DEVON ENERGY CORP/DE

FORM 8-K
(Current report filing)

Filed 09/19/00 for the Period Ending 09/19/00

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 9/19/2000 For Period Ending 9/19/2000

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): September 19, 2000

DEVON ENERGY CORPORATION

(Exact Name of Registrant as Specified in its Charter)

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

Item 5. Other Events

Revisions to 2000 Estimates

The 1999 annual report on Form 10-K of Devon Energy Corporation ("Devon"), and a Form 8-K filed on January 26, 2000, contained forward-looking information for the year 2000.

On August 29, 1999, Devon closed its merger with Santa Fe Snyder Corporation ("Santa Fe Snyder"). The merger was accounted for using the pooling-of-interests method of accounting for business combinations. Accordingly, Devon's 2000 results of operations will include the effects of the Santa Fe Snyder operations for the entire year. As a result, Devon is revising all of its previous full-year 2000 estimates in this filing. Although the Santa Fe Snyder merger has no effect on Devon's Canadian operations, Devon's prior estimates of its Canadian operating results have also been revised where necessary.

The revised forward-looking statements provided in this discussion are based on management's examination of historical operating trends, the December 31, 1999 reserve reports of independent petroleum engineers, other data in Devon's possession or available from third parties and actual results for the first seven months of 2000. Devon cautions that its future oil, gas and NGLs production, revenues and expenses are subject to all of the risks and uncertainties normally incident to the exploration for and development, production and sale of oil and gas. These risks include, but are not limited to, price volatility, inflation or lack of availability of goods and services, environmental risks, drilling risks, regulatory changes, the uncertainty inherent in estimating future oil and gas production or reserves, and other risks as outlined below. Also, the financial results of Devon's foreign operations are subject to currency exchange rate risks. Additional risks are discussed below in the context of line items most affected by such risks.

Specific Assumptions and Risks Related to Price and Production Estimates Prices for oil, natural gas and NGLs are determined primarily by prevailing market conditions. Market conditions for these products are influenced by regional and world-wide economic growth, weather and other substantially variable factors. These factors are beyond Devon's control and are difficult to predict. In addition to volatility in general, Devon's oil, gas and NGLs prices may vary considerably due to differences between regional markets, transportation availability and demand for different grades of oil, gas and NGLs. Over 97% of Devon's revenues are attributable to sales of these three commodities. Consequently, Devon's financial results and resources are highly influenced by this price volatility.

Estimates for Devon's future production of oil, natural gas and NGLs are based on the assumption that market demand and prices for oil and gas will continue at levels that allow for profitable production of these products. There can be no assurance of such stability. Also, Devon's international production of oil, natural gas and NGLs is governed by payout agreements with the governments of the countries in which Devon operates. If the payout under these agreements is attained earlier than projected, Devon's net production and proved reserves in such areas could be reduced.

The production, transportation and marketing of oil, natural gas and NGLs are complex processes which are subject to disruption due to transportation and processing availability, mechanical failure, human error, meteorological events, including, but not limited to, hurricanes, and numerous other factors. The following forward-looking statements were prepared assuming demand, curtailment, producibility and general market conditions for Devon's oil, natural gas and NGLs during the last five months of 2000 will be substantially similar to those of the first seven months of 2000, unless otherwise noted. Given the general limitations expressed herein, Devon's forward-looking statements for 2000 are set forth below. Unless otherwise noted, all of the following dollar amounts are expressed in U.S. dollars. Those amounts related to Canadian operations have been converted to U.S. dollars using an exchange rate of $0.6793 U.S. dollar to $1.00 Canadian dollar. The actual 2000 exchange rate may vary materially from this estimated rate. Such variations could have a material effect on the following Canadian estimates.

The forward looking data provided below does not include the financial and operating effects of potential property acquisitions or divestitures during the remainder of the year 2000. The timing and ultimate results of such acquisition and divestiture activity is difficult to predict.

Impact of Santa Fe Snyder Merger The Santa Fe Snyder merger was closed on August 29, 2000, and was accounted for using the pooling-of-interests method of accounting. Therefore, the 2000 estimates were prepared as if Devon and Santa Fe Snyder were combined as of the beginning of 2000.

