed joint holders thereof.

76. Votes may be cast either personally or by proxy or, in the case of a corporate shareholder by a representative duly authorized under the Act.

77. A proxy shall be in writing and executed in the manner provided in the Act. A proxy or other authority of a corporate shareholder does not require its seal.

78. A shareholder of unsound mind in respect of whom an order has been made by any court of competent jurisdiction may vote by guardian or other person in the nature of a guardian appointed by that court, and any such guardian or other person may vote by proxy.

79. A proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office of the Company or at such other place as the directors may direct. The directors may, by resolution, fix a time not exceeding 48 hours excluding Saturdays and holidays preceding any meeting or adjourned meeting before which time proxies to be used at that meeting must be deposited with the Company at its Office or with an agent of the Company. Notice of the requirement for depositing proxies shall be given in the notice calling the meeting. The chairman of the meeting shall determine all questions as to validity of proxies and other instruments of authority.

80. A vote given in accordance with the terms of a proxy shall be valid notwithstanding the previous death of the principal, the revocation of the proxy, or the transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, revocation or transfer is received at the Office of the Company before the meeting or by the chairman of the meeting before the vote is given.

81. Every form of proxy shall comply with the Act and its regulations and subject thereto may be in the following form:

I, _____ of _____ of being a shareholder of _____ hereby appoint _____ of _____ (or failing him/her _____ of _____) as my proxyholder to attend and to vote for me and on my behalf at the ordinary/special general meeting of the Company, to be held on the ___ day of ____ and at any adjournment thereof, or at any meeting of the Company which may be held prior to [insert specified date or event].

[If the proxy is solicited by or behalf of the management of the Company, insert a statement to that effect.]

Dated this ___ day of ____ __.

Shareholder

82. Subject to the Act, no shareholder shall be entitled to be present or to vote on any question, either personally or by proxy, at any general meeting or be reckoned in a quorum while any call is due and payable to the Company in respect of any of the shares of such shareholder.

83. Any resolution passed by the directors, notice of which has been given to the shareholders in the manner in which notices are hereinafter directed to be given and which is, within one month after it has been passed, ratified and confirmed in writing by shareholders entitled on a poll to three-fifths of the votes, shall be as valid and effectual as a resolution of a general meeting. This Article shall not apply to a resolution for winding up the Company or to a

resolution dealing with any matter that by statute or these Articles ought to be dealt with by a special resolution or other method prescribed by statute.

84. A resolution, including a special resolution, in writing and signed by every shareholder who would be entitled to vote on the resolution at a meeting is as valid as if it were passed by such shareholders at a meeting and satisfies all of the requirements of the Act respecting meetings of shareholders.

DIRECTORS

85. Unless otherwise determined by resolution of shareholders, the number of directors shall not be less than one or more than ten.

86. Notwithstanding anything herein contained the subscribers to the Memorandum shall be the first directors of the Company.

87. The directors may be paid out of the funds of the Company as remuneration for their service such sums, if any, as the Company may by resolution of its shareholders determine, and such remuneration shall be divided among them in such proportions and manner as the directors determine. The directors may also be paid their reasonable travelling, hotel and other expenses incurred in attending meetings of directors and otherwise in the execution of their duties as directors.

88. The continuing directors may act notwithstanding any vacancy in their body, but if their number falls below the minimum permitted, the directors shall not, except in emergencies or for the purpose of filling vacancies, act so long as their number is below the minimum.

89. A director may, in conjunction with the office of director, and on such terms as to remuneration and otherwise as the directors arrange or determine, hold any other office or place of profit under the Company or under any company in which the Company is a shareholder or is otherwise interested.

90. The office of a director shall ipso facto be vacated, if the director:

(1) becomes bankrupt or makes an assignment for the benefit of creditors;

(2) is, or is found by a court of competent jurisdiction to be, of unsound mind;

(3) by notice in writing to the Company, resigns the office of director; or

(4) is removed in the manner provided by these Articles.

91. No director shall be disqualified by holding the office of director from contracting with the Company, either as vendor, purchaser, or otherwise, nor shall any such contract, or any contract or arrangement entered into or proposed to be entered into by or on behalf of the Company in which any director is in any way interested, either directly or indirectly, be

avoided, nor shall any director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason only of such director holding that office or of the fiduciary relations thereby established, provided the director makes a declaration or gives a general notice in accordance with the Act. No director shall, as a director, vote in respect of any contract or arrangement in which the director is so interested, and if the director does so vote, such vote shall not be counted. This prohibition may at any time or times be suspended or relaxed to any extent by a resolution of the shareholders and shall not apply to any contract by or on behalf of the Company to give to the directors or any of them any security for advances or by way of indemnity.

ELECTION OF DIRECTORS

92. At the dissolution of every ordinary general meeting at which their successors are elected, all the directors shall retire from office and be succeeded by the directors elected at such meeting. Retiring directors shall be eligible for re-election.

93. If at any ordinary general meeting at which an election of directors ought to take place no such election takes place, or if no ordinary general meeting is held in any year or period of years, the retiring directors shall continue in office until their successors are elected.

94. The Company may by resolution of its shareholders elect any number of directors permitted by these Articles and may determine or alter their qualification.

95. The Company may, by special resolution or in any other manner permitted by statute, remove any director before the expiration of such director's period of office and may, if desired, appoint a replacement to hold office during such time only as the director so removed would have held office.

96. The directors may appoint any other person as a director so long as the total number of directors does not at any time exceed the maximum number permitted. No such appointment, except to fill a casual vacancy, shall be effective unless two-thirds of the directors concur in it. Any casual vacancy occurring among the directors may be filled by the directors, but any person so chosen shall retain office only so long as the vacating director would have retained it if the vacating director had continued as director.

MANAGING DIRECTOR

97. The directors may appoint one or more of their body to be managing directors of the Company, either for a fixed term or otherwise , and may remove or dismiss them from office and appoint replacements.

98. Subject to the provisions of any contract between a managing director and the Company, a managing director shall be subject to the same provisions as to resignation and removal as the other directors of the Company. A managing director who for any reason ceases to hold the office of director shall ipso facto immediately cease to be a managing director.

99. The remuneration of a managing director shall from time to time be fixed by the directors and may be by way of any or all of salary, commission and participation in profits.

100. The directors may from time to time entrust to and confer upon a managing director such of the powers exercisable under these Articles by the directors as they think fit, and may confer such powers for such time, and to be exercised for such objects and purposes and upon such terms and conditions, and with such restrictions as they think expedient; and they may confer such powers either collaterally with, or to the exclusion of, and in substitution for, all or any of the powers of the directors in that behalf; and may from time to time revoke, withdraw, alter or vary all or any of such powers.

CHAIRMAN OF THE BOARD

101. The directors may elect one of their number to be Chairman and may determine the period during which the Chairman is to hold office. The Chairman shall perform such duties and receive such special remuneration as the directors may provide.

PRESIDENT AND VICE-PRESIDENTS

102. The directors shall elect the President of the Company, who need not be a director, and may determine the period for which the President is to hold office. The President shall have general supervision of the business of the Company and shall perform such duties as may be assigned from time to time by the directors.

