

# DEVON ENERGY CORP/DE

## FORM 8-K

(Current report filing)

Filed 09/12/00 for the Period Ending 08/29/00

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

# DEVON ENERGY CORP/DE

## FORM 8-K (Unscheduled Material Events)

Filed 9/12/2000 For Period Ending 8/29/2000

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

# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

## FORM 8-K

### CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event report): August 29, 2000

## DEVON ENERGY CORPORATION

(Exact Name of Registrant as Specified in its Charter)

DELAWARE	000-30176	73-1567067
(State or Other Jurisdiction of Incorporation or Organization)	(Commission File Number)	(IRS Employer Identification Number)

**20 NORTH BROADWAY, SUITE 1500, OKLAHOMA CITY, OK 73102**

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (405) 235-3611

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## ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

On August 29, 2000, Devon Energy Corporation ("Devon") completed its merger (the "Merger") with Santa Fe Snyder Corporation ("Santa Fe Snyder") pursuant to an Agreement and Plan of Merger dated May 25, 2000, as amended on July 11, 2000 (the "Merger Agreement"). The shareholders of Devon and Santa Fe Snyder approved the Merger at special meetings held on August 29, 2000. In the Merger, each issued and outstanding share of common stock of Santa Fe Snyder, par value \$0.01 per share, was converted into the right to receive 0.22 shares of common stock of Devon. This exchange ratio was determined through arms' length negotiations between the parties.

Devon expects to issue up to 40.6 million shares of common stock to the former holders of Santa Fe Snyder common stock. Shares of Santa Fe Snyder common stock are no longer transferable and certificates evidencing such shares represent only the right to receive shares of Devon common stock in accordance with the provisions of the Merger Agreement.

A description of the Merger is contained in the August 29, 2000, press release included as Exhibit 99 to Devon's Form 8-K filed on August 29, 2000, and incorporated herein by reference. The Agreement and Plan of Merger by and among Devon, Devon Merger Co. and Santa Fe Snyder dated as of May 25, 2000, is incorporated herein by reference to Annex A to the Joint Proxy Statement/Prospectus contained in Devon's Registration Statement on Form S-4 (No. 333-39908). Amendment No. One, dated as of July 11, 2000, to the Agreement and Plan of Merger by and among Devon, Devon Merger Co. and Santa Fe Snyder dated as of May 25, 2000, is incorporated herein by reference to Exhibit 2.1 to Devon's Form 8-K filed on July 12, 2000.

## ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

### (a) Financial Statements of Business Acquired

#### **Audited Annual Financial Statements of Santa Fe Snyder:**

Consolidated Balance Sheets as of December 31, 1999 and 1998, and Consolidated Statements of Operations, Consolidated Statements of Cash Flows, Consolidated Statements of Comprehensive Income and Consolidated Statements of Shareholders' Equity for the Years Ended December 31, 1999, 1998 and 1997 (incorporated by reference to Santa Fe Snyder's Annual Report on Form 10-K for the year ended December 31, 1999)

#### **Unaudited Interim Financial Statements of Santa Fe Snyder:**

Consolidated Balance Sheet as of June 30, 2000, and Consolidated Statements of Operations, Consolidated Statements of Cash Flows and Consolidated Statements of Comprehensive Income for the six months ended June 30, 2000 and 1999 (incorporated by reference to Santa Fe

(b) Unaudited Pro Forma Combined Financial Information

(c) Exhibits

- 2.1 Agreement and Plan of Merger by and among Registrant, Devon Merger Co. and Santa Fe Snyder Corporation dated as of May 25, 2000 (incorporated by reference to Annex A to the Joint Proxy Statement/Prospectus contained in Registrant's Registration Statement on Form S-4, File No. 333-39908)
- 2.2 Amendment No. One, dated as of July 11, 2000, to Agreement and Plan of Merger by and among Registrant, Devon Merger Co. and Santa Fe Snyder Corporation dated as of May 25, 2000 (incorporated by reference to Exhibit 2.1 to Registrant's Form 8-K filed on July 12, 2000)
- 23.1 Consent of PricewaterhouseCoopers LLP
- 23.2 Consent of Ryder Scott Company, L.P.
- 99.1 Press release dated August 29, 2000 (incorporated by reference to Exhibit 99 to Registrant's Form 8-K filed on August 29, 2000)

**SIGNATURE**

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.

**DEVON ENERGY CORPORATION**

*/s/ DANNY J. HEATLY*  
*Danny J. Heatly*  
*Vice President - Accounting*

*Date: September 12, 2000*

## EXHIBIT INDEX

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- 2.2 Amendment No. One, dated as of July 11, 2000, to Agreement and Plan of Merger by and among Registrant, Devon Merger Co. and Santa Fe Snyder Corporation dated as of May 25, 2000 (incorporated by reference to Exhibit 2.1 to Registrant's Form 8-K filed on July 12, 2000)
- 23.1 Consent of PricewaterhouseCoopers, LLP
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- 99.1 Press release dated August 29, 2000 (incorporated by reference to Exhibit 99 to Registrant's Form 8-K filed on August 29, 2000)

## UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The following unaudited pro forma financial information has been prepared to assist in your analysis of the financial effects of the merger. This pro forma information is based on the historical financial statements of Devon and Santa Fe Snyder.

The information was prepared based on the following:

- The merger was accounted for as a pooling-of-interests of Devon and Santa Fe Snyder. Therefore, the unaudited pro forma combined balance sheet was prepared as if Devon and Santa Fe Snyder were combined on June 30, 2000. The unaudited pro forma combined statements of operations have been prepared as if Devon and Santa Fe Snyder were combined as of the beginning of the earliest period presented.
- The combined company will utilize the full cost method of accounting for its oil and gas activities.
- The historical financial results of Santa Fe Snyder, which were prepared using the successful efforts method of accounting, have been restated to the full cost method to conform to Devon's method of accounting.
- Expected annual cost savings of \$30 to \$35 million have not been reflected as an adjustment to the historical data. These cost savings are expected to result from the consolidation of the corporate headquarters of Devon and Santa Fe Snyder and the elimination of duplicate staff and expenses. Some of the cost savings will relate to items that, under the full cost method of accounting, are capitalized rather than expensed in the consolidated financial statements. Therefore, not all of the \$30 to \$35 million of expected savings will result in reductions to expenses as reported in the accompanying unaudited pro forma combined statements of operations.