Definitions

Devon's previous estimates of 2000's results included a breakdown of its domestic operations into two divisions: Northern and Southern. With the Santa Fe Snyder merger, Devon changed the components of its domestic operations into three divisions: Rocky Mountain, Permian/Mid-Continent and Gulf.

The following discussion includes references to various abbreviations relating to volumetric production terms and other defined terms. These definitions are as follows:

"Bcf" means billion cubic feet.
"Boe" means equivalent barrels of oil, calculated by converting six Mcf of gas to one barrel of oil.
"MBbls" means thousand barrels.
"MBoe" means thousand Boe.
"MMbbls" means million barrels.

"Mcf" means thousand cubic feet.
"MMcf" means million cubic feet.

"NGLs" means natural gas liquids.

"Oil" includes crude oil and condensate.
"Gulf Division" means the division of the company operating oil and gas properties located primarily in the onshore South Texas and South Louisiana areas and offshore in the Gulf of Mexico.
"Rocky Mountain Division" means the division of the company operating oil and gas properties located in the Rocky Mountains area of the United States stretching from the Canadian border south into northern New Mexico.
"Permian/Mid-Continent Division" means the division of the company operating all properties located in the United States other than those operated by the Gulf Division and Rocky Mountain Division.
"Canada" means all of the company's oil and gas properties that lie in Canada.
"International" means all of the company's oil and gas properties that lie outside the United States and Canada.

Revised Estimates

The following are Devon's estimates of its 2000 results as revised for the impact of the Santa Fe Snyder merger and other factors.

Year 2000 Potential Operating Items

Oil Production Devon expects its oil production in 2000 to total between 41.7 million barrels and 43.8 million barrels. Rocky Mountain Division production is expected to be between 2.9 million barrels and 3.0 million barrels, Permian/Mid-Continent Division production is expected to be between 13.8 million barrels and 14.5 million barrels, Gulf Division production is expected to be between 11.3 million barrels and 11.9 million barrels, Canadian production is expected to be between 4.7 million barrels and 4.9 million barrels, and International production is expected to be between 9.0 million barrels and 9.5 million barrels.

Oil Prices - Fixed Through certain forward oil sales Devon has fixed the price it will receive in 2000 on a portion of its oil production. Devon has executed forward oil sales attributable to the Permian/Mid-Continent Division for 3.6 million barrels at an average price of $16.80 per barrel. Santa Fe Snyder entered into these forward oil sales agreements in late 1999 and early 2000, and used the proceeds to acquire interests in producing properties in the Gulf of Mexico.

Oil Prices - Floating For the oil production for which prices have not been fixed, Devon's Rocky Mountain Division production is expected to average from $1.25 to $2.15 above West Texas Intermediate posted prices ("WTI"), Permian/Mid-Continent Division production is expected to average from $1.15 to $2.05 more than WTI, and Gulf Division production is expected to average from $0.30 to $1.20 more than WTI.

Devon expects to receive a price from $2.40 to $3.30 below WTI for its Canadian production. This expected range includes an estimated $0.41 per barrel decrease resulting from foreign currency hedges. These hedges, in which Devon will sell $30 million in 2000 at an average Canadian-to-U.S. exchange rate of $0.726 and buy the same amount of dollars at the floating exchange rate, offset a portion of the exposure to currency fluctuations on those Canadian oil sales that are based on U.S. prices. The $0.41 per barrel decrease is based on the assumption that the average Canadian-to-U.S. conversion rate for the year 2000 is $0.6793.

Devon expects to receive a price from $1.10 to $2.00 below WTI for its International production in 2000.

Gas Production Devon expects its 2000 gas production to total between 416 Bcf and 439 Bcf. It is expected that Rocky Mountain Division production will be between 88 Bcf and 93 Bcf, Permian/Mid-Continent Division production will be between 114 Bcf and 120 Bcf and Gulf Division production will be between 146 Bcf and 154 Bcf. Canadian production is expected to be between 60 Bcf and 63 Bcf and International production is expected to be between 8 Bcf and 9 Bcf.

Gas Prices - Fixed Through various fixed price contracts or hedging instruments, Devon has fixed the price it will receive in 2000 on a portion of its natural gas production. The Rocky Mountain Division has fixed volumes of
9.5 Bcf at $1.97 per Mcf and the Permian/Mid-Continent Division has fixed volumes of 0.7 Bcf at $4.40 per Mcf. Canada has fixed volumes of 24.1 Bcf at $1.42 per Mcf.

