

DEVON ENERGY CORP/DE

FORM 425

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

Filed 08/15/00

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

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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

INVESTOR NOTICE

The following communication contains "forward-looking statements" as defined by the Securities and Exchange Commission. Such statements are those concerning the companies' merger and strategic plans, expectations and objectives for future operations. All statements, other than statements of historical facts, included in the following communication that address activities, events or developments that the companies expect, believe or anticipate will or may occur in the future are forward-looking statements. This includes completion of the proposed merger, reserve estimates, future financial performance, future equity issuance and other matters. These statements are based on certain assumptions made by the companies based on their experience and perception of historical trends, current conditions, expected future developments and other factors they believe are appropriate in the circumstances. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the companies. Statements regarding future production are subject to all of the risks and uncertainties normally incident to the exploration for and development and production of oil and gas. These risks include, but are not limited to, inflation or lack of availability of goods and services, environmental risks, drilling risks and regulatory changes. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements.

Investors and security holders are advised to read the joint proxy statement/ prospectus included in the Registration Statement on Form S-4 filed with the SEC in connection with the proposed merger because it contains important information. The joint proxy statement/prospectus has been filed with the SEC by Devon and Santa Fe Snyder. Investors and security holders may obtain a free copy of the joint proxy statement/prospectus and other documents filed by Devon and Santa Fe Snyder with the SEC at the SEC's web site at www.sec.gov. The joint proxy statement/prospectus and such other documents (relating to Devon) may also be obtained for free from Devon 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: nakita.rizzo@dvn.com. The joint proxy statement/prospectus and such other documents (relating to Santa Fe Snyder) may also be obtained for free from Santa Fe Snyder by directing such request to: Santa Fe Snyder Corporation, 840 Gessner, Suite 1400, Houston, Texas 10023, Attention: Investor Relations, telephone: (713) 507-5307, e-mail: nperry@santafe-snyder.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 merger. Information regarding such persons and a description of their interests in the merger is contained in Devon's filing with the SEC under Rule 425 on May 26, 2000.

Santa Fe Snyder, its directors, executive officers and certain members of management and employees may be considered "participants in the solicitation" of proxies from Santa Fe Snyder's shareholders in connection with the merger. Information regarding such persons and a description of their interests in the merger is contained in Santa Fe Snyder's filing with the SEC under Rule 14a-12 on May 26, 2000.

DEVON
SECOND QUARTER UPDATE
2000

Second Quarter Results Continue Record Pace

Record oil and gas production and higher product prices resulted in net earnings of \$91 million in the second quarter of 2000. Please refer to the attached news release of July 27, 2000, for further details.

Devon to Merge with Santa Fe Snyder

Devon's proposed merger with Santa Fe Snyder Corporation, announced on May 26, 2000, is moving toward completion. A special meeting of Devon stockholders is scheduled for August 29, 2000, to consider and vote upon the merger. A Joint Proxy Statement/Prospectus concerning the merger has been sent to stockholders. It is not necessary to attend the meeting. However, your vote is important and we encourage you to take the time to review the materials and cast your vote. If shareholders of both companies approve the merger, closing should occur on or soon after the date of the meeting.

Operational Spotlight:

Coalbed Methane Drilling Gains Momentum

Devon is a leader in the production of coalbed methane (CBM), which is natural gas found in shallow coal deposits. In addition to our mature San Juan Basin properties in New Mexico, we are developing two other CBM projects. We drilled a total of 172 CBM wells in the first half of 2000 in the Powder River Basin of Wyoming. This brings our total number of Powder River CBM wells to about 700. Approximately 400 of these wells are currently producing gas, with Devon's net production at approximately 30 million cubic feet per day at June 30. The remaining 300 wells await tie-in to compression and gathering systems. With 8 rigs running, we plan to drill 300 to 400 more wells in the basin in the second half of the year.

In the Vermejo Park Ranch, in the Raton Basin in New Mexico, we drilled 79 CBM wells in the first half of the year. This completed the 2000 drilling program and was in addition to 35 wells drilled in 1999. Our Raton Basin program is in the early stages and production is expected to increase for several years.

These CBM projects are expected to be a growing part of Devon's North American natural gas production base over the next few years as they are developed further. Holding some 240,000 net acres in the Powder River Basin and 700,000 acres in the Vermejo Park Ranch, we have plenty of room to continue drilling at a rapid pace for the next several years.

