DEVON ENERGY CORP/DE

FORM 11-K
(Annual Report of Employee Stock Plans)

Filed 07/14/00 for the Period Ending 12/31/99

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

DEVON ENERGY CORP/DE

FORM 11-K
(Annual Report of Employee Stock Plans)

Filed 7/13/2000 For Period Ending 12/31/1999

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

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K
ANNUAL REPORT

Commission File Number: 0-30176

Pursuant to Section 15(d) of the
Securities Exchange Act of 1934

For the Fiscal Year Ended December 31, 1999

Full Title of Plan:

PENNZENERGY COMPANY SAVINGS AND INVESTMENT PLAN

Name of the issuer of the securities held pursuant to the plan and the address of its principal office:

Devon Energy Corporation

20 North Broadway, Suite 1500 Oklahoma City, Oklahoma 73102-8260

(Exhibit Index is found at page 15)

PENNZENERGY COMPANY SAVINGS AND INVESTMENT PLAN

Index to Financial Statements and Schedule

Independent Auditors' Report

The Plan Sponsor and Participants
PennzEnergy Company Savings and Investment Plan:

We have audited the accompanying statement of net assets available for plan benefits of the PennzEnergy Company Savings and Investment Plan (the Plan) as of December 31, 1999, and the related statement of changes in net assets available for plan benefits for the year ended December 31, 1999. These financial statements and the supplemental schedule referred to below are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements and the supplemental schedule based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Plan's management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of the Plan as of December 31, 1999, and the changes in its net assets available for plan benefits for the year ended December 31, 1999, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held for investment purposes at end of year December 31, 1999 is presented for purposes of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KPMG LLP

Oklahoma City, Oklahoma
June 30, 2000

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Administrative Committee,
PennzEnergy Company
Savings and Investment Plan:

We have audited the accompanying statement of net assets available for plan benefits of the PennzEnergy Company Savings and Investment Plan (the Plan) as of December 31, 1998. This financial statement is the responsibility of the Plan's administrative committee. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by the Plan's administrative committee, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the net assets available for plan benefits of the Plan as of December 31, 1998, in conformity with accounting principles generally accepted in the United States.

ARTHUR ANDERSEN LLP

Houston, Texas
June 28, 1999

PENNZENERGY COMPANY SAVINGS
AND INVESTMENT PLAN

Statements of Net Assets Available for Plan Benefits

December 31, 1999 and 1998

	1999	1998
Assets:		
Investments at fair value	$ 65,400,539	174,463,079
Receivables:		
Employee contributions	164,415	888,966
Employer contributions	101,977	688,427
Interest and dividends	55,801	46,803
	322,193	1,624,196
Net assets available for plan benefits	$ 65,722,732	176,087,275

See accompanying notes to financial statements.

PENNZENERGY COMPANY SAVINGS
AND INVESTMENT PLAN

Statement of Changes in Net Assets Available for Plan Benefits

For the Year Ended December 31, 1999

Additions:	
Contributions:	
Employee	$ 4,749,653
Employer	3,624,533
	8,374,186
Net investment income:	
Interest	285,422
Dividends	1,796,908
Net realized and unrealized appreciation in fair value of investments	5,993,315
Total additions	16,449,831
Deductions:	
Benefits paid to participants	7,751,868
Net transfers to other plans	119,059,586
Administrative expenses	2,920
Total deductions	126,814,374
Decrease in net assets available for plan benefits	(110,364,543)
Net assets available for plan benefits:	
Beginning of year	176,087,275
End of year	$ 65,722,732

See accompanying notes to financial statements.

(1) Spin-Off of Pennzoil-Quaker State Company From Pennzoil Company

On December 30, 1998, Pennzoil Company (Pennzoil) distributed to its shareholders 47.8 million shares of common stock of its wholly owned subsidiary Pennzoil-Quaker State Company (Pennzoil-Quaker State) representing all of the shares of Pennzoil-Quaker State owned by Pennzoil.