Gas Prices - Floating For the gas production for which prices have not been fixed, Devon's Rocky Mountain Division production is expected to average from $0.55 to $0.15 less than Texas Gulf Coast spot averages ("TGC"), Permian/Mid-Continent Division production is expected to average from $0.20 less than TGC to $0.20 more than TGC, Gulf Division production is expected to average from $0.10 less than TGC to $0.30 more than TGC, Canadian production is expected to average from $0.40 to $0.90 less than the New York Mercantile Exchange price ("NYMEX") and International production is expected to average from $1.80 to $2.30 less than TGC.

NGLs Production Devon expects its 2000 production of NGLs to total between 6.8 million barrels and 7.2 million barrels. Rocky Mountain Division production is expected to be 0.7 million barrels, Permian/Mid-Continent Division production is expected to be between 3.9 million barrels and 4.1 million barrels, Gulf Division production is expected to be between 1.6 million barrels and 1.8 million barrels and Canadian production is expected to be 0.6 million barrels. No significant NGLs production is expected in 2000 from Devon's International properties.

Financial Instruments Devon has entered into a number of financial instruments related to its 2000 oil and gas production other than those that fixed the prices to be received from specific geographic areas of production as previously discussed. These instruments are primarily NYMEX-based price collars as summarized in the following table.

Period	Oil Collars Weighted Average Floor Price	Weighted Average Ceiling Price	Daily Volume (MBbls)	Quarterly Volume (MBbls)	Gas Collars Weighted Average Floor Price	Weighted Average Ceiling Price	Daily Volume (MMcf)	Quarterly Volume (Bcf)
1st Quarter 2000	$21.20	$25.01	19.9	1,815	N/A	N/A	N/A	N/A
2nd Quarter 2000	$20.36	$24.95	21.6	1,970	$2.84	$3.12	33.5	3.1
3rd Quarter 2000	$20.16	$24.89	16.6	1,530	$2.84	$3.12	50.0	4.6
4th Quarter 2000	$20.16	$24.89	16.6	1,530	$2.84	$3.12	16.8	1.5
Total year	$20.49	$24.94	18.7	6,845	$2.84	$3.12	25.1	9.2

Additionally, Devon has entered into a basis swap on 7.3 Bcf of 2000 gas production. Under the terms of the basis swap, the counterparty pays Devon the average NYMEX price for the last three trading days of each month, less $0.30 per Mcf. In return, Devon pays the counterparty the Colorado Interstate Gas Co. ("CIG") index price published in "Inside FERC".

Other Revenues Devon's other revenues in 2000 are expected to be between $55 million and $59 million. Approximately $20.7 million of 2000's expected other revenues is from third party gas processing and $18.5 million of 2000's expected other revenues is from dividends on Devon's investment of 7.1 million shares of Chevron Corporation common stock.

Production and Operating Expenses Devon's production and operating expenses vary in response to several factors. Among the most significant of these factors are additions to or deletions from Devon's property base, changes in production taxes, general changes in the prices of services and materials that are used in the operation of the properties and the amount of repair and workover activity required.

Oil, gas and NGLs prices will have a direct effect on production taxes to be incurred in 2000. Future prices also could have an effect on whether proposed workover projects are economically feasible. These factors, coupled with the uncertainty of future oil, gas and NGLs prices, increase the uncertainty inherent in estimating future production and operating costs. Given these uncertainties, Devon estimates that year 2000 total production and operating costs will be between $522 million and $550 million.

Depreciation, Depletion and Amortization ("DD&A") The 2000 oil and gas property DD&A rate will depend on various factors. Most notable among such factors are the amount of proved reserves that will be added from drilling or acquisition efforts in 2000 compared to the costs incurred for such efforts, and the revisions to Devon's year-end 1999 reserve estimates that, based on prior experience, are likely to be made during 2000.

On average for 2000, Devon expects its consolidated oil and gas property DD&A rate will be between $5.35 per Boe and $5.65 per Boe. This range of full- year DD&A rates should result in oil and gas property related DD&A expense for 2000 of between $644 million and $679 million.

In addition to its oil and gas property DD&A expense, Devon also expects to record goodwill amortization in 2000 of between $40 million and $42 million. The goodwill was recorded in connection with the 1999 PennzEnergy merger. Additionally, Devon expects its 2000 DD&A expense related to non-oil and gas property fixed assets to total between $27 million and $29 million.