103. The directors may also elect vice-presidents, who need not be directors, and may determine the periods for which they are to hold office. A vice-president shall, at the request of the President or the directors and subject to the directions of the directors, perform the duties of the President during the absence, illness or incapacity of the President, and shall also perform such duties as may be assigned by the President or the directors.

SECRETARY AND TREASURER

104. The directors shall appoint a Secretary of the Company to keep minutes of shareholders' and directors' meetings and perform such other duties as may be assigned by the directors. The directors may also appoint a temporary substitute for the Secretary who shall, for the purposes of these Articles, be deemed to be the Secretary.

105. The directors may appoint a treasurer of the Company to carry out such duties as the directors may assign.

OFFICERS

106. The directors may elect or appoint such other officers of the Company, having such powers and duties, as they think fit.

107. If the directors so decide the same person may hold more than one of the offices provided for in these Articles.

PROCEEDINGS OF DIRECTORS

108. The directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings, as they think fit, and may determine the quorum necessary for the transaction of business. Until otherwise determined, one director shall constitute a quorum and may hold a meeting.

109. If all directors of the Company entitled to attend a meeting either generally or specifically consent, a director may participate in a meeting of directors or of a committee of directors by means of such telephone or other communications facilities as permit all persons participating in the meeting to hear each other, and a director participating in such a meeting by such means is deemed to be present at that meeting for purposes of these Articles.

110. Meetings of directors may be held either within or without the Province of Nova Scotia and the directors may from time to time make arrangements relating to the time and place of holding directors' meetings, the notices to be given for such meetings and what meetings may be held without notice. Unless otherwise provided by such arrangements:

(1) A meeting of directors may be held at the close of every ordinary general meeting of the Company without notice.

(2) Notice of every other directors' meeting may be given as permitted by these Articles to each director at least 48 hours before the time fixed for the meeting.

(3) A meeting of directors may be held without formal notice if all the directors are present or if those absent have signified their assent to such meeting or their consent to the business transacted at such meeting.

111. The President or any director may at any time, and the Secretary, upon the request of the President or any director, shall summon a meeting of the directors to be held at the Office of the Company. The President, the Chairman or a majority of the directors may at any time, and the Secretary, upon the request of the President, the Chairman or a majority of the directors, shall summon a meeting to be held elsewhere.

112. (1) Questions arising at any meeting of directors shall be decided by a majority of votes. The chairman of the meeting may vote as a director but shall not have a second or casting vote.

(2) At any meeting of directors the chairman shall receive and count the vote of any director not present in person at such meeting on any question or matter arising at such meeting whenever such absent director has indicated by telegram, letter or other writing lodged with the chairman of such meeting the manner in which the absent director desires to vote on such question or matter and such question or matter has

been specifically mentioned in the notice calling the meeting as a question or matter to be discussed or decided thereat. In respect of any such question or matter so mentioned in such notice any director may give to any other director a proxy authorizing such other director to vote for such first named director at such meeting, and the chairman of such meeting, after such proxy has been so lodged, shall receive and count any vote given in pursuance thereof notwithstanding the absence of the director giving such proxy.

113. If no Chairman is elected, or if at any meeting of directors the Chairman is not present within five minutes after the time appointed for holding the meeting, or declines to take the chair, the President, if a director, shall preside. If the President is not a director, is not present at such time or declines to take the chair, a vice-president who is also a director shall preside. If no person described above is present at such time and willing to take the chair, the directors present shall choose some one of their number to be chairman of the meeting.

114. A meeting of the directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions for the time being vested in or exercisable by the directors generally.

115. The directors may delegate any of their powers to committees consisting of such number of directors as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on them by the directors.

116. The meetings and proceedings of any committee of directors shall be governed by the provisions contained in these Articles for regulating the meetings and proceedings of the directors insofar as they are applicable and are not superseded by any regulations made by the directors.

117. All acts done at any meeting of the directors or of a committee of directors or by any person acting as a director shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of the director or person so acting, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

118. A resolution in writing and signed by every director who would be entitled to vote on the resolution at a meeting is as valid as if it were passed by such directors at a meeting.

119. If any one or more of the directors is called upon to perform extra services or to make any special exertions in going or residing abroad or otherwise for any of the purposes of the Company or the business thereof, the Company may remunerate the director or directors so doing, either by a fixed sum or by a percentage of profits or otherwise. Such remuneration shall be determined by the directors and may be either in addition to or in substitution for remuneration otherwise authorized by these Articles.

REGISTERS

120. The directors shall cause to be kept at the Company's Office in accordance with the provisions of the Act a Register of the shareholders of the Company, a register of the holders of bonds, debentures and other securities of the Company and a register of its directors. Branch registers of the shareholders and of the holders of bonds, debentures and other securities may be kept elsewhere, either within or without the Province of Nova Scotia, in accordance with the Act.

MINUTES

121. The directors shall cause minutes to be entered in books designated for the purpose:

(1) of all appointments of officers;

(2) of the names of directors present at each meeting of directors and of any committees of directors;

(3) of all orders made by the directors and committees of directors; and

(4) of all resolutions and proceedings of meetings of shareholders and of directors.

Any such minutes of any meeting of directors or of any committee of directors or of shareholders, if purporting to be signed by the chairman of such meeting or by the chairman of the next succeeding meeting, shall be receivable as prima facie evidence of the matters stated in such minutes.

POWERS OF DIRECTORS

122. The management of the business of the Company is vested in the directors who, in addition to the powers and authorities by these Articles or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not hereby or by statute expressly directed or required to be exercised or done by the shareholders, but subject nevertheless to the provisions of any statute, the Memorandum or these Articles. No modification of the Memorandum or these Articles shall invalidate any prior act of the directors that would have been valid if such modification had not been made.

123. Without restricting the generality of the terms of any of these Articles and without prejudice to the powers conferred thereby, the directors may:

(1) take such steps as they think fit to carry out any agreement or contract made by or on behalf of the Company;

(2) pay costs, charges and expenses preliminary and incidental to the promotion, formation, establishment, and registration of the Company;

(3) purchase or otherwise acquire for the Company any property, rights or privileges that the Company is authorized to acquire, at such price and generally on such terms and conditions as they think fit;

(4) pay for any property, rights or privileges acquired by, or services rendered to the Company either wholly or partially in cash or in shares (fully paid-up or otherwise), bonds, debentures or other securities of the Company;

(5) subject to the Act, secure the fulfilment of any contracts or engagements entered into by the Company by mortgaging or charging all or any of the property of the Company and its unpaid capital for the time being, or in such other manner as they think fit;

(6) appoint, remove or suspend at their discretion such experts, managers, secretaries, treasurers, officers, clerks, agents and servants for permanent, temporary or special services, as they from time to time think fit, and determine their powers and duties and fix their salaries or emoluments and require security in such instances and to such amounts as they think fit;

(7) accept a surrender of shares from any shareholder insofar as the law permits and on such terms and conditions as may be agreed;

(8) appoint any person or persons to accept and hold in trust for the Company any property belonging to the Company, or in which it is interested, execute and do all such deeds and things as may be required in relation to such trust, and provide for the remuneration of such trustee or trustees;

