

# DEVON ENERGY CORP/DE

## FORM 425

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

Filed 05/31/00

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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Filed 5/31/2000

Address	20 N BROADWAY STE 1500 OKLAHOMA CITY, Oklahoma 73102
Telephone	405-235-3611
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Sector	Energy
Fiscal Year	12/31

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: Devon Energy Corporation  
*Commission File No. 0-30176*

## INVESTOR NOTICES

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 that will be included in the Registration Statement on Form S-4 to be filed with the SEC in connection with the proposed merger because it will contain important information. The joint proxy statement/prospectus will be 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 (when available) and other documents filed by Devon and Santa Fe Snyder with the SEC at the SEC's web site at [www.sec.gov](http://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](mailto: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](mailto: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 ENERGY & SANTA FE SNYDER

[Slide Presentation]

Pursuant to the May 26, 2000 announcement of the proposed merger of Devon Energy Corporation and Santa Fe Snyder Corporation, the following is a slide presentation that will be presented at investor conferences with regard to the proposed merger.

### SLIDE 1 - TITLE SLIDE "DEVON ENERGY & SANTA FE SNYDER"

### SLIDE 2 - RISK FACTORS

"For representative risk factors that could cause Devon's actual results to differ materially from the estimates contained herein, see Form 8-K dated January 26, 2000 and form 10-K dated March 30, 2000. All data presented assumes an effective merger date of December 31, 1999 adjusted for certain subsequent acquisitions, divestitures and financial transactions."

### SLIDE 3 - DEVON OVERVIEW

- o Top 10 among U.S.-based independents
- o Proved oil and gas reserves of 670 MMBOE (12/31/99)
- o 81% North America / 19% International
- o Production mix: 62% gas / 38% oil

- o Enterprise value approximating \$5 billion
- o Investment grade credit

#### SLIDE 4 - TOTAL PROVED RESERVES

(Bar graph showing Devon's proved reserves from 1987 to 1999 in MMBoe at year-end)

1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
8	22	30	32	36	61	78	106	115	179	184	299	670

Note: 1987-1997 represents historical Devon as reported prior to 1998 Northstar merger.

#### SLIDE 5 -RESERVES PER COMMON SHARE

(Bar graph showing Devon's Reserves per common share from 1987 to 1999 in Boe)

1987	1988	1989	1990*	1991*	1992*	1993	1994	1995	1996*	1997*	1998*	1999
1.31	2.56	2.61	2.82	3.13	2.96	3.76	4.79	5.18	4.84	4.94	5.61	7.78

Note: 1987-1997 represents historical Devon as reported prior to 1998 Northstar merger.

\*Fully Diluted

#### SLIDE 6 - NET DEBT PER BOE

(Bar graph showing Devon's net debt per Boe from 1987 to 1999)

(Long term debt less working capital)

1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
1.16	1.33	0.19	0.74	0.78	0.68	0.83	0.85	1.17	-0.07	-0.34	1.25	1.47

Note: 1987-1997 represents historical Devon as reported prior to 1998 Northstar merger.

(1) Presented net of the book value of Devon's 7.1 million shares of Chevron common stock.

#### SLIDE 7 - DEVON'S OPERATING RESULTS

Cash Margin Per Share\* Earnings Per Share\* 1987 1999 1987 1999

1.15 6.03 -0.17 1.46

\* Fully Diluted

#### SLIDE 8 - DRILLING ACTIVITY

- o 1988 - 1999 > 2,400 wells drilled
- o Historically high success rates

#### SLIDE 9 - MERGERS & ACQUISITIONS

PennzEnergy Company, 1999, \$2.6Bn

Northstar Energy, 1998, \$759MM

Kerr McGee Corp, North American Onshore Assets, 1996, \$254MM

#### SLIDE 10 - FOR IMMEDIATE RELEASE

May 25, 2000 -- Devon Energy and Santa Fe Snyder to merge creating a top 5 U.S. independent oil and gas company.

#### SLIDE 11 - TRANSACTION SUMMARY

- o Structure: non-taxable merger
- o Equity Ownership: 68% Devon 32% Santa Fe Snyder
- o Exchange Ratio: approximately 40.3 MM common shares, or .22 DVN per SFS share
- o Board of Directors: proportional representation

## SLIDE 12 - STRATEGIC RATIONALE

- o Critical mass
- o Per share accretion
- o Core area overlap
- o International growth platform
- o \$30 - \$35 million annual cost savings

## SLIDE 13 - THE COMBINED COMPANY

Proved Reserves:	1,056 MMBoe
Reserve profile:	76% North America 24% International
Proved Developed:	72%
Production Mix:	57% gas/43% oil
R/P Ratio:	8.9 years
Credit Rating:	Investment Grade
Undeveloped Acreage (net)	31.9 million

## SLIDE 14 - PROVED RESERVES - YEAR-END 1999

(Bar Graph, reserves in MMBoe)

APC/UPR	BR	DVN	KMG	APA	PXD	EOG	OEI	MUR	XTO
1942	1709	1056	915	807	605	602	415	401	337

Note: Reflects proved reserves at 12/31/99 adjusted for material acquisitions and divestitures.  
Represents Pro-forma Devon.