There are several unusual items in each company's historical results that should be considered when making period-to-period comparisons. These items include:

- Devon merged with PennzEnergy Company on August 17, 1999. This merger was accounted for as a purchase. Accordingly, Devon's results for the year 1999 include the results of the PennzEnergy merger for only the last 4 1/2 months of the year.
- Santa Fe Snyder was formed on May 5, 1999, as a result of the merger of Santa Fe Energy Resources, Inc. and Snyder Oil Corporation. This merger was accounted for as a purchase by Santa Fe Energy Resources, Inc. of Snyder. Accordingly, Santa Fe Snyder's results for the year 1999 include the results of the Snyder merger for only the last eight months of the year.
- Santa Fe Snyder's results for the year 1999 include \$16.8 million of costs related to the Snyder merger.
- Devon's results for the year 1998 include \$13.1 million of costs related to its December 1998 merger with Northstar Energy Corporation. This merger was accounted for as a pooling-of-interests. Accordingly, Northstar's results are included in Devon's results for all periods presented.

- In 1998 and 1997, Devon reduced the carrying value of its oil and gas properties by \$126.9 million and \$625.5 million (\$88.0 million and \$397.9 million after-tax), respectively, due to the full cost ceiling limitation. The 1998 reduction related to Devon's domestic properties. The 1997 reduction related to the Canadian properties acquired in the Northstar merger.

- In 1999, 1998 and 1997, Santa Fe Snyder reduced the carrying value of its oil and gas properties by \$476.1 million, \$295.6 million and \$16.2 million (\$309.7 million, \$211.2 million and \$22.7 million after-tax, which includes the establishment of an \$11.0 million and \$9.9 million valuation allowance relating to deferred tax assets in 1998 and 1997), respectively, due to the full cost ceiling limitation.

- On July 25, 1997, Santa Fe Energy Resources, Inc. spun off its subsidiary Monterey Resources, Inc. At the time of the spin off, Santa Fe Energy Resources, Inc. owned approximately 83% of Monterey. The Santa Fe Snyder results for the year 1997 include the results for Monterey for only the first seven months prior to the spin off.

The unaudited pro forma information is presented for illustrative purposes only. If the merger had occurred in the past, the combined company's financial position or operating results might have been different from those presented in the unaudited pro forma information. You should not rely on the unaudited pro forma information as an indication of the financial position or operating results that the combined company would have achieved if the merger had occurred in the past. You also should not rely on the unaudited pro forma information as an indication of the future results that the combined company will achieve after the merger.



**UNAUDITED PRO FORMA COMBINED BALANCE SHEET**

JUNE 30, 2000

(IN THOUSANDS)

	DEVON	SANTA FE SNYDER HISTORICAL RESTATE (NOTE 4)	PRO FORMA ADJUSTMENTS	COMBINED COMPANY PRO FORMA
	-----	-----	-----	-----
<b>ASSETS:</b>				
Current assets.....	\$ 628,642	\$ 250,300		\$ 878,942
Oil and gas properties, net.....	3,126,340	1,509,900		4,636,240
Other properties, net.....	53,421	15,800		69,221
Investment in common stock of Chevron Corporation.....	601,527	--		601,527
Goodwill, net.....	299,481	--		299,481
Other assets.....	118,525	31,000		149,525
	-----	-----		-----
Total assets.....	\$4,827,936	\$1,807,000	\$ --	\$6,634,936
	=====	=====	=====	=====
<b>LIABILITIES:</b>				
Current liabilities.....	\$ 272,545	\$ 223,500		\$ 496,045
Debentures exchangeable into shares of Chevron Corporation common stock.....	760,313	--		760,313
Other long-term debt.....	1,025,514	766,800	\$ 57,000 (a)	1,849,314
Deferred revenue.....	--	145,800		145,800
Other long-term liabilities.....	160,062	72,100		232,162
Deferred income taxes.....	431,882	38,500	(16,000) (a)	454,382
<b>STOCKHOLDERS' EQUITY:</b>				
Preferred stock.....	1,500	--		1,500
Common stock.....	8,698	1,800	2,252 (b)	12,750
Additional paid-in capital.....	2,273,989	1,247,400	(2,252) (b) (2,700) (c)	3,516,437
Accumulated deficit.....	(26,408)	(686,500)	(41,000) (a)	(753,908)
Accumulated other comprehensive earnings (loss).....	(80,159)	3,100	--	(77,059)
Treasury stock.....	--	(2,700)	2,700 (c)	--
Unamortized restricted stock awards.....	--	(2,800)	--	(2,800)
	-----	-----	-----	-----
Total stockholders' equity.....	2,177,620	560,300	(41,000)	2,696,920
	-----	-----	-----	-----
Total liabilities and stockholders' equity.....	\$4,827,936	\$1,807,000	\$ --	\$6,634,936
	=====	=====	=====	=====

**UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS**

**SIX MONTHS ENDED JUNE 30, 2000**

(IN THOUSANDS, EXCEPT PER SHARE DATA)

	DEVON	SANTA FE SNYDER HISTORICAL RESTATE (NOTE 4)	COMBINED COMPANY PRO FORMA
	-----	-----	-----
REVENUES:			
Oil sales.....	\$293,793	\$246,800	\$ 540,593
Gas sales.....	366,286	185,800	552,086
NGL sales.....	65,703	5,200	70,903
Other.....	22,772	2,000	24,772
	-----	-----	-----
Total revenues.....	748,554	439,800	1,188,354
	-----	-----	-----
COSTS AND EXPENSES:			
Lease operating expenses.....	136,687	87,200	223,887
Production taxes.....	21,790	18,200	39,990
Depreciation, depletion and amortization of property and equipment.....	221,703	115,800	337,503
Amortization of goodwill.....	20,693	--	20,693
General and administrative expenses.....	32,773	16,100	48,873
Interest expense.....	50,951	30,000	80,951
Deferred effect of changes in foreign currency exchange rate on subsidiary's long-term debt.....	2,408	--	2,408
	-----	-----	-----
Total costs and expenses.....	487,005	267,300	754,305
	-----	-----	-----
Earnings before income tax expense .....	261,549	172,500	434,049
INCOME TAX EXPENSE:			
Current.....	63,505	9,000	72,505
Deferred.....	46,223	56,800	103,023
	-----	-----	-----
Total income tax expense.....	109,728	65,800	175,528
	-----	-----	-----
Net earnings.....	151,821	106,700	258,521
Preferred stock dividends.....	4,868	--	4,868
	-----	-----	-----
Net earnings applicable to common shareholders.....	\$146,953	\$106,700	\$ 253,653
	=====	=====	=====
Net earnings per average common share outstanding:			
Basic.....	\$ 1.70	\$ 0.58	\$ 2.00
	=====	=====	=====
Diluted.....	\$ 1.67	\$ 0.58	\$ 1.97
	=====	=====	=====
Weighted average common shares outstanding:			
Basic.....	86,481	182,700	126,675
	=====	=====	=====
Diluted.....	87,827	185,700	128,681
	=====	=====	=====

**UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS**

**SIX MONTHS ENDED JUNE 30, 1999**

(IN THOUSANDS, EXCEPT PER SHARE DATA)

		SANTA FE SNYDER HISTORICAL RESTATED (NOTE 4)	COMBINED COMPANY PRO FORMA	(NOTE 5)		COMBINED COMPANY PRO FORMA AS ADJUSTED
	DEVON			PENNZENERGY MERGER	SNYDER MERGER	
	-----	-----	-----	-----	-----	-----
<b>REVENUES:</b>						
Oil sales.....	\$ 64,784	\$102,700	\$167,484	\$ 85,114	\$ 31,900	\$ 284,498
Gas sales.....	112,938	73,300	186,238	150,884	7,100	344,222
NGL sales.....	9,764	3,800	13,564	18,732	--	32,296
Other.....	4,092	1,400	5,492	61,562	700	67,754
	-----	-----	-----	-----	-----	-----
Total revenues.....	191,578	181,200	372,778	316,292	39,700	728,770
	-----	-----	-----	-----	-----	-----
<b>COSTS AND EXPENSES:</b>						
Lease operating expenses.....	54,520	61,300	115,820	76,476	10,200	202,496
Production taxes.....	6,415	5,800	12,215	6,764	2,200	21,179
Depreciation, depletion and amortization of property and equipment.....	69,321	50,500	119,821	164,387	43,500	327,708
Amortization of goodwill.....	--	--	--	23,300	--	23,300
General and administrative expenses.....	13,175	13,600	26,775	44,720	10,900	82,395
Expenses related to prior merger.....	--	16,800	16,800	--	--	16,800
Interest expense.....	13,779	16,800	30,579	41,364	5,700	77,643
Deferred effect of changes in foreign currency exchange rate on subsidiary's long-term debt.....	(8,746)	--	(8,746)	--	--	(8,746)
Distributions on preferred securities of subsidiary trust.....	4,859	--	4,859	--	--	4,859
Reduction of carrying value of oil and gas properties.....	--	463,800	463,800	--	--	463,800
	-----	-----	-----	-----	-----	-----
Total costs and expenses.....	153,323	628,600	781,923	357,011	72,500	1,211,434
	-----	-----	-----	-----	-----	-----
Earnings (loss) before income tax expense (benefit).....	38,255	(447,400)	(409,145)	(40,719)	(32,800)	(482,664)
	-----	-----	-----	-----	-----	-----
<b>INCOME TAX EXPENSE (BENEFIT):</b>						
Current.....	4,302	100	4,402	(4,834)	200	(232)
Deferred.....	11,764	(149,600)	(137,836)	(12,444)	(11,700)	(161,980)
	-----	-----	-----	-----	-----	-----
Total income tax expense (benefit).....	16,066	(149,500)	(133,434)	(17,278)	(11,500)	(162,212)
	-----	-----	-----	-----	-----	-----
Net earnings (loss).....	22,189	(297,900)	(275,711)	(23,441)	(21,300)	(320,452)
Preferred stock dividends.....	--	--	--	4,868	--	4,868
	-----	-----	-----	-----	-----	-----
Net earnings (loss) applicable to common shareholders.....	\$22,189	\$(297,900)	(275,711)	\$ (28,309)	\$ (21,300)	\$(325,320)
	=====	=====	=====	=====	=====	=====
Net earnings (loss) per average common share outstanding--basic and diluted.....	\$ 0.46	\$ (2.41)	\$ (3.64)			\$ (2.76)
	=====	=====	=====			=====
<b>Weighted average common shares outstanding:</b>						
Basic.....	48,575	123,900	75,833			117,957
	=====	=====	=====			=====
Diluted.....	53,773	125,300	81,339			123,463
	=====	=====	=====			=====

**UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS**

**YEAR ENDED DECEMBER 31, 1999**

(IN THOUSANDS, EXCEPT PER SHARE DATA)