(9) institute, conduct, defend, compound or abandon any legal proceedings by and against the Company, its directors or its officers or otherwise concerning the affairs of the Company, and also compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company;

(10) refer any claims or demands by or against the Company to arbitration and observe and perform the awards;

(11) make and give receipts, releases and other discharges for amounts payable to the Company and for claims and demands of the Company;

(12) determine who may exercise the borrowing powers of the Company and sign on the Company's behalf bonds, debentures or other securities, bills, notes, receipts, acceptances, assignments, transfers, hypothecations, pledges, endorsements, cheques, drafts, releases, contracts, agreements and all other instruments and documents;

(13) provide for the management of the affairs of the Company abroad in such manner as they think fit, and in particular appoint any person to be the attorney or agent of the Company with such powers (including power to sub-delegate) and upon such terms as may be thought fit;

(14) invest and deal with any funds of the Company in such securities and in such manner as they think fit; and vary or realize such investments;

(15) subject to the Act, execute in the name and on behalf of the Company in favour of any director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property, present and future, as they think fit;

(16) give any officer or employee of the Company a commission on the profits of any particular business or transaction or a share in the general profits of the Company;

(17) set aside out of the profits of the Company before declaring any dividend such amounts as they think proper as a reserve fund to meet contingencies or provide for dividends, depreciation, repairing, improving and maintaining any of the property of the Company and such other purposes as the directors may in their absolute discretion think in the interests of the Company; and invest such amounts in such investments as they think fit, and deal with and vary such investments, and dispose of all or any part of them for the benefit of the Company, and divide the reserve fund into such special funds as they think fit, with full power to employ the assets constituting the reserve fund in the business of the Company without being bound to keep them separate from the other assets;

(18) make, vary and repeal rules respecting the business of the Company, its officers and employees, the shareholders of the Company or any section or class of them;

(19) enter into all such negotiations and contracts, rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;

(20) provide for the management of the affairs of the Company in such manner as they think fit.

SOLICITORS

124. The Company may employ or retain solicitors any of whom may, at the request or on the instruction of the directors, the Chairman, the President or a managing director, attend meetings of the directors or shareholders, whether or not the solicitor is a shareholder or a director of the Company. A solicitor who is also a director may nevertheless charge for services rendered to the Company as a solicitor.

THE SEAL

125. The directors shall arrange for the safe custody of the common seal of the Company (the "Seal"). The Seal may be affixed to any instrument in the presence of and contemporaneously with the attesting signature of (i) any director or officer acting within such person's authority or (ii) any person under the authority of a resolution of the directors or a committee thereof. For the purpose of certifying documents or proceedings the Seal may be affixed by any director or the President, a vice-president, the Secretary, an assistant secretary or any other officer of the Company without the authorization of a resolution of the directors.

126. The Company may have facsimiles of the Seal which may be used interchangeably with the Seal.

127. The Company may have for use at any place outside the Province of Nova Scotia, as to all matters to which the corporate existence and capacity of the Company extends, an official seal that is a facsimile of the Seal of the Company with the addition on its face of the name of the place where it is to be used; and the Company may by writing under its Seal authorize any person to affix such official seal at such place to any document to which the Company is a party.

DIVIDENDS

128. The directors may from time to time declare such dividend as they deem proper upon shares of the Company according to the rights and restrictions attached to any class or series of shares, and may determine the date upon which such dividend will be payable and that it will be payable to the persons registered as the holders of the shares on which it is declared at the close of business upon a record date. No transfer of such shares registered after the record date shall pass any right to the dividend so declared.

129. Dividends may be paid as permitted by law and, without limitation, may be paid out of the profits, retained earnings or contributed surplus of the Company. No interest shall be payable on any dividend except insofar as the rights attached to any class or series of shares provide otherwise.

130. The declaration of the directors as to the amount of the profits, retained earnings or contributed surplus of the Company shall be conclusive.

131. The directors may from time to time pay to the shareholders such interim dividends as in their judgment the position of the Company justifies.

132. Subject to these Articles and the rights and restrictions attached to any class or series of shares, dividends may be declared and paid to the shareholders in proportion to the amount of capital paid-up on the shares (not including any capital paid-up bearing interest) held by them respectively.

133. The directors may deduct from the dividends payable to any shareholder amounts due and payable by the shareholder to the Company on account of calls, instalments or otherwise, and may apply the same in or towards satisfaction of such amounts so due and payable.

134. The directors may retain any dividends on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

135. The directors may retain the dividends payable upon shares to which a person is entitled or entitled to transfer upon the death or bankruptcy of a shareholder or in any way other than by allotment or transfer, until such person has become registered as the holder of such shares or has duly transferred such shares.

136. When the directors declare a dividend on a class or series of shares and also make a call on such shares payable on or before the date on which the dividend is payable, the directors may retain all or part of the dividend and set off the amount retained against the call.

137. The directors may declare that a dividend be paid by the distribution of cash, paid-up shares (at par or at a premium), debentures, bonds or other securities of the Company or of any other company or any other specific assets held or to be acquired by the Company or in any one or more of such ways.

138. The directors may settle any difficulty that may arise in regard to the distribution of a dividend as they think expedient, and in particular without restricting the generality of the foregoing may issue fractional certificates, may fix the value for distribution of any specific assets, may determine that cash payments will be made to any shareholders upon the footing of the value so fixed or that fractions may be disregarded in order to adjust the rights of all parties, and may vest cash or specific assets in trustees upon such trusts for the persons entitled to the dividend as may seem expedient to the directors.

139. Any person registered as a joint holder of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such share.

140. Unless otherwise determined by the directors, any dividend may be paid by a cheque or warrant delivered to or sent through the post to the registered address of the shareholder entitled, or, when there are joint holders, to the registered address of that one whose name stands first on the register for the shares jointly held. Every cheque or warrant so delivered or sent shall be made payable to the order of the person to whom it is delivered or sent. The mailing or other transmission to a shareholder at the shareholder's registered address (or, in the case of joint shareholders at the address of the holder whose name stands first on the register) of a cheque payable to the order of the person to whom it is addressed for the amount of any dividend payable in cash after the deduction of any tax which the Company has properly withheld, shall discharge the Company's liability for the dividend unless the cheque is not paid on due presentation. If any cheque for a dividend payable in cash is not received, the Company shall issue to the shareholder a replacement cheque for the same amount on such terms as to indemnity and evidence of non-receipt as the directors may

impose. No shareholder may recover by action or other legal process against the Company any dividend represented by a cheque that has not been duly presented to a banker of the Company for payment or that otherwise remains unclaimed for 6 years from the date on which it was payable.

ACCOUNTS

141. The directors shall cause proper books of account to be kept of the amounts received and expended by the Company, the matters in respect of which such receipts and expenditures take place, all sales and purchases of goods by the Company, and the assets, credits and liabilities of the Company.

142. The books of account shall be kept at the head office of the Company or at such other place or places as the directors may direct.

143. The directors shall from time to time determine whether and to what extent and at what times and places and under what conditions the accounts and books of the Company or any of them shall be open to inspection of the shareholders, and no shareholder shall have any right to inspect any account or book or document of the Company except as conferred by statute or authorized by the directors or a resolution of the shareholders.