Common Stock Trading Data

Quarter Ended	High	Low	Last	Volume
1999:				
Second	\$ 37 7/16	\$ 26 1/8	\$ 35 3/4	14,221,500
Third	\$ 44 15/16	\$ 33	\$ 41 7/16	39,958,800
Fourth	\$ 42	\$ 29 1/2	\$ 32 7/8	31,130,200
2000:				
First	\$ 48 9/16	\$ 31 7/16	\$ 48 9/16	23,705,600
Second	\$ 56 3/16	\$ 54 5/16	\$ 56	38,676,300

Transfer Agent

EquiServe
Client Administration, Mail Stop 45-02-62
P.O. Box 1865
Boston, MA 02105-1865
Toll Free: (800) 733-5001
World Wide Web: <http://www.equiserve.com>

Investor Relations Contacts

Analysts and Media
Vince White: (405) 552-4505
Zack Hager: (405) 552-4526
Individuals and Brokers
Shea Snyder: (405) 552-4782
Material Requests
Nakita Rizzo: (405) 552-4570

Stock Market Information

Devon Energy Corporation's common stock is traded on the American Stock Exchange under the symbol DVN.

[GRAPHIC OMITTED]

DEVON ENERGY CORPORATION

20 North Broadway, Suite 1500 Oklahoma City, Oklahoma 73102

Telephone (405) 235-3611 Fax (405) 552-4667 Website: www.devonenergy.com

PRESS RELEASE

FOR IMMEDIATE RELEASE

Contact: Zack Hager
Investor Relations
(405) 552-4526

Devon Energy's Net Earnings Soar 460 Percent:
Second Quarter 2000 Earnings Per Share Top \$1.00

OKLAHOMA CITY, OKLAHOMA, July 27, 2000--Devon Energy Corporation (AMEX: DVN, TSE: NSX) today reported record revenues and net earnings for the quarter ended June 30, 2000. Record second quarter oil and gas production and higher product prices led to the increases in revenues and net earnings. For the quarter ended June 30, 2000, net earnings were \$90.7 million or \$1.02 per common share (\$1.00 per diluted common share). This compares to second quarter 1999 net earnings of \$16.2 million or 33 cents per common share.

Net earnings for the first six months of 2000 were \$151.8 million or \$1.70 per share (\$1.67 per diluted share), also record highs. This compares to net earnings of \$22.2 million or 46 cents per common share in the first six months of 1999.

Higher Production and Prices Push Revenues to Record Levels

Sales of Devon's oil, gas and natural gas liquids (NGLs) were up 281 percent in the second quarter of 2000 to \$389.4 million, another record. This compares with second quarter 1999 sales of oil, gas and NGLs of \$102.1 million. Significant gains in both production and prices contributed to the increase in revenues.

Total production of oil, gas and NGLs was up 111 percent over the second quarter of 1999 to 19.1 million barrels of oil equivalent (Boe). The record pace of year 2000 production growth is largely the result of Devon's August 17, 1999, merger with PennzEnergy Company.

Oil, natural gas and NGLs prices were all dramatically higher in the second quarter of 2000. Devon's second quarter average oil price increased 73 percent from \$14.71 per barrel in 1999 to \$25.47 per barrel in 2000. The average price for Devon's second quarter natural gas production increased 83 percent from \$1.64 per thousand cubic feet in 1999 to \$3.00 per thousand cubic feet in 2000. The average price received for the company's NGLs increased 67 percent from \$11.33 per barrel in 1999 to \$18.87 per barrel in 2000.

Allen Turner, Senior Vice President, remarked, "Many oil and gas companies are reporting earnings growth in this period of robust oil and gas prices. In addition to higher commodity prices, Devon has enjoyed strong production growth. The expansion brought by the PennzEnergy merger late last year is the largest contributing factor.

"However, we are also quite pleased with the production growth in our Gulf of Mexico/Gulf Coast division during the last three months. In this particular geologic area it can be difficult to offset normal production decline. In the most recent quarter, we not only sustained production in this area, we actually grew production. Second quarter 2000 production for this division was eight percent higher than in the first quarter of this year.

"In many of our previous mergers and acquisitions, we have gained not only existing production, but also exploitation opportunities. This is proving true with the PennzEnergy assets, particularly in the Gulf of Mexico."

PennzEnergy Merger Increases Expenses; But Pre-tax Earnings Still Rise

In addition to driving revenues higher, the PennzEnergy merger caused expenses to rise. Total pre-tax expenses jumped \$170.3 million to \$247.5 million for the second quarter of 2000. However, this expense increase was far less than the \$296.5 million revenue gain. As a result, pre-tax earnings rose 466 percent in the second quarter to \$153.4 million.