As part of the spin-off transaction, effective December 31, 1998, the Pennzoil Company Savings and Investment Plan (the Plan) was renamed the PennzEnergy Company Savings and Investment Plan. As of January 1, 1999, the Plan covered the employees of PennzEnergy Company and participating subsidiaries and affiliated companies (PennzEnergy). Net assets available for benefits of $119.9 million related to Pennzoil-Quaker State employees were transferred to the Pennzoil-Quaker State Company Savings and Investment Plan in 1999.

In connection with the spin-off, Pennzoil distributed one share of Pennzoil-Quaker State common stock for every share of Pennzoil common stock. As a result, the Plan's Stock Fund held both PennzEnergy and Pennzoil-Quaker State common stock at December 31, 1998.

On August 17, 1999, Devon Energy Corporation (Devon) and PennzEnergy closed their merger of the two companies. As a result, PennzEnergy shareholders, including the Plan, received .4475 shares of Devon common stock for each share of PennzEnergy common stock owned. The Plan name has remained intact; however, all active participants of the Plan are now employed by Devon (the Plan Sponsor).

(2) Description of the Plan

The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

(a) General

The Plan is a defined contribution plan covering only former employees of PennzEnergy. As of August 17, 1999, upon closing of the merger between Devon and PennzEnergy, there have been no participants added to the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan is administered by the seven senior executive officers of Devon. Merrill Lynch Group Employee Services is the Trustee of the Plan.

(b) Contributions

Participants may contribute up to 12 percent of annual compensation, as defined in the Plan. Employee contributions may be made "after-tax" or, under a Section 401(k) option, on a "before-tax" basis. Devon matches an employee's contribution dollar-for-dollar up to six percent of base compensation. The Plan was amended, effective January 1, 2000, to allow participants to contribute up to 15 percent of annual compensation.

(c) Investment Options

Participants may direct their contributions to the investment options listed below. Effective August 17, 1999, the Plan was amended to allow participants to direct employer contributions to the investment options offered by the Plan. Prior to August 17, 1999, employer contributions were not directed by participants and at the prior plan sponsor's option were made in either cash or in common stock. All employer contributions from January 1, 1999, through August 17, 1999, were made in common stock. Employer contributions subsequent to August 17,1999, were made in cash.

Prior to December 1, 1999, participants attaining age 55 were able to direct the investment of their existing non- participant directed employer contribution accounts among the various investment options. Effective December 1, 1999, the Plan was amended to allow all participants to direct the investment of their existing non-participant directed employer contribution accounts among the various investment options.

Investment Option	Type of Investment(s)
Merrill Lynch Retirement Preservation Trust	Invests primarily in guaranteed investment contracts (generally with insurance companies or banks which agree to return principal and a stated rate of return over a specified period of time) and U.S. Government and U.S. Government Agency securities.
J.P. Morgan Institutional Bond Fund	Normally, at least 65% of the fund's assets will be represented by investment in securities rated "A" or better by a major ratings agency. The fund's

	duration (a measure of average maturity) ranges between 3 1/2 and 5 1/2 years.
Fidelity Advisor Balanced Fund	Invests in a diversified portfolio of equity and fixed-income securities with income, growth of income and capital appreciation potential.
Merrill Lynch Equity Index Trust	Consists of common stocks that, to the extent possible, duplicate the composition of Standard & Poor's Index of 500 stocks.
Davis New York Venture Fund	Invests primarily in common stock and securities convertible into common stock. The fund ordinarily invests in securities which the fund management believes have above-average appreciation potential.
Stock Fund	Common Stock of Pennzoil prior to December 30, 1998, PennzEnergy from December 30, 1998, to August 16, 1999, and Devon as of August 17, 1999.

(d) Participant Loans

Participants may borrow a minimum of $1,000 up to the lessor of 50% of their vested account or $50,000. Loan terms may range from six months to five years (up to 20 years for the purchase of a primary residence). The loans are secured by the balance in the participants' accounts and bear interest at the prime rate plus one percent, on the dates the loans are made.

(e) Vesting and Disposition of Forfeitures

Participants are vested immediately in their contributions plus actual earnings thereon. Participants vest in employer contributions at a rate of 25 percent per year beginning at the end of two years of service, becoming fully vested after five years of service or attainment of age 55. Any nonvested portion of employer contributions shall be forfeited upon termination. Forfeitures shall be allocated as follows: first, to reinstate any employer contribution amounts of participants who return to service and second, to restore any amounts previously forfeited as unclaimed benefits. Any remaining amounts are applied to reduce future employer contributions.