144. At the ordinary general meeting in every year the directors shall lay before the Company such financial statements and reports in connection therewith as may be required by the Act or other applicable statute or regulation thereunder and shall distribute copies thereof at such times and to such persons as may be required by statute or regulation.

AUDITORS AND AUDIT

145. Except in respect of a financial year for which the Company is exempt from audit requirements in the Act, the Company shall at each ordinary general meeting appoint an auditor or auditors to hold office until the next ordinary general meeting. If at any general meeting at which the appointment of an auditor or auditors is to take place and no such appointment takes place, or if no ordinary general meeting is held in any year or period of years, the directors shall appoint an auditor or auditors to hold office until the next ordinary general meeting.

146. The first auditors of the Company may be appointed by the directors at any time before the first ordinary general meeting and the auditors so appointed shall hold office until such meeting unless previously removed by a resolution of the shareholders, in which event the shareholders may appoint auditors.

147. The directors may fill any casual vacancy in the office of the auditor but while any such vacancy continues the surviving or continuing auditor or auditors, if any, may act.

148. The Company may appoint as auditor any person, including a shareholder, not disqualified by statute.

149. An auditor may be removed or replaced in the circumstances and in the manner specified in the Act.

150. The remuneration of the auditors shall be fixed by the shareholders, or by the directors pursuant to authorization given by the shareholders, except that the remuneration of an auditor appointed to fill a casual vacancy may be fixed by the directors.

151. The auditors shall conduct such audit as may be required by the Act and their report, if any, shall be dealt with by the Company as required by the Act.

NOTICES

152. A notice (including any communication or document) shall be sufficiently given, delivered or served by the Company upon a shareholder, director, officer or auditor by personal delivery at such person's registered address (or, in the case of a director, officer or auditor, last known address) or by prepaid mail, telegraph, telex, facsimile machine or other electronic means of communication addressed to such person at such address.

153. Shareholders having no registered address shall not be entitled to receive notice.

154. All notices with respect to registered shares to which persons are jointly entitled may be sufficiently given to all joint holders thereof by notice given to whichever of such persons is named first in the Register for such shares.

155. Any notice sent by mail shall be deemed to be given, delivered or served on the earlier of actual receipt and the third business day following that upon which it is mailed, and in proving such service it shall be sufficient to prove that the notice was properly addressed and mailed with the postage prepaid thereon. Any notice given by electronic means of communication shall be deemed to be given when entered into the appropriate transmitting device for transmission. A certificate in writing signed on behalf of the Company that the notice was so addressed and mailed or transmitted shall be conclusive evidence thereof.

156. Every person who by operation of law, transfer or other means whatsoever becomes entitled to any share shall be bound by every notice in respect of such share that prior to such person's name and address being entered on the Register was duly served in the manner hereinbefore provided upon the person from whom such person derived title to such share.

157. Any notice delivered, sent or transmitted to the registered address of any shareholder pursuant to these Articles, shall, notwithstanding that such shareholder is then deceased and that the Company has notice thereof, be deemed to have been served in respect of any registered shares, whether held by such deceased shareholder solely or jointly with other persons, until some other person is registered as the holder or joint holder thereof, and such service shall for all purposes of these Articles be deemed a sufficient service of such notice

on the heirs, executors or administrators of the deceased shareholder and all joint holders of such shares.

158. Any notice may bear the name or signature, manual or reproduced, of the person giving the notice written or printed.

159. When a given number of days' notice or notice extending over any other period is required to be given, the day of service and the day upon which such notice expires shall not, unless it is otherwise provided, be counted in such number of days or other period.

INDEMNITY

160. Every director or officer, former director or officer, or person who acts or acted at the Company's request, as a director or officer of the Company, a body corporate, partnership or other association of which the Company is or was a shareholder, partner, member or creditor, and the heirs and legal representatives of such person, in the absence of any dishonesty on the part of such person, shall be indemnified by the Company against, and it shall be the duty of the directors out of the funds of the Company to pay, all costs, losses and expenses, including an amount paid to settle an action or claim or satisfy a judgment, that such director, officer or person may incur or become liable to pay in respect of any claim made against such person or civil, criminal or administrative action or proceeding to which such person is made a party by reason of being or having been a director or officer of the Company or such body corporate, partnership or other association, whether the Company is a claimant or party to such action or proceeding or otherwise; and the amount for which such indemnity is proved shall immediately attach as a lien on the property of the Company and have priority as against the shareholders over all other claims.

161. No director or officer, former director or officer, or person who acts or acted at the Company's request, as a director or officer of the Company, a body corporate, partnership or other association of which the Company is or was a shareholder, partner, member or creditor, in the absence of any dishonesty on such person's part, shall be liable for the acts, receipts, neglects or defaults of any other director, officer or such person, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Company through the insufficiency or deficiency of title to any property acquired for or on behalf of the Company, or through the insufficiency or deficiency of any security in or upon which any of the funds of the Company are invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any funds, securities or effects are deposited, or for any loss occasioned by error of judgment or oversight on the part of such person, or for any other loss, damage or misfortune whatsoever which happens in the execution of the duties of such person or in relation thereto.

REMINDERS

162. The directors shall comply with the following provisions of the Act or the Corporations Registration Act (Nova Scotia) where indicated:

(1) Keep a current register of shareholders (Section 42).

(2) Keep a current register of directors, officers and managers, send to the Registrar a copy thereof and notice of all changes therein (Section 98).

(3) Keep a current register of holders of bonds, debentures and other securities (Section 111 and Third Schedule).

(4) Call a general meeting every year within the proper time (Section 83). Meetings must be held not later than 15 months after the preceding general meeting.

(5) Send to the Registrar copies of all special resolutions (Section 88).

(6) When shares are issued for a consideration other than cash, file a copy of the contract with the Registrar on or before the date on which the shares are issued (Section 109).

(7) Send to the Registrar notice of the address of the Company's Office and of all changes in such address (Section 79).

(8) Keep proper minutes of all shareholders' meetings and directors' meetings in the Company's minute book kept at the Company's Office (Sections 89 and 90).

(9) Obtain a certificate under the Corporations Registration Act (Nova Scotia) as soon as business is commenced.

(10) Send notice of recognized agent to the Registrar under the Corporations Registration Act (Nova Scotia).

Name of Subscriber

[Signed] "Maurice P. Chiasson"

Dated at Halifax, Nova Scotia the 12th day of September, 2001.