	DEVON	SANTA FE SNYDER HISTORICAL RESTATED (NOTE 4)	COMBINED COMPANY PRO FORMA	(NOTE 5)		COMBINED COMPANY PRO FORMA AS ADJUSTED
				PENNZENERGY MERGER	SNYDER MERGER	
<b>REVENUES:</b>						
Oil sales.....	\$273,234	\$ 280,600	\$ 553,834	\$116,743	\$ 31,900	\$ 702,477
Gas sales.....	385,925	217,300	603,225	196,012	7,100	806,337
NGL sales.....	56,344	11,600	67,944	25,885	--	93,829
Other.....	18,996	1,600	20,596	66,157	700	87,453
<b>Total revenues.....</b>	<b>734,499</b>	<b>511,100</b>	<b>1,245,599</b>	<b>404,797</b>	<b>39,700</b>	<b>1,690,096</b>
<b>COSTS AND EXPENSES:</b>						
Lease operating expenses.....	166,848	136,400	303,248	96,107	10,200	409,555
Production taxes.....	23,055	19,300	42,355	8,951	2,200	53,506
Depreciation, depletion and amortization of property and equipment.....	254,275	152,100	406,375	215,990	43,500	665,865
Amortization of goodwill.....	16,111	--	16,111	30,210	--	46,321
General and administrative expenses.....	53,845	26,800	80,645	55,483	10,900	147,028
Expenses related to prior mergers.....	--	16,800	16,800	--	--	16,800
Interest expense.....	66,913	42,700	109,613	43,500	5,700	158,813
Deferred effect of changes in foreign currency exchange rate on subsidiary's long-term debt.....	(13,154)	--	(13,154)	--	--	(13,154)
Distributions on preferred securities of subsidiary trust.....	6,884	--	6,884	--	--	6,884
Reduction of carrying value of oil and gas properties.....	--	476,100	476,100	--	--	476,100
<b>Total costs and expenses.....</b>	<b>574,777</b>	<b>870,200</b>	<b>1,444,977</b>	<b>450,241</b>	<b>72,500</b>	<b>1,967,718</b>
Earnings (loss) before income tax expense (benefit).....	159,722	(359,100)	(199,378)	(45,444)	(32,800)	(277,622)
<b>INCOME TAX EXPENSE (BENEFIT):</b>						
Current.....	24,656	(1,600)	23,056	5	200	23,261
Deferred.....	40,510	(113,000)	(72,490)	(8,983)	(11,700)	(93,173)
<b>Total income tax expense (benefit).....</b>	<b>65,166</b>	<b>(114,600)</b>	<b>(49,434)</b>	<b>(8,978)</b>	<b>(11,500)</b>	<b>(69,912)</b>
Earnings (loss) before extraordinary item.....	94,556	(244,500)	(149,944)	(36,466)	(21,300)	(207,710)
Preferred stock dividends.....	3,651	--	3,651	6,085	--	9,736
Earnings (loss) before extraordinary item applicable to common shareholders (Note 6)....	\$ 90,905	\$(244,500)	\$ (153,595)	\$(42,551)	\$(21,300)	\$ (217,446)
Earnings (loss) before extraordinary item per average common share outstanding:						
Basic.....	\$ 1.51	\$ (1.60)	\$ (1.64)			\$ (1.81)
Diluted.....	\$ 1.46	\$ (1.60)	\$ (1.64)			\$ (1.81)
Weighted average common shares outstanding:						
Basic.....	60,015	152,900	93,653			119,988
Diluted.....	65,213	155,000	99,313			125,648

**UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS**

**YEAR ENDED DECEMBER 31, 1998**

(IN THOUSANDS, EXCEPT PER SHARE DATA)

	DEVON	SANTA FE SNYDER HISTORICAL RESTATE (NOTE 4)	COMBINED COMPANY PRO FORMA
	-----	-----	-----
<b>REVENUES:</b>			
Oil sales.....	\$143,624	\$ 163,300	\$ 306,924
Gas sales.....	209,344	119,100	328,444
NGL sales.....	16,692	8,000	24,692
Other.....	17,848	6,400	24,248
	-----	-----	-----
Total revenues.....	387,508	296,800	684,308
	-----	-----	-----
<b>COSTS AND EXPENSES:</b>			
Lease operating expenses.....	113,484	116,400	229,884
Production taxes.....	13,916	8,900	22,816
Depreciation, depletion and amortization of property and equipment.....	123,844	119,300	243,144
General and administrative expenses.....	23,554	21,900	45,454
Expenses related to prior merger.....	13,149	--	13,149
Interest expense.....	22,632	20,900	43,532
Deferred effect of changes in foreign currency exchange rate on subsidiary's long-term debt.....	16,104	--	16,104
Distributions on preferred securities of subsidiary trust.....	9,717	--	9,717
Reduction of carrying value of oil and gas properties.....	126,900	295,600	422,500
	-----	-----	-----
Total costs and expenses.....	463,300	583,000	1,046,300
	-----	-----	-----
Earnings (loss) before income tax expense (benefit).....	(75,792)	(286,200)	(361,992)
<b>INCOME TAX EXPENSE (BENEFIT):</b>			
Current.....	7,687	(11,400)	(3,713)
Deferred.....	(23,194)	(77,900)	(101,094)
	-----	-----	-----
Total income tax expense (benefit).....	(15,507)	(89,300)	(104,807)
	-----	-----	-----
Net earnings (loss) applicable to common shareholders.....	\$(60,285)	\$(196,900)	\$(257,185)
	=====	=====	=====
Net earnings (loss) per average common share outstanding--basic and diluted.....	\$ (1.25)	\$ (1.92)	\$ (3.62)
	=====	=====	=====
<b>Weighted average common shares outstanding:</b>			
Basic.....	48,376	102,600	70,948
	=====	=====	=====
Diluted.....	53,876	104,800	76,932
	=====	=====	=====

**UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS**

**YEAR ENDED DECEMBER 31, 1997**

(IN THOUSANDS, EXCEPT PER SHARE DATA)

	DEVON	SANTA FE SNYDER HISTORICAL RESTATE (NOTE 4)	COMBINED COMPANY PRO FORMA
	-----	-----	-----
<b>REVENUES:</b>			
Oil sales.....	\$ 207,725	\$344,800	\$ 552,525
Gas sales.....	219,459	138,100	357,559
NGL sales.....	24,920	10,900	35,820
Other.....	47,555	700	48,255
	-----	-----	-----
Total revenues.....	499,659	494,500	994,159
	-----	-----	-----
<b>COSTS AND EXPENSES:</b>			
Lease operating expenses.....	100,897	165,300	266,197
Production taxes.....	19,227	11,800	31,027
Depreciation, depletion and amortization of property and equipment.....	169,108	116,200	285,308
General and administrative expenses.....	24,381	28,700	53,081
Interest expense.....	18,788	22,700	41,488
Deferred effect of changes in foreign currency exchange rate on subsidiary's long-term debt.....	5,860	--	5,860
Distributions on preferred securities of subsidiary trust.....	9,717	--	9,717
Reduction of carrying value of oil and gas properties.....	625,514	16,200	641,714
	-----	-----	-----
Total costs and expenses.....	973,492	360,900	1,334,392
	-----	-----	-----
Earnings (loss) before income tax expense (benefit) and minority interest.....	(473,833)	133,600	(340,233)
<b>INCOME TAX EXPENSE (BENEFIT):</b>			
Current.....	26,857	8,900	35,757
Deferred.....	(200,699)	54,400	(146,299)
	-----	-----	-----
Total income tax expense (benefit).....	(173,842)	63,300	(110,542)
	-----	-----	-----
Earnings (loss) before minority interest.....	(299,991)	70,300	(229,691)
Minority interest in Monterey Resources, Inc.....	--	(4,700)	(4,700)
	-----	-----	-----
Net earnings (loss).....	(299,991)	65,600	(234,391)
Preferred stock dividends.....	--	12,000	12,000
	-----	-----	-----
Net earnings (loss) applicable to common shareholders.....	\$(299,991)	\$ 53,600	\$(246,391)
	=====	=====	=====
Net earnings (loss) per average common share outstanding:			
Basic.....	\$ (6.38)	\$ 0.54	\$ (3.58)
	=====	=====	=====
Diluted.....	\$ (6.38)	\$ 0.53	\$ (3.58)
	=====	=====	=====
Weighted average common shares outstanding:			
Basic.....	47,040	98,600	68,732
	=====	=====	=====
Diluted.....	52,640	100,600	74,772
	=====	=====	=====

## NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

JUNE 30, 2000 AND 1999, AND DECEMBER 31, 1999, 1998 AND 1997

### 1. METHOD OF ACCOUNTING FOR THE MERGER

Devon accounted for the merger using the pooling-of-interests method of accounting for business combinations. Accordingly, Devon's and Santa Fe Snyder's historical balance sheets and statements of operations were combined as if the two companies had always been combined. Santa Fe Snyder's historical financial data was restated to conform to Devon's accounting policies. The effect of this restatement of Santa Fe Snyder's historical results is included in note 4.

In the merger, Devon issued 0.22 shares of Devon common stock for each outstanding share of Santa Fe Snyder common stock. This resulted in Devon issuing approximately 40.6 million shares of its common stock to Santa Fe Snyder stockholders.

### 2. PRO FORMA ADJUSTMENTS

The accompanying unaudited pro forma combined balance sheet includes the following adjustments:

(a) To record the payment of \$57.0 million (\$41.0 million net of tax) of estimated business combination costs. These costs include investment banking expenses, severance, legal and accounting fees, printing expenses and other costs directly related to the merger. These one-time merger costs are not reflected in the unaudited pro forma combined statements of operations since they are non-recurring in nature. Devon will expense these costs in the third quarter of 2000.

(b) To record the issuance of 40.6 million shares, par value \$0.10 per share, of Devon common stock in exchange for all 184.2 million shares of Santa Fe Snyder common stock, par value \$0.01 per share, outstanding on June 30, 2000. This is based on the exchange ratio of 0.22 shares of Devon common stock for each share of Santa Fe Snyder common stock.

(c) To retire all 0.2 million shares of Santa Fe Snyder treasury stock outstanding on June 30, 2000.

The unaudited pro forma combined statements of operations include no adjustments to the historical statements of Devon or the restated historical statements of Santa Fe Snyder. The adjustments necessary to restate Santa Fe Snyder's historical statements to conform to Devon's accounting policies are explained in note 4.

### 3. COMMON SHARES OUTSTANDING

Net earnings (loss) per average common share outstanding have been calculated based upon the pro forma weighted average number of shares outstanding for each period presented. To compute the combined company pro forma basic and diluted net earnings (loss) per share, Devon's historical weighted average number of basic and diluted shares outstanding were increased in each period by the historical weighted average number of Santa Fe Snyder basic and diluted common shares outstanding, multiplied by the exchange ratio of 0.22.

### 4. SANTA FE SNYDER HISTORICAL AND RESTATED BALANCES

Devon and Santa Fe Snyder have certain different accounting policies upon which their respective historical results are based. The primary difference is that Devon follows the full cost method of accounting for its oil and gas activities, while Santa Fe Snyder followed the successful efforts method of

**NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION**

**JUNE 30, 2000 AND 1999, AND DECEMBER 31, 1999, 1998 AND 1997 (CONTINUED)**

4. SANTA FE SNYDER HISTORICAL AND RESTATED BALANCES (CONTINUED) accounting. To present the accompanying unaudited pro forma combined financial statements, Santa Fe Snyder's historical results have been restated to conform its accounting policies to those which Devon follows. The following tables present Santa Fe Snyder's balances as presented in its historical financial statements, and the restated balances which are included in the accompanying unaudited pro forma combined financial statements. The tables also include a separate column for various reclassifications to conform Santa Fe Snyder's presentation of certain revenues and expenses to Devon's presentation.

**UNAUDITED RESTATED SANTA FE SNYDER BALANCE SHEET**

JUNE 30, 2000  
(IN THOUSANDS)

	SANTA FE SNYDER HISTORICAL	RESTATEMENT ADJUSTMENTS	SANTA FE SNYDER HISTORICAL RESTATED
	-----	-----	-----
<b>ASSETS:</b>			
Current assets.....	\$ 250,300		\$ 250,300
Oil and gas properties, net.....	1,837,500	\$(327,600) (a)	1,509,900
Other properties, net.....	39,400	(23,600) (a)	15,800
Other assets, net.....	37,100	(6,100) (b)	31,000
	-----	-----	-----
Total assets.....	\$2,164,300	\$(357,300)	\$1,807,000
	=====	=====	=====
<b>LIABILITIES:</b>			
Current liabilities.....	\$ 223,500		\$ 223,500
Deferred revenue.....	151,900	(6,100) (b)	145,800
Other liabilities.....	72,100		72,100
Long-term debt.....	766,800		766,800
Deferred income taxes.....	120,900	(82,400) (a)	38,500
<b>STOCKHOLDERS' EQUITY:</b>			
Common stock.....	1,800		1,800
Additional paid-in capital.....	1,247,400		1,247,400
Accumulated deficit.....	(417,700)	(268,800) (a)	(686,500)
Accumulated other comprehensive earnings (loss).....	3,100		3,100
Treasury stock.....	(2,700)		(2,700)
Unamortized restricted stock awards.....	(2,800)		(2,800)
	-----	-----	-----
Total stockholders' equity.....	829,100	(268,800)	560,300
	-----	-----	-----
Total liabilities and stockholders' equity.....	\$2,164,300	\$(357,300)	\$1,807,000
	=====	=====	=====



**NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION**

**JUNE 30, 2000 AND 1999, AND DECEMBER 31, 1999, 1998 AND 1997 (CONTINUED)**

**4. SANTA FE SNYDER HISTORICAL AND RESTATED BALANCES (CONTINUED) UNAUDITED RESTATED SANTA FE SNYDER STATEMENT OF OPERATIONS SIX MONTHS ENDED JUNE 30, 2000 (IN THOUSANDS, EXCEPT PER SHARE DATA)**