(f) Participant Accounts

Separate accounts are maintained in the name of each participant. Each participant's account is credited with the participant's contributions and allocation of (i) the employer's contributions, (ii) Plan earnings, and (iii) forfeited balances of terminated participants' nonvested employer contribution accounts.

(g) Withdrawals

Withdrawals may be made from either of an employee's previous pretax or after-tax contributions, net of previous withdrawals, upon written notice to the Plan Sponsor. After-tax withdrawals cause the participants to forfeit the right to participate in the Plan for 180 days, while pretax withdrawals are allowed only when the participant is age 59 1/2 or older, unless a financial hardship exists. Hardship withdrawals will cause the participants to be suspended from making contributions for 365 days. Withdrawals may be made from employer contributions only if the participant is fully vested and only after withdrawing all amounts from any prior plan accounts and any rollover amounts, and not being in a suspended status.

(h) Payment of Benefits

Upon death, disability, or termination of service, a participant may elect to receive benefit payments, as prescribed by the Plan, equal to the value of the participant's vested interest in his or her accounts.

(i) Administrative Costs

All administrative expenses are borne by the Plan Sponsor with the exception of fees for investment management and loan processing fees for participant loans.

(j) Plan Termination

Although no formal amendment has been approved, the Plan Sponsor expects to terminate the Plan and transfer its net assets to the Devon Energy Corporation Incentive Savings Plan (Devon Plan). All former employees of PennzEnergy are subject to a severance plan until August 17, 2001. Under the terms of the severance plan, any such employees severed by Devon will, upon termination, be fully vested in their participant accounts. Outside of the severance plan, all participants will continue to vest in accordance with the terms of the Plan. Upon termination of the Plan, all amounts credited to participants' accounts will be transferred and participants will become eligible to participate under the agreement and amendments of the Devon Plan.

(3) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying financial statements of the Plan have been prepared in conformity with generally accepted accounting principles and practices permitted by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In September 1999, the American Institute of Certified Public Accountants issued Statement of Position 99-3, Accounting for and Reporting of Certain Defined Contribution Plan Investments and Other Disclosure Matters (SOP 99-3). SOP 99-3 simplifies the disclosure for certain investments and is effective for plan years ending after December 15, 1999. The Plan adopted SOP 99-3 during the Plan year ending December 31, 1999. Accordingly, information previously required to be disclosed about participant-directed fund investment programs is not presented in the Plan's 1999 financial statements. The Plan's 1998 financial statements have been reclassified to conform with 1999's presentation.

(b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan's management to use estimates and assumptions that affect the accompanying financial statements and disclosures. Actual results could differ from those estimates.

(c) Investments

The Plan's investments are reflected in the accompanying financial statements at fair value. For the Stock Fund, mutual funds, and the Merrill Lynch Equity Index Trust, fair value was determined by using the closing price of the securities or funds as listed on the applicable stock exchange on the last trading day of the Plan year. The Merrill Lynch Retirement Preservation Trust is a common/collective trust fund investing primarily in guaranteed investment contracts and U.S. Government securities. The guaranteed investment contracts are fully benefit responsive and are recorded at contract value, which approximates fair value. Effective yields approximated 6.5% and 6.6% at December 31, 1999 and 1998, respectively. Contract value for the Merrill Lynch Retirement Preservation Trust was determined based on contributions made under the investment contract plus interest earned at the contract's rate less funds used to pay investment fees charged by the insurance companies. Loans to participants are stated at the outstanding principal balance of the loans which approximate fair value. Investment transactions are recognized as of the trade date.

(4) Investments and Non-Participant Directed Net Assets

The following investments at fair value represent 5% or more of the net assets of the Plan at December 31, 1999 and 1998:

	1999	1998
Pennzoil-Quaker State Company common stock (a)	$ 5,291,181	26,289,914
Devon Energy Corporation common stock	12,558,629	--
PennzEnergy Company common stock (b)	--	29,073,975
Merrill Lynch Retirement Preservation Trust	11,835,128	24,754,684
Merrill Lynch Equity Index Trust	18,756,188	49,058,800
Davis New York Venture Fund	11,255,353	26,811,130

(a) At December 31, 1998, $18,557,477 of the investment balance was non-participant directed.