Witness to above signature:

[Signed] "Amy Smith"

Halifax, Nova Scotia

Exhibit 12.1

DEVON ENERGY CORPORATION
STATEMENTS OF COMPUTATION OF RATIOS OF EARNINGS TO FIXED CHARGES AND COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

	Nine Months Ended September 30, 2001	Years Ended December 31, 2000	1999	1998	1997	1996
			(In Thousands, Except Ratios)			
EARNINGS:						
Earnings (loss) before income taxes	956,907	1,141,980	(199,378)	(361,992)	(340,233)	247,689
Add fixed charges (see below)	108,389	160,517	124,514	59,272	55,279	55,916
Adjusted earnings (loss)	1,065,296	1,302,497	(74,864)	(302,720)	(284,954)	303,605
FIXED CHARGES AND PREFERRED STOCK DIVIDENDS:						
Interest expense	104,825	154,329	109,613	43,532	41,488	48,762
Distributions on preferred securities of subsidiary trust	--	--	6,884	9,717	9,717	4,753
Amortization of costs incurred in connection with the offering of the preferred securities of subsidiary trust	--	--	148	240	269	82
Estimated interest component of operating lease payments	3,564	6,188	7,869	5,783	3,805	2,319
Fixed charges	108,389	160,517	124,514	59,272	55,279	55,916
Preferred stock requirements, pre-tax	11,776	15,702	5,889	--	5,800	21,800
Combined fixed charges and preferred stock dividends	120,165	176,219	130,403	59,272	61,079	77,716
Ratio of earnings to fixed charges	9.83	8.11	NA	NA	NA	5.43
Ratio of earnings to combined fixed charges and preferred stock dividends	8.87	7.39	NA	NA	NA	3.91
Insufficiency of earnings to cover fixed charges and combined fixed charges	NA	NA	199,378	361,992	340,233	NA
Insufficiency of earnings to cover fixed charges and combined fixed charges and preferred stock dividends	NA	NA	205,267	361,992	346,033	NA

Exhibit 23.3

CONSENT OF DELOITTE & TOUCHE LLP

We consent to incorporation by reference in this Registration Statement on Form S-4 of Devon Financing Corporation, U.L.C. and Devon Energy Corporation of our report dated January 20, 1999 to the shareholders of Northstar Energy Corporation, relating to the consolidated balance sheet of Northstar Energy Corporation and subsidiaries as at December 31, 1998 and the related consolidated statements of operations and comprehensive income (loss), stockholders' equity, and cash flows for the year then ended, which report appears in the December 31, 2000 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 of Devon Financing Corporation, U.L.C.

(Signed) "Deloitte & Touche" LLP

Deloitte & Touche LLP Chartered Accountants

Calgary, Alberta, Canada
December 14, 2001

Exhibit 23.4

INDEPENDENT AUDITORS' CONSENT

The Board of Directors
Devon Energy Corporation:

We consent to the use of our report dated January 30, 2001, incorporated by reference herein relating to the consolidated balance sheets of Devon Energy Corporation and subsidiaries as of December 31, 2000, 1999 and 1998 and the related consolidated statements of operations, stockholders' equity, and cash flows for the years then ended, which report appears in the December 31, 2000 annual report on Form 10-K of Devon Energy Corporation and to the reference to our firm under the heading "Experts" in the registration statement.

/s/ KPMG LLP

Oklahoma City, Oklahoma
December 14, 2001

Exhibit 23.5

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-4 of Devon Financing Corporation, U.L.C. and Devon Energy Corporation of our report dated January 28, 2000, except for Note 2 and the second paragraph of our report which are as of October 30, 2000, relating to the consolidated financial statements of Santa Fe Snyder Corporation, which appears in Devon Energy Corporation's Annual Report on Form 10-K for the year ended December 31, 2000. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PRICEWATERHOUSECOOPERS LLP

Houston, Texas
December 14, 2001

Exhibit 23.6

CONSENT OF AMH GROUP, LTD.

We consent to the reference to our appraisal report for Devon Energy Corporation, as of the years ended December 31, 1998, 1999 and 2000, incorporated herein by reference.

AMH GROUP, LTD.

/s/ Allan K. Ashton

Allan K. Ashton, P.Eng
President

December 14, 2001

Exhibit 23.7

CONSENT OF LAROCHE PETROLEUM CONSULTANTS, LTD.

We consent to the reference to our appraisal report for Devon Energy Corporation as of the years ended December 31, 2000, 1999, and 1998, incorporated herein by reference.

LAROCHE PETROLEUM CONSULTANTS, LTD.

/s/ William Kazmann

William Kazmann
Partner

December 14, 2001

Exhibit 23.8

CONSENT OF PADDOCK LINDSTROM & ASSOCIATES LTD.

We consent to the reference to our appraisal report for Devon Energy Corporation as of December 31, 1999 and 2000, and to our appraisal report for Northstar Energy Corporation as of the year ended December 31, 1998, incorporation by reference.

PADDOCK LINDSTROM & ASSOCIATES LTD.

/s/ D. L. Paddock
D.L. Paddock, P. Eng.
Vice-President

December 14, 2001

Exhibit 23.9

CONSENT OF RYDER SCOTT COMPANY, L.P.

We consent to the reference to our oil and gas reserve reports for Devon Energy Corporation and Santa Fe Snyder Corporation as of December 31, 2000 and 1999, and to our oil and gas reserve reports for PennzEnergy Company and Santa Fe Energy Resources, Inc. as of the year ended December 31, 1998, incorporated herein by reference.

/s/ RYDER SCOTT COMPANY, L.P.

Houston, Texas
December 14, 2001

Exhibit 23.10

LETTER OF CONSENT

We consent to the reference to our firm name in this Registration Statement on Form S-4 of Devon Financing Corporation, U.L.C. and Devon Energy Corporation and the reference to our firm name and our reports providing estimates of a portion of the natural gas, natural gas liquids and conventional oil reserves of Anderson Exploration Ltd. as of March 31, 2000 and September 30, 2000 herein.

Yours very truly,

GILBERT LAUSTSEN JUNG ASSOCIATES LTD.

/s/ Dana B. Laustsen

Dana B. Laustsen, P. Eng.
Executive Vice President

Calgary, Alberta
December 14, 2001

Exhibit 23.11

INDEPENDENT AUDITORS' CONSENT

The Board of Directors
Devon Energy Corporation

We consent to the use of our report dated November 9, 2001, incorporated by reference herein, relating to the consolidated balance sheets of Anderson Exploration Ltd. as of September 30, 2000 and 2001 and the related consolidated statements of earnings, retained earnings and cash flows for each of the years in the three-year period ended September 30, 2001, which report appears in the current report on Form 8-K/A of Devon Energy Corporation, and to the reference to our firm under the heading "Experts" in the registration statement.

/s/ KPMG LLP

Chartered Accountants
Calgary Canada
December 14, 2001

EXHIBIT 25.1

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY UNDER THE TRUST INDENTURE ACT OF 1939 OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF A TRUSTEE PURSUANT TO SECTION 305(b)(2) ____

JPMORGAN CHASE BANK
(Exact name of trustee as specified in its charter)

13-4994650
(I.R.S. Employer Identification Number)

712 Main Street, Houston, Texas 77002
(Address of principal executive offices) (Zip code)

Lee Boocker, 712 Main Street, 26th Floor
Houston, Texas 77002 (713) 216-2448
(Name, address and telephone number of agent for service)

DEVON FINANCING CORPORATION, U.L.C.
(Exact name of obligor as specified in its charter)

Nova Scotia, Canada (State or other jurisdiction of incorporation or organization)	N/A (I.R.S. Employer Identification Number)
20 North Broadway, Suite 1500 Oklahoma City, Oklahoma (Address of principal executive offices)	73102-8260 (Zip code)

6.875% Notes due 2011

7.875% Debentures due 2031
(Title of indenture securities)

Item 1. General Information.