	SANTA FE SNYDER HISTORICAL	RESTATEMENT ADJUSTMENTS	RECLASSIFICATIONS	SANTA FE SNYDER HISTORICAL RESTATED
	-----	-----	-----	-----
REVENUES:				
Oil sales.....	\$246,800			\$246,800
Gas sales.....	185,800			185,800
NGL sales.....	5,200			5,200
Other.....	600		\$ 1,400	2,000
	-----	-----	-----	-----
Total revenues.....	438,400	--	1,400	439,800
	-----	-----	-----	-----
COSTS AND EXPENSES:				
Lease operating expenses.....	83,900		3,300	87,200
Production and other taxes.....	24,400		(6,200)	18,200
Exploration.....	18,100	\$ (18,100) (c)		--
Depreciation, depletion and amortization of property and equipment.....	137,800	(22,000) (e)		115,800
General and administrative expenses.....	14,500	(1,300) (c)	2,900	16,100
Interest expense.....	--		30,000	30,000
Loss (gain) on disposition of assets.....	(200)	200 (d)		--
	-----	-----	-----	-----
Total costs and expenses.....	278,500	(41,200)	30,000	267,300
	-----	-----	-----	-----
Income (loss) from operations.....	159,900	41,200	(28,600)	172,500
Interest income.....	1,400		(1,400)	--
Interest expense.....	(30,500)		30,500	--
Interest capitalized.....	3,300	(2,800) (c)	(500)	--
	-----	-----	-----	-----
Income (loss) before income taxes.....	134,100	38,400	--	172,500
INCOME TAX EXPENSE (BENEFIT):				
Current.....	9,000			9,000
Deferred.....	42,500	14,300 (g)		56,800
	-----	-----	-----	-----
Total income tax expense (benefit).....	51,500	14,300	--	65,800
	-----	-----	-----	-----
Net earnings (loss) applicable to common shareholders.....	\$ 82,600	\$ 24,100	\$ --	\$106,700
	=====	=====	=====	=====
Net earnings (loss) per average common share outstanding--basic and diluted.....	\$ 0.45			\$ 0.58
	=====			=====
Weighted average common shares outstanding:				
Basic.....	182,700			182,700
	=====			=====
Diluted.....	185,700			185,700
	=====			=====

**NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION**

**JUNE 30, 2000 AND 1999, AND DECEMBER 31, 1999, 1998 AND 1997 (CONTINUED)**

**4. SANTA FE SNYDER HISTORICAL AND RESTATED BALANCES (CONTINUED) UNAUDITED RESTATED SANTA FE SNYDER STATEMENT OF OPERATIONS SIX MONTHS ENDED JUNE 30, 1999 (IN THOUSANDS, EXCEPT PER SHARE DATA)**

	SANTA FE SNYDER HISTORICAL	RESTATEMENT ADJUSTMENTS	RECLASSIFICATIONS	SANTA FE SNYDER HISTORICAL RESTATED
	-----	-----	-----	-----
<b>REVENUES:</b>				
Oil sales.....	\$102,700			\$102,700
Gas sales.....	73,300			73,300
NGL sales.....	3,800			3,800
Other.....	700		\$ 700	1,400
	-----	-----	-----	-----
Total revenues.....	180,500	--	700	181,200
	-----	-----	-----	-----
<b>COSTS AND EXPENSES:</b>				
Lease operating expenses.....	59,200		2,100	61,300
Production and other taxes.....	9,600		(3,800)	5,800
Exploration.....	20,600	\$(20,600)(c)		--
Depreciation, depletion and amortization of property and equipment.....	76,000	(25,500)(e)		50,500
Impairment of oil and gas properties.....	196,400	(196,400)(f)		--
General and administrative expenses.....	13,000	(1,100)(c)	1,700	13,600
Expenses related to prior merger.....	16,800			16,800
Interest expense.....	--		16,800	16,800
Loss (gain) on disposition of assets.....	200	(200)(d)		--
Reduction of carrying value of oil and gas properties.....	--	463,800 (f)		463,800
	-----	-----	-----	-----
Total costs and expenses.....	391,800	220,000	16,800	628,600
	-----	-----	-----	-----
Income (loss) from operations.....	(211,300)	(220,000)	(16,100)	(447,400)
Interest income.....	700		(700)	--
Interest expense.....	(17,500)		17,500	--
Interest capitalized.....	2,600	(1,900)(c)	(700)	--
	-----	-----	-----	-----
Income (loss) before income tax expense (benefit) and extraordinary item.....	(225,500)	(221,900)	--	(447,400)
<b>INCOME TAX EXPENSE (BENEFIT):</b>				
Current.....	100			100
Deferred.....	(69,700)	(79,900)(g)		(149,600)
	-----	-----	-----	-----
Total income tax expense (benefit).....	(69,600)	(79,900)	--	(149,500)
	-----	-----	-----	-----
Income (loss) before extraordinary item.....	(155,900)	(142,000)	--	(297,900)
Extraordinary item--debt extinguishment costs..	(4,200)			(4,200)
	-----	-----	-----	-----
Net earnings (loss) applicable to common shareholders.....	\$(160,100)	\$(142,000)	\$ --	\$(302,100)
	=====	=====	=====	=====
<b>Net earnings (loss) per average common share outstanding:</b>				
<b>Basic and diluted:</b>				
Before extraordinary item.....	\$ (1.26)			\$ (2.41)
Extraordinary item.....	(0.03)			(0.03)
	-----			-----
Per common share.....	\$ (1.29)			\$ (2.44)
	=====			=====
<b>Weighted average common shares outstanding:</b>				
Basic.....	123,900			123,900
	=====			=====
Diluted.....	125,300			125,300
	=====			=====

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

JUNE 30, 2000 AND 1999, AND DECEMBER 31, 1999, 1998 AND 1997 (CONTINUED)