General and Administrative Expenses ("G&A") Devon's G&A includes the costs of many different goods and services used in support of its business. These goods and services are subject to general price level increases or decreases. In addition, Devon's G&A varies with its level of activity and the related staffing needs as well as with the amount of professional services required during any given period. Should Devon's needs or the prices of the required goods and services differ significantly from current expectations, actual G&A could vary materially from the estimate. Given these limitations, consolidated G&A in 2000 is expected to be between $90 million and $95 million.

Interest Expense Future interest rates and oil, natural gas and NGLs prices have a significant effect on Devon's interest expense. Approximately $1.8 billion of Devon's August 31, 2000, long-term debt balance of $2.1 billion bears interest at fixed rates. Such fixed rates remove the uncertainty of future interest rates from some, but not all, of Devon's long-term debt. Also, Devon can only marginally influence the prices it will receive in 2000 from sales of oil, gas and NGLs and the resulting cash flow. These factors increase the margin of error inherent in estimating future interest expense. Other factors which affect interest expense, such as the amount and timing of capital expenditures, are within Devon's control. Given the uncertainty of future interest rates and commodity prices, Devon estimates that the consolidated interest expense in 2000 will be between $155 million and $162 million.

Deferred Effect of Changes in Foreign Currency Exchange Rate on Subsidiary's Long-term Debt Northstar's $225 million of U.S. dollar denominated debt that gave rise to this item was retired in January, 2000. Prior to the debt retirement, Devon incurred $2.4 million of charges for the effect of the change in the Canadian-to-U.S. dollar exchange rate on the debt.

Reduction of Carrying Value of Oil and Gas Properties As of August 31, 2000, Devon does not expect to record a reduction in 2000 of its carrying value of oil and gas properties under the full-cost accounting ceiling test. The Santa Fe Snyder merger has resulted in additional full-cost pools which are required to be maintained separately for each country. At this time the ceiling for each full-cost pool exceeds Devon's carrying value of oil and gas properties, less deferred income taxes. However, such excess could be eliminated by declines in oil and/or gas prices between now and the end of any quarter during 2000 or in subsequent periods.

Merger Costs Devon expects to incur $50 million to $60 million of costs related to its recently completed merger with Santa Fe Snyder. These costs will be expensed in the third quarter of 2000. These costs consist of a variety of items including, but not limited to, investment banking expenses, severance and other personnel costs, legal and accounting fees, printing expenses and other related charges.

Income Taxes Devon expects its consolidated financial income tax rate in 2000 to be between 35% and 45%. The current income tax rate is expected to be between 15% and 25%. The deferred income tax rate is also expected to be between 15% and 25%. There are certain items that will have a fixed impact on 2000's income tax expense regardless of the level of pre-tax earnings that are produced. These items include Section 29 tax credits in the U.S., which reduce income taxes based on production levels of certain properties and are not necessarily affected by pre-tax financial earnings. The amount of Section 29 tax credits expected to be used to offset financial income tax expense in 2000 is approximately $8 million. Also, Devon's Canadian subsidiaries are subject to Canada's "large corporation tax" of approximately $2 million which is based on total capitalization levels, not pre-tax earnings. The financial income tax in 2000 will also be increased by approximately $18 million due to the financial amortization of certain costs, such as goodwill amortization, that are not deductible for income tax purposes. Significant changes in estimated production levels of oil, gas and NGLs, the prices of such products, or any of the various expense items could materially alter the effect of the aforementioned items on 2000's financial income tax rates.

Property Acquisitions and Divestitures Though Devon has completed several major property acquisitions in recent years, these transactions are opportunity driven. Thus, Devon does not "budget," nor can it reasonably predict, the timing or size of such possible acquisitions, if any.

During 2000, Devon contemplates the disposition of certain oil and gas properties (the "Disposition Properties"). The Disposition Properties are predominantly properties that are either outside of Devon's core-operating areas or otherwise do not fit Devon's current strategic objectives. Most, but not all, such properties were acquired in the August 1999, merger with PennzEnergy. The Disposition Properties are located in the U.S. and International areas. One of the Disposition Properties referred to in the Form 8-K filed on January 26, 2000, was Sacroc, which was sold effective June 30, 2000. The effects of this disposition have been reflected in the revised estimates. At this time, Devon is in varying stages of the disposition process on the remaining Disposition Properties, and it is impossible to identify when, or if, such dispositions will occur.