Furnish the following information as to the trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

New York State Banking Department, State House, Albany, NY 12110 Federal Deposit Insurance Corporation, Washington, DC 20429 Board of Governors of the Federal Reserve System, Washington, DC 20551 Federal Reserve Bank of New York, District No. 2, 33 Liberty Street, New York, NY

(b) Whether it is authorized to exercise corporate trust powers.

The trustee is authorized to exercise corporate trust powers.

Item 2. Affiliations with the obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

The obligor is not an affiliate of the trustee. (See Note on Page 7.)

Item 3. Voting Securities of the trustee.

Furnish the following information as to each class of voting securities of the trustee.

Col. A Title of class	Col. B Amount outstanding

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 4. Trusteeships under other indentures.

If the trustee is a trustee under another indenture under which any other securities, or certificates of interest or participation in any other securities, of the obligor are outstanding, furnish the following information:

(a) Title of the securities outstanding under each such other indenture.

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 4. (Continued)

(b) A brief statement of the facts relied upon as a basis for the claim that no conflicting interest within the meaning of Section 310(b)(1) of the Act arises as a result of the trusteeship under any such other indenture, including a statement as to how the indenture securities will rank as compared with the securities issued under such other indenture.

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 5. Interlocking directorates and similar relationships with obligor or underwriters.

If the trustee or any of the directors or executive officer of the trustee is a director, officer, partner, employee, appointee, or representative of the obligor or of any underwriter for the obligor, identify each such person having any such connection and state the nature of each such connection.

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 6. Voting securities of the trustee owned by the obligor or its officials.

Furnish the following information as to the voting securities of the trustee owned beneficially by the obligor and each director, partner and executive officer of the obligor.

Col. A	Col. B	Col. C	Col. D
Name of owner	Title of class	Amount owned beneficially	Percentage of voting securities represented by amount given in Col. C
---	---	---	---

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 7. Voting securities of the trustee owned by underwriters or their officials.

Furnish the following information as to the voting securities of the trustee owned beneficially by each underwriter for the obligor and each director, partner and executive officer of each such underwriter.

Col. A	Col. B	Col. C	Col. D
Name of owner	Title of class	Amount owned beneficially	Percentage of voting securities represented by amount given in Col. C

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 8. Securities of the obligor owned or held by the trustee.

Furnish the following information as to the securities of the obligor owned beneficially or held as collateral security for obligations in default by the trustee.

Col. A	Col. B	Col. C	Col. D
Title of class	Whether the securities are voting or nonvoting securities	Amount owned beneficially or held as collateral security for obligations in default	Percent of class represented by amount given in Col. C

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 9. Securities of underwriters owned or held by the trustee.

If the trustee owns beneficially or holds as collateral security for obligations in default any securities of an underwriter for the obligor, furnish the following information as to each class of securities of such underwriter any of which are so owned or held by the trustee.

Col. A	Col. B	Col. C	Col. D
Name of issuer and Title of class	Amount outstanding	Amount owned beneficially or held as collateral security for obligations in default by trustee	Percent of class represented by amount given in Col. C

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 10. Ownership or holdings by the trustee of voting securities of certain
affiliates or security holders of the obligor.

If the trustee owns beneficially or holds as collateral security for obligations in default voting securities of a person who, to the knowledge of the trustee (1) owns 10% or more of the voting securities of the obligor or (2) is an affiliate, other than a subsidiary, of the obligor, furnish the following information as to the voting securities of such person.

Col. A	Col. B	Col. C	Col. D
Name of issuer and Title of class	Amount outstanding	Amount owned beneficially or held as collateral security for obligations in default by trustee	Percent of class represented by amount given in Col. C

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 11. Ownership or holdings by the trustee of any securities of a person
owning 50% or more of the voting securities of the obligor.

If the trustee owns beneficially or holds as collateral security for obligations in default any securities of a person who, to the knowledge of the trustee, owns 50% or more of the voting securities of the obligor, furnish the following information as to each class of securities or such person any of which are so owned or held by the trustee.

Col. A	Col. B	Col. C	Col. D
Name of issuer and Title of class	Amount outstanding	Amount owned beneficially or held as collateral security for obligations in default by trustee	Percent of class represented by amount given in Col. C

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 12. Indebtedness of the Obligor to the Trustee.

Except as noted in the instructions, if the obligor is indebted to the trustee, furnish the following information:

Col. A	Col. B	Col. C
Nature of Indebtedness	Amount Outstanding	Date Due

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 13. Defaults by the Obligor.

(a) State whether there is or has been a default with respect to the securities under this indenture. Explain the nature of any such default.

There is not, nor has there been, a default with respect to the securities under this indenture. (See Note on Page 7.)

Item 13. (Continued)

(b) If the trustee is a trustee under another indenture under which any securities, or certificates of interest or participation in any other securities, of the obligor are outstanding, or is trustee for more than one outstanding series of securities under the indenture, state whether there has been a default under any such indenture or series, identify the indenture or series affected, and explain the nature of any such default.

There has not been a default under any such indenture or series. (See Note on Page 7.)

Item 14. Affiliations with the Underwriters.

If any underwriter is an affiliate of the trustee, describe each such affiliation.

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 15. Foreign Trustee.

Identify the order or rule pursuant to which the foreign trustee is authorized to act as sole trustee under indentures qualified or to be qualified under the Act.

Not applicable.

Item 16. List of Exhibits.

List below all exhibits filed as part of this statement of eligibility.

1. A copy of the Restated Organization Certificate of the Trustee and the Certificate of Amendment dated November 9, 2001 (See Exhibit 1 filed in connection with Registration Statement No. 333-73746, which is incorporated by reference).

2. A copy of the Certificate of Authority of the Trustee to Commence Business (See Exhibit 2 to Form T-1 filed in connection with Registration Statement No. 33-50010, which is incorporated by reference). On November 11, 2001, in connection with the merger of The Chase Manhattan Bank and Morgan Guaranty Trust Company of New York, the surviving corporation was renamed JPMorgan Chase Bank.

3. The authorization of the Trustee to exercise corporate trust powers is contained in the documents identified above as Exhibits 1 and 2.

4. A copy of the existing By-Laws of the Trustee (See Exhibit 4 to Form T-1 filed in connection with Registration Statement No. 333-73746, which is incorporated by reference).

5. Not applicable.

6. The consent of the Trustee required by Section 321(b) of the Act (See Exhibit 6 to Form T-1 filed in connection with Registration Statement No. 33-50010, which is incorporated by reference). On November 11, 2001, in connection with the merger of The Chase Manhattan Bank and Morgan Guaranty Trust Company of New York, the surviving corporation was renamed JPMorgan Chase Bank.

7. A copy of the latest Report of Condition of the Trustee published pursuant to law or the requirements of its supervising or examining authority (See the Report of Condition for the third quarter 2001 which is attached hereto).