Nonetheless, most of Devon's expenses were higher, reflecting the expanded scope of operations. Lease operating expenses increased 161 percent in the most recent quarter to \$70.8 million. Production taxes were up 230 percent to \$11.4 million in the second quarter of 2000. Second quarter depreciation, depletion and amortization of property and equipment increased \$77.4 million to \$113.2 million in 2000. General and administrative expenses increased by \$9.2 million to \$16.1 million in the most recent quarter. Total second quarter financing costs increased by \$21.7 million to \$25.7 million in 2000.

Income Taxes

Income tax expense for the most recent quarter was \$62.6 million or 41 percent of pre-tax earnings. This compares to second quarter 1999 income tax expense of \$10.9 million or 40 percent of pre-tax earnings. Approximately \$29.0 million of second quarter 2000 income tax expense was deferred, not requiring the use of cash.

Zero Coupon Convertible Debentures Issued at Attractive Interest Rate

On June 22, 2000, the company announced a private placement of 20-year zero coupon convertible debentures. Net proceeds of the issue were approximately \$346 million. Devon intends to use the proceeds to repay higher cost existing debt and for other corporate purposes. The effective interest rate on the debentures is 3.875 percent per annum. Because the debentures bear no coupon interest rate, there are no cash interest payments required until redemption. Each debenture, which was priced at \$464.13, is convertible into 5.7593 shares of Devon common stock.

Merger with Santa Fe Snyder on Schedule

Devon's proposed merger with Santa Fe Snyder Corporation, originally announced on May 26, 2000, has moved a step closer to completion. As reported on July 13, 2000, the Registration Statement on Form S-4 was declared effective by the SEC on July 12, 2000. Definitive proxy materials were filed with the SEC on July 21, 2000. Distribution of printed proxy materials began on July 25, 2000. Shareholders of each company will meet on August 29, 2000 to vote on the merger. Assuming shareholders of both companies approve the transaction, completion of the merger will follow shortly thereafter. The merger of Devon and Santa Fe Snyder will make Devon one of the five largest independent oil and gas companies based in the United States.

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Devon Energy Corporation is an independent energy company engaged in oil and gas property acquisition, exploration and production. It is one of the top 10 public independent oil and gas companies based in the United States, as measured by oil and gas reserves. Devon's Canadian operations are conducted by its subsidiary, Northstar Energy Corporation. Shares of Devon Energy Corporation trade on the American Stock Exchange under the symbol DVN.

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FINANCIAL INFORMATION FOLLOWS

DEVON ENERGY CORPORATION
STATEMENT OF OPERATIONS DATA (US\$)
(In thousands, except per share and % change data)

	Quarter Ended June 30,			Six Months Ended June 30,		
	2000	1999	% Change	2000	1999	% Change
Oil sales	\$148,249	\$36,871	302%	\$293,793	\$64,784	353%
Gas sales	210,754	59,387	255%	366,286	112,938	224%
Natural gas liquids sales	30,433	5,835	422%	65,703	9,764	573%
Other	11,407	2,219	414%	22,772	4,092	457%
Total revenues	\$400,843	\$104,312	284%	\$748,554	\$191,578	291%
Net earnings	\$90,734	\$16,209	460%	\$151,821	\$22,189	584%
Net earnings applicable to common shareholders	\$88,300	\$16,209	445%	\$146,953	\$22,189	562%
Net earnings per common share						
Basic	\$1.02	\$0.33	209%	\$1.70	\$0.46	270%
Diluted	\$1.00	\$0.33	203%	\$1.67	\$0.46	263%
Weighted average common shares outstanding						
Basic	86,756	48,679	78%	86,481	48,575	78%

BALANCE SHEET DATA (US\$)
(In thousands, except % change data)

	June 30, 2000	December 31, 1999	% Change
Total assets	\$4,827,936	\$4,623,160	4%
Debtures exchangeable into shares of Chevron Corporation common stock	\$760,313	\$760,313	--%
Senior convertible debentures	\$352,853	-	NM
Other long-term debt	\$672,661	\$1,026,808	-34%
Stockholders' equity	\$2,177,620	\$2,025,520	8%
Working capital	\$356,097	\$189,750	88%
Common shares outstanding	\$ 86,982	86,085	1%

NM Not Meaningful

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