The estimates of Devon's 2000 results set forth above include the full-year results from the Disposition Properties other than Sacroc without any effect given to their potential disposition. The actual effect the dispositions will have on Devon's overall estimates will depend upon the timing of the dispositions.

Capital Sources, Uses and Liquidity

Capital Expenditures Though Devon has completed several major property acquisitions in recent years, these transactions are opportunity driven. Thus, Devon does not "budget", nor can it reasonably predict, the timing or size of such possible acquisitions, if any. Through the date of this report, Devon and Santa Fe Snyder, on a pooled basis, spent $240 million on the acquisition of proved properties. Neither the $240 million spent to date nor any additional amount for potential future acquisitions of proved properties are included in the following capital expenditure estimate for 2000.

Devon's capital expenditures budget is based on an expected range of future oil, natural gas and NGLs prices as well as the expected costs of the capital additions. Should Devon's price expectations for its future production change significantly, some projects may be accelerated or deferred and, consequently, may increase or decrease total 2000 capital expenditures. In addition, if the actual costs of the budgeted items vary significantly from the anticipated amounts, actual capital expenditures could vary materially from Devon's estimates.

Given the limitations discussed, the company expects its 2000 capital expenditures for drilling and development efforts plus related facilities to total between $885 million and $985 million. These amounts include between $390 million and $430 million for drilling and facilities costs related to reserves classified as proved as of year-end 1999. In addition, these amounts include between $315 million and $355 million for other low risk/reward projects and between $180 million and $200 million for new, higher risk/reward projects. The following table shows expected drilling and facilities expenditures by major operating division.

Drilling and Production Facilities Expenditures (millions)

	Rocky Mountain Division	Permian/ Mid-Continent Division	Gulf Division	Canada	Other International
Related to Proved Reserves	$ 35-$45	$ 50-$60	$195-$215	$ 5-$10	$ 90-$110
Lower Risk/Reward Projects	$ 75-$85	$110-$130	$ 35-$40	$ 75-$85	$ 15-$25
Higher Risk/Reward Projects	$ 5-$10	$ 10-$15	$ 65-$75	$ 25-$35	$ 60-$70
Total	$115-$140	$170-$205	$295-$330	$105-$130	$165-$205

In addition to the above expenditures for drilling and development, Devon is participating through a joint venture in the construction of gas transportation and processing systems in the Powder River Basin of Wyoming. Devon expects to spend from $24 million to $28 million as its share of the project in 2000. Devon also expects to capitalize between $55 million and $65 million of G&A expenses in accordance with the full cost method of accounting.

Other Cash Uses Devon's management expects the policy of paying a quarterly dividend to continue. With the current $0.05 per share quarterly dividend rate and 128 million shares of common stock outstanding, 2000 dividends are expected to approximate $22 million. This estimate takes into account the fact that Santa Fe Snyder did not pay a common stock dividend on its shares outstanding prior to the merger with Devon.

Capital Resources and Liquidity Devon's estimated 2000 cash uses, including its drilling and development activities, are expected to be funded primarily through a combination of working capital and operating cash flow, with the remainder, if any, funded with borrowings from Devon's credit facilities. The amount of operating cash flow to be generated during 2000 is uncertain due to the factors affecting revenues and expenses as previously cited. However, Devon expects its combined capital resources to be more than adequate to fund its anticipated capital expenditures and other cash uses for 2000. As of August 31, 2000, Devon had $637 million available under its $1 billion credit facilities. If significant acquisitions or other unplanned capital requirements arise during the year, Devon could utilize its existing credit facilities and/or seek to establish and utilize other sources of financing.

Unaudited Pro Forma Combined Financial Information The following unaudited pro forma combined financial information for the first two quarters of 2000 was prepared based on the historical financial statements of Devon and Santa Fe Snyder. Santa Fe Snyder's historical financial results, which were prepared using the successful efforts method of accounting, have been restated to the full cost method of accounting for oil and gas activities followed by Devon. Consistent with the forward-looking estimates provided earlier in this report, data for production and average prices is provided separately by division, while all other data is provided at a consolidated level only. Also, the realized financial effect on oil and gas revenues for the first two quarters of 2000 from the price collars and the CIG basis swap described earlier under the heading "Financial Instruments" have been allocated to the oil and gas revenues of each domestic division based on each division's pro rata share of total domestic oil and gas production.