8. Not applicable.

9. Not applicable.

NOTE

Inasmuch as this Form T-1 is filed prior to the ascertainment by the trustee of all facts on which to base responsive answers to Items 2 and 13, the answers to said Items are based on incomplete information. Such Items may, however, be considered as correct unless amended by an amendment to this Form T-1.

[Remainder of page intentionally blank.]

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939 the Trustee, JPMorgan Chase Bank, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto authorized, all in the City of Houston, and State of Texas, on the 14 day of December, 2001.

JPMORGAN CHASE BANK, as Trustee

By: /s/ Letha R. Glover
Letha R. Glover
Vice President and Trust Officer

Exhibit 7 to Form T-1

Bank Call Notice

RESERVE DISTRICT NO. 2
CONSOLIDATED REPORT OF CONDITION OF

The Chase Manhattan Bank
of 270 Park Avenue, New York, New York 10017
and Foreign and Domestic Subsidiaries,
a member of the Federal Reserve System,

at the close of business September 30, 2001, in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

ASSETS	Dollar Amounts in Millions
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	$ 20,204
Interest-bearing balances	34,014
Securities:	
Held to maturity securities	462
Available for sale securities	58,587
Federal funds sold and securities purchased under agreements to resell	50,374
Loans and lease financing receivables:	
Loans and leases held for sale	1,581
Loans and leases, net of unearned income	$164,271
Less: Allowance for loan and lease losses	2,468
Loans and leases, net of unearned income and allowance	161,803
Trading Assets	60,294
Premises and fixed assets (including capitalized leases)	4,604
Other real estate owned	43
Investments in unconsolidated subsidiaries and associated companies	365
Customers' liability to this bank on acceptances outstanding	295
Intangible assets	
Goodwill	1,686
Other Intangible assets	3,549
Other assets	36,940
TOTAL ASSETS	$434,801

LIABILITIES

Deposits	
In domestic offices	$146,738
Noninterest-bearing	$ 64,312
Interest-bearing	82,426
In foreign offices, Edge and Agreement subsidiaries and IBF's	114,404
Noninterest-bearing	7,400
Interest-bearing	107,004
Federal funds purchased and securities sold under agreements to repurchase	58,982
Trading liabilities	41,387
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)	10,439
Bank's liability on acceptances executed and outstanding	295
Subordinated notes and debentures	6,355
Other liabilities	31,271
TOTAL LIABILITIES	409,871
Minority Interest in consolidated subsidiaries	114

EQUITY CAPITAL

Perpetual preferred stock and related surplus	0
Common stock	1,211
Surplus (exclude all surplus related to preferred stock)	12,715
Retained earnings	10,641
Accumulated other comprehensive income	249
Other equity capital components	0
TOTAL EQUITY CAPITAL	24,818
TOTAL LIABILITIES, MINORITY INTEREST, AND EQUITY CAPITAL	$434,801

I, Joseph L. Sclafani, E.V.P. & Controller of the above-named bank, do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true to the best of my knowledge and belief.

JOSEPH L. SCLAFANI

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the in- structions issued by the appropriate Federal regulatory authority and is true and correct.

WILLIAM B. HARRISON, JR.)
DOUGLAS A. WARNER III) DIRECTORS
FRANK A. BENNACK, JR.)

Exhibit 25.2

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM T-1

**STATEMENT OF ELIGIBILITY UNDER THE
TRUST INDENTURE ACT OF 1939
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE**

**CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY
OF A TRUSTEE PURSUANT TO SECTION 305(b)(2) ____ JPMORGAN CHASE BANK**
(Exact name of trustee as specified in its charter)

13-4994650
(I.R.S. Employer Identification Number)

712 Main Street, Houston, Texas (Address of principal executive offices)	77002 (Zip code)

Lee Boocker, 712 Main Street, 26th Floor
Houston, Texas 77002 (713) 216-2448
(Name, address and telephone number of agent for service)

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

Delaware (State or other jurisdiction of incorporation or organization)	73-1567067 (I.R.S. Employer Identification Number)

20 North Broadway, Suite 1500

Oklahoma City, Oklahoma (Address of principal executive offices)	73102-8260 (Zip code)

Guarantees of 6.875% Notes due 2011 Guarantees of 7.875% Debentures due 2031

(Title of indenture securities)

Item 1. General Information.

Furnish the following information as to the trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

New York State Banking Department, State House, Albany, NY 12110 Federal Deposit Insurance Corporation, Washington, DC 20429 Board of Governors of the Federal Reserve System, Washington, DC 20551 Federal Reserve Bank of New York, District No. 2, 33 Liberty Street, New York,
NY

(b) Whether it is authorized to exercise corporate trust powers.

The trustee is authorized to exercise corporate trust powers.

Item 2. Affiliations with the obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

The obligor is not an affiliate of the trustee. (See Note on Page 7.)

Item 3. Voting Securities of the trustee.

Furnish the following information as to each class of voting securities of the trustee.

Col. A Title of class	Col. B Amount outstanding

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 4. Trusteeships under other indentures.

If the trustee is a trustee under another indenture under which any other securities, or certificates of interest or participation in any other securities, of the obligor are outstanding, furnish the following information:

(a) Title of the securities outstanding under each such other indenture.

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 4. (Continued)

(b) A brief statement of the facts relied upon as a basis for the claim that no conflicting interest within the meaning of Section 310(b)(1) of the Act arises as a result of the trusteeship under any such other indenture, including a statement as to how the indenture securities will rank as compared with the securities issued under such other indenture.

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 5. Interlocking directorates and similar relationships with obligor or underwriters.

If the trustee or any of the directors or executive officer of the trustee is a director, officer, partner, employee, appointee, or representative of the obligor or of any underwriter for the obligor, identify each such person having any such connection and state the nature of each such connection.

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 6. Voting securities of the trustee owned by the obligor or its officials.

Furnish the following information as to the voting securities of the trustee owned beneficially by the obligor and each director, partner and executive officer of the obligor.

Col. A	Col. B	Col. C	Col. D
Name of owner	Title of class	Amount owned beneficially	Percentage of voting securities represented by amount given in Col. C
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Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 7. Voting securities of the trustee owned by underwriters or their officials.

Furnish the following information as to the voting securities of the trustee owned beneficially by each underwriter for the obligor and each director, partner and executive officer of each such underwriter.

Col. A	Col. B	Col. C	Col. D
Name of owner	Title of class	Amount owned beneficially	Percentage of voting securities represented by amount given in Col. C

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 8. Securities of the obligor owned or held by the trustee.

Furnish the following information as to the securities of the obligor owned beneficially or held as collateral security for obligations in default by the trustee.

Col. A	Col. B	Col. C	Col. D
Title of class	Whether the securities are voting or nonvoting securities	Amount owned beneficially or held as collateral security for obligations in default	Percent of class represented by amount given in Col. C

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 9. Securities of underwriters owned or held by the trustee.

If the trustee owns beneficially or holds as collateral security for obligations in default any securities of an underwriter for the obligor, furnish the following information as to each class of securities of such underwriter any of which are so owned or held by the trustee.