4. SANTA FE SNYDER HISTORICAL AND RESTATED BALANCES (CONTINUED)

UNAUDITED RESTATED SANTA FE SNYDER STATEMENT OF OPERATIONS  
YEAR ENDED DECEMBER 31, 1999  
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	SANTA FE SNYDER HISTORICAL	RESTATEMENT ADJUSTMENTS	RECLASSIFICATIONS	SANTA FE SNYDER HISTORICAL RESTATED
<b>REVENUES:</b>				
Oil sales.....	\$ 280,600			\$ 280,600
Gas sales.....	217,300			217,300
NGL sales.....	11,600			11,600
Other.....	800	\$ (300) (c)	\$ 1,100	1,600
Total revenues.....	510,300	(300)	1,100	511,100
<b>COSTS AND EXPENSES:</b>				
Lease operating expenses.....	132,100		4,300	136,400
Production and other taxes.....	26,600		(7,300)	19,300
Exploration.....	54,200	(54,200) (c)		--
Depreciation, depletion and amortization of property and equipment.....	185,800	(33,700) (e)		152,100
Impairment of oil and gas properties.....	196,400	(196,400) (f)		--
General and administrative expenses.....	26,200	(2,400) (c)	3,000	26,800
Expenses related to prior merger.....	16,800			16,800
Interest expense.....	--		42,700	42,700
Reduction of carrying value of oil and gas properties.....	--	476,100 (f)		476,100
Loss (gain) on disposition of assets.....	1,000	(1,000) (d)		--
Total costs and expenses.....	639,100	188,400	42,700	870,200
Income (loss) from operations.....	(128,800)	(188,700)	(41,600)	(359,100)
Interest income.....	1,100		(1,100)	--
Interest expense.....	(43,600)		43,600	--
Interest capitalized.....	6,000	(5,100) (c)	(900)	--
Income (loss) before income tax expense (benefit) and extraordinary item.....	(165,300)	(193,800)	--	(359,100)
<b>INCOME TAX EXPENSE (BENEFIT):</b>				
Current.....	(1,600)			(1,600)
Deferred.....	(43,000)	(70,000) (g)		(113,000)
Total income tax expense (benefit).....	(44,600)	(70,000)	--	(114,600)
Income (loss) before extraordinary item.....	(120,700)	(123,800)	--	(244,500)
Extraordinary item--debt extinguishment costs.....	(4,200)			(4,200)
Net earnings (loss) applicable to common shareholders.....	\$(124,900)	\$(123,800)	\$ --	\$(248,700)
Net earnings (loss) per average common share outstanding:				
Basic and diluted:				
Before extraordinary item.....	\$ (0.79)			\$ (1.60)
Extraordinary item.....	(0.03)			(0.03)
Per common share.....	\$(0.82)			\$(1.63)
Weighted average common shares outstanding:				
Basic.....	152,900			152,900
Diluted.....	155,000			155,000

**NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION**

**JUNE 30, 2000 AND 1999, AND DECEMBER 31, 1999, 1998 AND 1997 (CONTINUED)**

**4. SANTA FE SNYDER HISTORICAL AND RESTATED BALANCES (CONTINUED) UNAUDITED RESTATED SANTA FE SNYDER STATEMENT OF OPERATIONS YEAR ENDED DECEMBER 31, 1998 (IN THOUSANDS, EXCEPT PER SHARE DATA)**

	SANTA FE SNYDER HISTORICAL	RESTATEMENT ADJUSTMENTS	RECLASSIFICATIONS	SANTA FE SNYDER HISTORICAL RESTATED
	-----	-----	-----	-----
REVENUES:				
Oil sales.....	\$163,300			\$ 163,300
Gas sales.....	119,100			119,100
NGL sales.....	8,000			8,000
Other.....	300	\$ (100)(c)	\$ 6,200	6,400
	-----	-----	-----	-----
Total revenues.....	290,700	(100)	6,200	296,800
	-----	-----	-----	-----
COSTS AND EXPENSES:				
Lease operating expenses.....	112,500		3,900	116,400
Production and other taxes.....	16,300		(7,400)	8,900
Exploration.....	71,100	(71,100)(c)		--
Depreciation, depletion and amortization of property and equipment.....	136,100	(16,800)(e)		119,300
Impairment of oil and gas properties.....	87,800	(87,800)(f)		--
General and administrative expenses.....	19,700	(1,300)(c)	3,500	21,900
Interest expense.....	--	--	20,900	20,900
Reduction of carrying value of oil and gas properties.....	--	295,600 (f)		295,600
Loss (gain) on disposition of assets.....	1,500	(1,500)(d)		--
	-----	-----	-----	-----
Total costs and expenses.....	445,000	117,100	20,900	583,000
	-----	-----	-----	-----
Income (loss) from operations.....	(154,300)	(117,200)	(14,700)	(286,200)
Interest income.....	6,200		(6,200)	--
Interest expense.....	(22,000)		22,000	--
Interest capitalized.....	7,200	(6,100)(c)	(1,100)	--
	-----	-----	-----	-----
Income (loss) before income taxes.....	(162,900)	(123,300)	--	(286,200)
INCOME TAX EXPENSE (BENEFIT):				
Current.....	(11,400)			(11,400)
Deferred.....	(52,800)	(25,100)(g)		(77,900)
	-----	-----	-----	-----
Total income tax expense (benefit).....	(64,200)	(25,100)	--	(89,300)
	-----	-----	-----	-----
Net earnings (loss) applicable to common shareholders.....	\$(98,700)	\$ (98,200)	\$ --	\$(196,900)
	=====	=====	=====	=====
Net earnings (loss) per average common share outstanding--basic and diluted.....	\$ (0.96)			\$ (1.92)
	=====			=====
Weighted average common shares outstanding:				
Basic.....	102,600			102,600
	=====			=====
Diluted.....	104,800			104,800
	=====			=====

**NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION**

**JUNE 30, 2000 AND 1999, AND DECEMBER 31, 1999, 1998 AND 1997 (CONTINUED)**

**4. SANTA FE SNYDER HISTORICAL AND RESTATED BALANCES (CONTINUED) UNAUDITED RESTATED SANTA FE SNYDER STATEMENT OF OPERATIONS YEAR ENDED DECEMBER 31, 1997 (IN THOUSANDS, EXCEPT PER SHARE DATA)**