	Rocky Mountain Division	Permian/ Mid-Continent Division	Gulf Division	Canada	International	Total
Production						
Oil (MBbls)	731	3,807	3,026	1,202	2,149	10,915
Gas (MMcf)	20,697	28,826	35,683	16,378	2,185	103,769
NGL (MBbls)	202	1,087	471	174	--	1,934
Oil, Gas and NGL (MBoe)	4,383	9,698	9,444	4,106	2,513	30,144
Average Prices						
Oil (per Bbl)	25.02	24.34	25.64	23.73	23.68	24.55
Gas (per Mcf)	2.17	2.39	2.44	1.80	1.20	2.25
NGL (per Bbl)	17.39	16.75	23.98	25.11	--	19.32
Oil, Gas and NGL (per Boe)	15.22	18.54	18.62	15.20	21.30	17.86
Revenues						
Oil	18,293	92,701	77,582	28,518	50,850	267,944
Gas	44,888	68,962	87,060	29,522	2,600	233,032
NGL	3,511	18,199	11,291	4,369	--	37,370
Combined	66,692	179,862	175,933	62,409	53,450	538,346
Other revenues						12,065
Total revenues						550,411
Costs and expenses						
Lease operating expenses						109,393
Production taxes						18,520
Depreciation, depletion and amortization of property and equipment						165,252
Amortization of goodwill						10,332
General and administrative expenses						24,850
Interest expense						40,076
Deferred effect of changes in foreign currency exchange rate on subsidiary's long-term debt						2,408
Total costs and expenses						370,831
Earnings before income tax expense						179,580
Income tax expense						
Current						36,147
Deferred						38,246
Total income tax expense						74,393
Net earnings						105,187
Preferred stock dividends						2,434
Net earnings applicable to common shareholders						102,753
Net earnings per common share						
Basic						$ 0.81
Diluted						$ 0.80
Weighted average common shares Outstanding:						
Basic						126,336
Diluted						127,667

	Rocky Mountain Division	Permian/ Mid-Continent Division	Gulf Division	Canada	International	Total
Production						
Oil (MBbls)	736	3,870	3,003	1,162	2,408	11,179
Gas (MMcf)	20,424	29,113	38,084	16,408	2,172	106,201
NGL (MBbls)	141	1,040	409	168	4	1,762
Oil, Gas and NGL (MBoe)	4,281	9,762	9,759	4,065	2,774	30,641
Average Prices						
Oil (per Bbl)	25.05	23.97	25.14	23.02	24.59	24.39
Gas (per Mcf)	2.69	3.38	3.36	2.10	1.36	3.00
NGL (per Bbl)	17.24	18.22	19.36	24.78	18.99	19.03
Oil, Gas and NGL (per Boe)	17.72	21.54	21.67	16.09	22.44	20.41
Revenues						
Oil	18,441	92,755	75,466	26,746	59,241	272,649
Gas	54,962	98,498	128,083	34,511	3,000	319,054
NGL	2,429	18,927	7,914	4,163	100	33,533
Combined	75,832	210,180	211,463	65,420	62,341	625,236
Other revenues						12,707
Total revenues						637,943
Costs and expenses						
Lease operating expenses						114,494
Production taxes						21,470
Depreciation, depletion and Amortization of property and equipment						172,251
Amortization of goodwill						10,361
General and administrative expenses						24,023
Interest expense						40,875
Deferred effect of changes in foreign currency exchange rate on subsidiary's long-term debt						--
Total costs and expenses						383,474
Earnings before income tax expense						254,469
Income tax expense						
Current						36,358
Deferred						64,777
Total income tax expense						101,135
Net earnings						153,334
Preferred stock dividends						2,434
Net earnings applicable to common Shareholders						150,900
Net earnings per common share						
Basic						$ 1.19
Diluted						$ 1.17
Weighted average common shares outstanding:						
Basic						126,994
Diluted						129,455

SIGNATURES

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

DEVON ENERGY CORPORATION

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

Date: September 19, 2000