## SLIDE 15 - RESERVES PER COMMON SHARE

(Bar graph showing Devon's Reserves per common share from 1987 to 1999 in Boe)

1987	1988	1989	1990*	1991*	1992*	1993	1994	1995	1996*	1997*	1998*	1999	1999 Pro Forma
1.31	2.56	2.61	2.82	3.13	2.96	3.76	4.79	5.18	4.84	4.94	5.61	7.78	8.36

Note: 1987-1997 represents historical Devon as reported prior to 1998 Northstar merger.  
\* Fully Diluted

## SLIDE 16 - OPERATING RESULTS

### Quarter Ended March 31, 2000

	Actual	Pro Forma	Cost Savings(1)
EBITDA (\$MM)	\$255	\$396	\$404
Cash Margin to Common	\$200	\$321	\$327
Shares O/S (MM)	86.2	126.3	126.3
Cash Margin/Share	\$2.32	\$2.54	\$2.59

(1) Includes estimated annual G&A and LOE savings of \$30 million taxed at 40%.

## SLIDE 17 - FINANCIAL STRENGTH

### Quarter Ended March 31, 2000

	Actual	Pro Forma	Cost Savings(1)
EBITDA (\$MM)	\$255	\$396	\$404
Total Net Debt(2)	\$1,046	\$2,149	\$2,149
EBITDA/Interest	10.1x	10.2x	10.4x
Net Debt/Annualized EBITDA	1.0x	1.4x	1.3x

(1) Includes estimated annual G&A and LOE savings of \$30 million taxed at 40%.

(2) Net of the market value of Devon's 7.1 million shares of Chevron common stock.

## SLIDE 18 - CORE AREA OVERLAP

	DVN	SFS	Pro Forma	% Total
Rocky Mountains	113.8	105.3	219.1	20.7%
Permian Basin	120.3	95.0	215.3	20.4%
Gulf of Mexico/Gulf Coast	85.0	57.0	142.0	13.4%
Canada	120.5	-	120.5	11.4%
Mid-Continent	103.0	-	103.0	9.8%
International	127.2	129.0	256.2	24.3%
Totals	669.8	386.3	1056.1	100.0%

## SLIDE 19 - NORTH AMERICAN OPERATIONS

Bar charts and map showing Devon's reserves growth (year-end vs. pro forma year-end) in the Rocky Mountains, Permian Basin and the Gulf of Mexico/Gulf Coast.

## SLIDE 20 - ROCKY MOUNTAINS

Map showing Devon and Santa Fe Snyder key properties in the Rocky Mountains.

- o 219 MMBoe Pro Forma
- o Gas leveraged
- o Improving differentials
- o Shared coalbed methane technologies

## SLIDE 21 - GULF OF MEXICO

Map showing Devon and Santa Fe Snyder offshore blocks in the Gulf of Mexico.

## SLIDE 22 - INTERNATIONAL OPERATIONS

International map showing the countries in which Devon and Santa Fe Snyder have production and/or exploration.

## SLIDE 23 - INTERNATIONAL RESERVES POSITION

	Company	Reserves at 12/31/99	% Total Company
Azerbaijan	DVN	107.7	10.2%
Indonesia	SFS	62.4	5.9%
Argentina	SFS	33.2	3.1%
Brazil	SFS	13.9	1.3%
Gabon	SFS	10.4	1.0%
Other	DVN/SFS	28.7	2.7%
Totals		256.3	24.2%

## SLIDE 24 - AZERBAIJAN

Middle East map showing Azerbaijan and pipelines in the area.

## SLIDE 25 - SOUTHEAST ASIA

Southeast Asia map showing the general location of the following areas: B7/38, PM308, Jabung, Jambi B, Tuban

## SLIDE 26 - SOUTH AMERICA

South America map showing the general location of the following basins: Cuyo Basin, Neuquen Basin, Potiguar Basin, Sergipe-Alagoas Basin, Espirito Santo Basin, San Jorge Basin

## SLIDE 27 - PEARL RIVER BASIN

South China/South China Sea map showing the general location of the following offshore areas: Bootes Discovery, Ursa Discovery

## SLIDE 28 - WEST AFRICA

West Africa map showing the general location of the following offshore areas: CI-24/202, Keta, Agali, Kowe, Marine IX

## SLIDE 29 - CAPITAL EXPENDITURES

(Bar graph showing Devon's proved reserves from 1987 to 1999 in MMBoe at year-end)

1996	1997	1998	1999	2000E	2000E Pro Forma
77	115	275	217	500	850

Note: 1996-1997 represents historical Devon as reported prior to 1998 Northstar merger.

## SLIDE 30 - DECADE OF OPPORTUNITIES

- o 2000 - 1st significant Powder River CBM production
- o 2001 - Foothills development/tie-in
- o 2002 - Initial South Sumatra gas production
- o 2003 - Powder River CBM fully on stream
- Initial Pearl River Basin production
- o 2004 - 2006 - Raton Basin CBM peak production
- o 2005 - 2010 - Azerbaijan peak production (?)

## SLIDE 31 - TIME LINE

- o May 26: DVN and SFS announce merger
- o Late June: File preliminary proxy materials
- o Early Sept: File definitive proxy materials
- o Early Oct: Shareholder meetings
- o Early Oct: Close merger

## SLIDE 32 - TITLE SLIDE "DEVON ENERGY & SANTA FE SNYDER"

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**End of Filing**

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