	SANTA FE SNYDER HISTORICAL	RESTATEMENT ADJUSTMENTS	RECLASS- IFICATIONS	SANTA FE SNYDER HISTORICAL RESTATED
	-----	-----	-----	-----
<b>REVENUES:</b>				
Oil sales.....	\$344,800			\$344,800
Gas sales.....	138,100			138,100
NGL sales.....	10,900			10,900
Crude oil purchased.....	20,500		\$ (20,500)	--
Other.....	(200)	\$ (100) (c)	1,000	700
	-----	-----	-----	-----
Total revenues.....	514,100	(100)	(19,500)	494,500
	-----	-----	-----	-----
<b>COSTS AND EXPENSES:</b>				
Lease operating expenses.....	158,900		6,400	165,300
Production and other taxes.....	21,600		(9,800)	11,800
Cost of crude oil purchased.....	22,000		(22,000)	--
Exploration.....	49,100	(49,100) (c)		--
Depreciation, depletion and amortization of property and equipment.....	127,800	(11,600) (e)		116,200
General and administrative expenses.....	28,100	(2,800) (c)	3,400	28,700
Merger related costs.....	--			--
Interest expense.....	--		22,700	22,700
Reduction of carrying value of oil and gas properties....	--	16,200 (f)		16,200
Loss (gain) on disposition of assets.....	(3,600)	3,600 (d)		--
	-----	-----	-----	-----
Total costs and expenses.....	403,900	(43,700)	700	360,900
	-----	-----	-----	-----
Income (loss) from operations.....	110,200	43,600	(20,200)	133,600
Interest income.....	2,500		(2,500)	--
Interest expense.....	(23,800)		23,800	--
Interest capitalized.....	6,700	(5,600) (c)	(1,100)	--
	-----	-----	-----	-----
Income (loss) before income tax expense (benefit) and minority interest.....	95,600	38,000	--	133,600
	-----	-----	-----	-----
<b>INCOME TAX EXPENSE (BENEFIT):</b>				
Current.....	8,900			8,900
Deferred.....	27,300	27,100 (g)		54,400
	-----	-----	-----	-----
Total income tax expense (benefit).....	36,200	27,100	--	63,300
	-----	-----	-----	-----
Income (loss) before minority interest.....	59,400	10,900	--	70,300
Minority interest in Monterey Resources, Inc.....	(4,700)			(4,700)
	-----	-----	-----	-----
Net earnings (loss).....	54,700	10,900	--	65,600
Preferred stock dividends.....	3,600			3,600
Convertible preferred repurchase premium.....	8,400			8,400
	-----	-----	-----	-----
Net earnings (loss) applicable to common shareholders.....	\$ 42,700	\$ 10,900	\$ --	\$ 53,600
	=====	=====	=====	=====
<b>Net earnings (loss) per average common share outstanding:</b>				
Basic.....	\$ 0.43			\$ 0.54
	=====			=====
Diluted.....	\$ 0.43			\$ 0.53
	=====			=====
<b>Weighted average common shares outstanding:</b>				
Basic.....	98,600			98,600
	=====			=====
Diluted.....	100,600			100,600
	=====			=====

## NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

JUNE 30, 2000 AND 1999, AND DECEMBER 31, 1999, 1998 AND 1997 (CONTINUED)

4. SANTA FE SNYDER HISTORICAL AND RESTATED BALANCES (CONTINUED) Following are explanations of the conforming adjustments to restate Santa Fe Snyder's historical balances:

- (a) To record the cumulative effect of adjusting the historical property and equipment, deferred taxes and accumulated deficit balances, prepared using the successful efforts method, to the restated balances using the full cost method followed by Devon.
- (b) To record the cumulative effect of adjusting the historical accounts receivable and deferred revenue prepared using the "entitlements method" of accounting for natural gas imbalances, to the restated balances using the "sales method" followed by Devon. Adjustments to natural gas sales for the periods presented as a result of conforming to the sales method are immaterial and are not included in the unaudited pro forma combined statements of operations.
- (c) To capitalize under the full cost method certain costs that are expensed under the successful efforts method of accounting.
- (d) To capitalize under the full cost method gains or losses from property sales that are recognized under the successful efforts method.
- (e) To adjust the depreciation, depletion and amortization expense recognized under the successful efforts method to the restated expense recognized under the full cost method.
- (f) To adjust oil and gas property impairment expense recognized under the successful efforts method to the restated expense recognized under the full cost method.
- (g) To adjust the historical deferred income tax expense for the effects of adjustments (c) through (f).

### 5. 1999 ACQUISITIONS

On May 5, 1999, Santa Fe Energy Resources, Inc. closed its merger with Snyder Oil Corporation thus forming Santa Fe Snyder. On August 17, 1999, Devon closed its merger with PennzEnergy Company. Both of these transactions were accounted for using the purchase method of accounting. Therefore, the historical statements of operations for Devon and Santa Fe Snyder for the year 1999 do not include any effects from the PennzEnergy and Snyder mergers, respectively, prior to the closing dates noted above. Devon's historical statement of operations for the first six months of 1999 does not include any effects of the PennzEnergy merger since the transaction closed subsequent to June 30, 1999. Santa Fe Snyder's historical statement of operations for the first six months of 1999 includes only two months' effects of the Snyder merger closed in early May, 1999. The Adjustments for Mergers columns include the effects of these two purchases as if the combined company closed the mergers as of January 1, 1999. The information is provided for illustrative purposes only.

### 6. EXTRAORDINARY LOSS

In connection with the retirement of certain debt in the second quarter of 1999, Santa Fe Snyder recorded a \$4.2 million extraordinary loss, net of \$2.3 million of taxes. The extraordinary loss represents the write-off of certain debt issue costs and prepayment penalties pertaining to the retirement of 11% Senior Subordinated Debentures, net of related tax benefits. Pursuant to Securities and Exchange Commission guidelines on presentation of pro forma information, the accompanying unaudited pro forma combined statements of operations for the six months ended June 30, 1999, and for the year ended December 31, 1999, do not include this extraordinary loss.

**Exhibit 23.1**

**CONSENT OF INDEPENDENT ACCOUNTANTS**

We hereby consent to the incorporation by reference in this Devon Energy Corporation Current Report on Form 8-K of our report dated January 28, 2000 relating to the consolidated financial statements of Santa Fe Snyder Corporation which appear in Santa Fe Snyder Corporation's Annual Report on Form 10-K for the year ended December 31, 1999.

*/s/ PRICEWATERHOUSECOOPERS LLP*

*September 12, 2000*

**Exhibit 23.2**

**CONSENT OF RYDER SCOTT COMPANY, L.P.**

We consent to the incorporation by reference in the Current Report on Form 8-K of Devon Energy Corporation of our appraisal report for Santa Fe Snyder Corporation as of the years ended December 31, 1999, 1998 and 1997.

*/s/ RYDER SCOTT COMPANY, L.P.*

*Houston, Texas*

*September 12, 2000*

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