(b) At December 31, 1998, $20,522,682 of the investment balance was non-participant directed.

During 1999, the Plan's investments appreciated (depreciated) in value as follows:

Common stocks	$23,586,850
Common/collective trusts	(14,029,847)
Mutual funds	(3,563,688)
Net appreciation	$ 5,993,315

As of December 31, 1999, there were no non-participant directed net assets in the Plan. Information about such net assets as of December 31, 1998, and the components of the changes in such net assets during 1999 is as follows:

Net assets:	
Common stocks	$39,111,451
Cash and cash equivalents	788,345
Contribution and investment income receivables	735,230
	$40,635,026

	Year ended December 31, 1999
Changes in net assets due to:	
Contributions	$3,218,185
Interest and dividends	330,479
Net realized and unrealized appreciation in fair value of investments	17,997,670
Benefits paid to participants	(1,231,549)
Transfers to other plans	(47,526,249)
Transfers to participant directed investments	(13,423,562)
Net decrease in non-participant directed net assets	$(40,635,026)

(5) Federal Income Taxes

The Plan received its latest determination letter on October 26, 1994, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the Provisions of Sections 401(a) and 401(k) of the Internal Revenue Code. The Plan has since been amended and the Plan Sponsor believes the Plan is currently designed and being operated in compliance with applicable requirements of the Internal Revenue Code. Therefore, the Plan Sponsor believes that the Plan is qualified and the related trust is exempt from federal income taxes.

PENNZENERGY COMPANY SAVINGS
AND INVESTMENT PLAN

Schedule of Assets Held for Investment Purposes At End of Year

December 31, 1999

Party-in-interest Identification	Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment	Cost	Fair Value
	Pennzoil-Quaker State Company	Common stock	$ 13,501,224	5,291,181
	Battlemountain Gold Company	Common stock	17,664	7,538
*	Devon Energy Corporation	Common stock	19,088,854	12,558,629
			32,607,742	17,857,348
*	Merrill Lynch Retirement Preservation Trust	Common and collective trust	11,835,144	11,835,128
*	Merrill Lynch Equity Index Trust	Common and collective trust	9,003,563	18,756,188
	J.P. Morgan Institutional Bond Fund	Mutual fund	792,230	754,548
	Fidelity Advisory Balance Fund	Mutual fund	2,518,867	2,610,940
	Davis New York Venture Fund	Mutual fund	7,960,514	11,255,353
			32,110,318	45,212,157
*	Participant Loans	8.75% to 10.00% loans to participants, maturing December 2000 to October 2016	--	2,314,987
	Cash and cash equivalents	Cash and cash equivalents	16,047	16,047
			$ 64,734,107	65,400,539

* Denotes assets held for investment purposes with party-in-interest.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PENNZENERGY COMPANY SAVINGS AND INVESTMENT PLAN
By: Devon Energy Corporation

Date: July 13, 2000

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

INDEX TO EXHIBITS

Exhibit 23

Independent Auditors' Consent

The Board of Directors
Devon Energy Corporation:

We consent to incorporation by reference in the Registration Statements (No. 333-32214 and 333-85553) on Form S-8 and the Registration Statement (No. 333-85211) on Form S-3 of Devon Energy Corporation of our report dated June 30, 2000, relating to the statement of net assets available for plan benefits of the PennzEnergy Company Savings and Investment Plan as of December 31, 1999, and the related statement of changes in net assets available for plan benefits for the year then ended, and the schedule of assets held for investment purposes at end of year December 31, 1999, which report appears in the December 31, 1999 Form 11-K of the PennzEnergy Company Savings and Investment Plan.

KPMG LLP

Oklahoma City, Oklahoma
July 11, 2000

Exhibit 23.1

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report dated June 28, 1999, included in this Form 11-K, into Devon Energy Corporation's previously filed Registration Statements File No. 333-32214, 333-85553, and 333- 85211.

ARTHUR ANDERSEN LLP

Houston, Texas
July 10, 2000