Col. A	Col. B	Col. C	Col. D
Name of issuer and Title of class	Amount outstanding	Amount owned beneficially or held as collateral security for obligations in default by trustee	Percent of class represented by amount given in Col. C

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 10. Ownership or holdings by the trustee of voting securities of certain
affiliates or security holders of the obligor.

If the trustee owns beneficially or holds as collateral security for obligations in default voting securities of a person who, to the knowledge of the trustee (1) owns 10% or more of the voting securities of the obligor or (2) is an affiliate, other than a subsidiary, of the obligor, furnish the following information as to the voting securities of such person.

Col. A	Col. B	Col. C	Col. D
Name of issuer and Title of class	Amount outstanding	Amount owned beneficially or held as collateral security for obligations in default by trustee	Percent of class represented by amount given in Col. C

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 11. Ownership or holdings by the trustee of any securities of a person
owning 50% or more of the voting securities of the obligor.

If the trustee owns beneficially or holds as collateral security for obligations in default any securities of a person who, to the knowledge of the trustee, owns 50% or more of the voting securities of the obligor, furnish the following information as to each class of securities or such person any of which are so owned or held by the trustee.

Col. A	Col. B	Col. C	Col. D
Name of issuer and Title of class	Amount outstanding	Amount owned beneficially or held as collateral security for obligations in default by trustee	Percent of class represented by amount given in Col. C

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 12. Indebtedness of the Obligor to the Trustee.

Except as noted in the instructions, if the obligor is indebted to the trustee, furnish the following information:

Col. A	Col. B	Col. C
Nature of Indebtedness	Amount Outstanding	Date Due

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 13. Defaults by the Obligor.

(a) State whether there is or has been a default with respect to the securities under this indenture. Explain the nature of any such default.

There is not, nor has there been, a default with respect to the securities under this indenture. (See Note on Page 7.)

Item 13. (Continued)

(b) If the trustee is a trustee under another indenture under which any securities, or certificates of interest or participation in any other securities, of the obligor are outstanding, or is trustee for more than one outstanding series of securities under the indenture, state whether there has been a default under any such indenture or series, identify the indenture or series affected, and explain the nature of any such default.

There has not been a default under any such indenture or series. (See Note on Page 7.)

Item 14. Affiliations with the Underwriters.

If any underwriter is an affiliate of the trustee, describe each such affiliation.

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

Item 15. Foreign Trustee.

Identify the order or rule pursuant to which the foreign trustee is authorized to act as sole trustee under indentures qualified or to be qualified under the Act.

Not applicable.

Item 16. List of Exhibits.

List below all exhibits filed as part of this statement of eligibility.

1. A copy of the Restated Organization Certificate of the Trustee and the Certificate of Amendment dated November 9, 2001 (See Exhibit 1 filed in connection with Registration Statement No. 333-73746, which is incorporated by reference).

2. A copy of the Certificate of Authority of the Trustee to Commence Business (See Exhibit 2 to Form T-1 filed in connection with Registration Statement No. 33-50010, which is incorporated by reference). On November 11, 2001, in connection with the merger of The Chase Manhattan Bank and Morgan Guaranty Trust Company of New York, the surviving corporation was renamed JPMorgan Chase Bank.

3. The authorization of the Trustee to exercise corporate trust powers is contained in the documents identified above as Exhibits 1 and 2.

4. A copy of the existing By-Laws of the Trustee (See Exhibit 4 to Form T-1 filed in connection with Registration Statement No. 333-73746, which is incorporated by reference).

5. Not applicable.

6. The consent of the Trustee required by Section 321(b) of the Act (See Exhibit 6 to Form T-1 filed in connection with Registration Statement No. 33-50010, which is incorporated by reference). On November 11, 2001, in connection with the merger of The Chase Manhattan Bank and Morgan Guaranty Trust Company of New York, the surviving corporation was renamed JPMorgan Chase Bank.

7. A copy of the latest Report of Condition of the Trustee published pursuant to law or the requirements of its supervising or examining authority (See the Report of Condition for the third quarter 2001 which is attached hereto).

8. Not applicable.

9. Not applicable.

NOTE

Inasmuch as this Form T-1 is filed prior to the ascertainment by the trustee of all facts on which to base responsive answers to Items 2 and 13, the answers to said Items are based on incomplete information. Such Items may, however, be considered as correct unless amended by an amendment to this Form T-1.

[Remainder of page intentionally blank.]

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939 the Trustee, JPMorgan Chase Bank, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto authorized, all in the City of Houston, and State of Texas, on the 14 day of December, 2001.

JPMORGAN CHASE BANK, as Trustee

By: /s/ Letha R. Glover

Letha R. Glover
Vice President and Trust Officer

Exhibit 7 to Form T-1

Bank Call Notice

RESERVE DISTRICT NO. 2
CONSOLIDATED REPORT OF CONDITION OF

The Chase Manhattan Bank
of 270 Park Avenue, New York, New York 10017
and Foreign and Domestic Subsidiaries,
a member of the Federal Reserve System,

at the close of business September 30, 2001, in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

ASSETS	Dollar Amounts in Millions
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	$ 20,204
Interest-bearing balances	34,014
Securities:	
Held to maturity securities	462
Available for sale securities	58,587
Federal funds sold and securities purchased under agreements to resell	50,374
Loans and lease financing receivables:	
Loans and leases held for sale	1,581
Loans and leases, net of unearned income	$164,271
Less: Allowance for loan and lease losses	2,468
Loans and leases, net of unearned income and allowance	161,803
Trading Assets	60,294
Premises and fixed assets (including capitalized leases)	4,604
Other real estate owned	43
Investments in unconsolidated subsidiaries and associated companies	365
Customers' liability to this bank on acceptances outstanding	295
Intangible assets	
Goodwill	1,686
Other Intangible assets	3,549
Other assets	36,940
TOTAL ASSETS	$434,801

LIABILITIES

Deposits	
In domestic offices	$146,738
Noninterest-bearing	$ 64,312
Interest-bearing	82,426
In foreign offices, Edge and Agreement subsidiaries and IBF's	114,404
Noninterest-bearing	7,400
Interest-bearing	107,004
Federal funds purchased and securities sold under agreements to repurchase	58,982
Trading liabilities	41,387
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)	10,439
Bank's liability on acceptances executed and outstanding	295
Subordinated notes and debentures	6,355
Other liabilities	31,271
TOTAL LIABILITIES	409,871
Minority Interest in consolidated subsidiaries	114
EQUITY CAPITAL	
Perpetual preferred stock and related surplus	0
Common stock	1,211
Surplus (exclude all surplus related to preferred stock)	12,715
Retained earnings	10,641
Accumulated other comprehensive income	249
Other equity capital components	0
TOTAL EQUITY CAPITAL	24,818
TOTAL LIABILITIES, MINORITY INTEREST, AND EQUITY CAPITAL	$434,801

I, Joseph L. Sclafani, E.V.P. & Controller of the above-named bank, do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true to the best of my knowledge and belief.

JOSEPH L. SCLAFANI

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the in- structions issued by the appropriate Federal regulatory authority and is true and correct.

WILLIAM B. HARRISON, JR.)
DOUGLAS A. WARNER III) DIRECTORS
FRANK A. BENNACK, JR.)