

MITCHELL ENERGY & DEVELOPMENT CORP

Filed by
DEVON ENERGY CORP/DE

FORM 425

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

Filed 10/29/01

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

MITCHELL ENERGY & DEVELOPMENT CORP

FORM 425

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

Filed 10/29/2001

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

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

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

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

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

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

The following slides were added to or changed from, Devon Energy Corporation's slide presentation of October 22, 2001.

Corporate Overview

Shares outstanding:	155 MM
Equity capitalization:	≈ \$6.1 B
Enterprise value:	≈ \$14.1 B
Senior credit rating:	
S & P	BBB+
Moody's	Baa2
Fitch (D & P)	BBB

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



Corporate Overview

Proved Reserves:	2,044 MMBOE
Production Profile:	95% North America 5% International
Production Mix:	64% gas / 36% liquids
R/P Ratio:	9.8 years

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

Acquisition Financing (Term Loan)

- 5 year term loan: \$3 billion
- Rate as of 10/26/01: 3.28%
 - After-tax rate: 2.00%
- Back-end weighted amortization

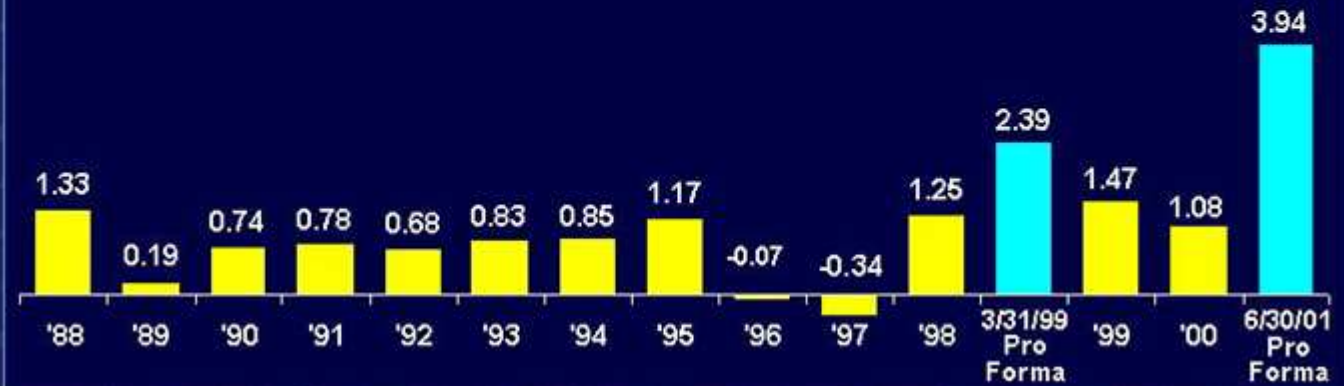
Note: Assumes combined federal and state income tax rate of 39%.

Debt Reduction Plan

- Excess Cash Flow
 - Protected via hedging:
 - 30% of pro forma Q2 '01 total production hedged in '02
(prices: > \$3.15/MCF and > \$22.00/Bbl)
 - 17% of pro forma Q2 '01 gas production hedged in '03
(price: > \$3.20/MCF)
 - ≈ \$1 billion non-core property sales
-

Net Debt per BOE

Proved Reserves (BOE @ 6:1)

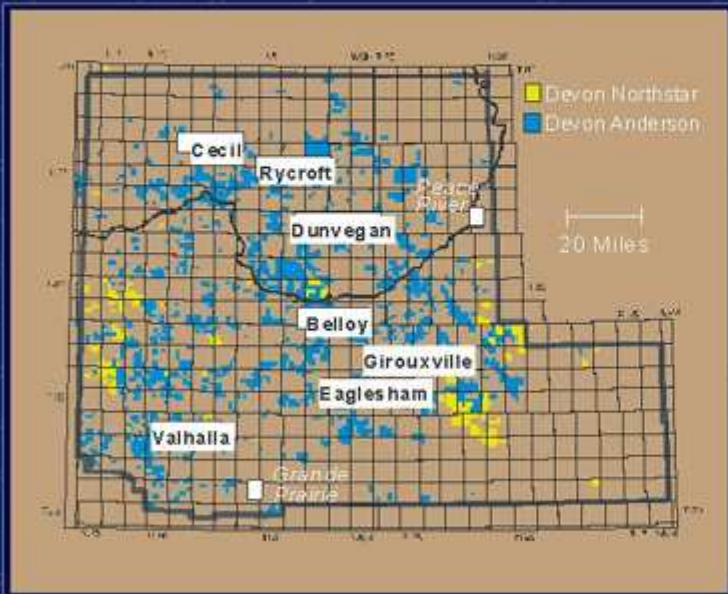


Note: 3/31/99 pro forma represents the Devon/Pennzenergy merger. 6/30/01 pro forma represents Devon, Anderson and Mitchell. 1988-1997 represents historical Devon as reported prior to the 1998 Northstar merger. 1998-1999 represents historical Devon as reported prior to the 2000 Santa Fe Snyder merger.



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Peace River Arch



- Large established land position
- Q2 '01 pro forma production
 - Gas: 142 MMCFD
 - Liquids: 6,460 BOD
- Moderate well depths
- Ownership in key infrastructure
- Significant recent success



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Deep Basin

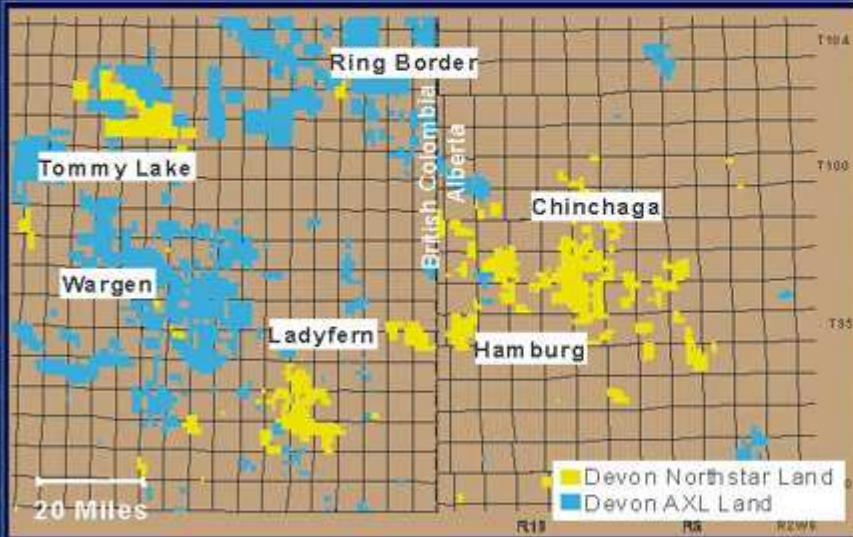


- Strategic exploratory land
- Q2 '01 pro forma production
 - Gas: 80 MMCFD
 - Liquids: 4,200 BLD
- Mid-depth, liquid rich gas targets to deep lean gas
- Year-round access
- Ownership in key infrastructure
- Significant recent success



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NW Alberta/NE B.C.



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



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Northern Foothills



- Multi-zone sour & sweet gas potential
- 2001 activity: yielded 4 sour & 6 sweet gas wells, > 90 MMCFD of shut-in gas production
- Narraway: 134 MMCFD (42% WI) Devon operated sweet gas plant est. on-stream early 2002
- Westcoast sour line planned on-stream late 2002

End of Filing

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