

Q3 2015 OPERATIONS REPORT

November 3, 2015

NYSE: **DVN**
devonenergy.com



IR Contacts

Email:

investor.relations@dv.com

Howard J. Thill

Senior Vice President, Communications and Investor Relations
405-552-3693

Scott Coody

Director, Investor Relations
405-552-4735

Shea Snyder

Director, Investor Communications
405-552-4782

Table of Contents

Key Takeaways	2
Results Overview & Outlook	3
Operating Areas:	
Delaware Basin	6
Eagle Ford	10
Heavy Oil	13
Anadarko Basin	16
Barnett Shale	19
Rockies Oil	21

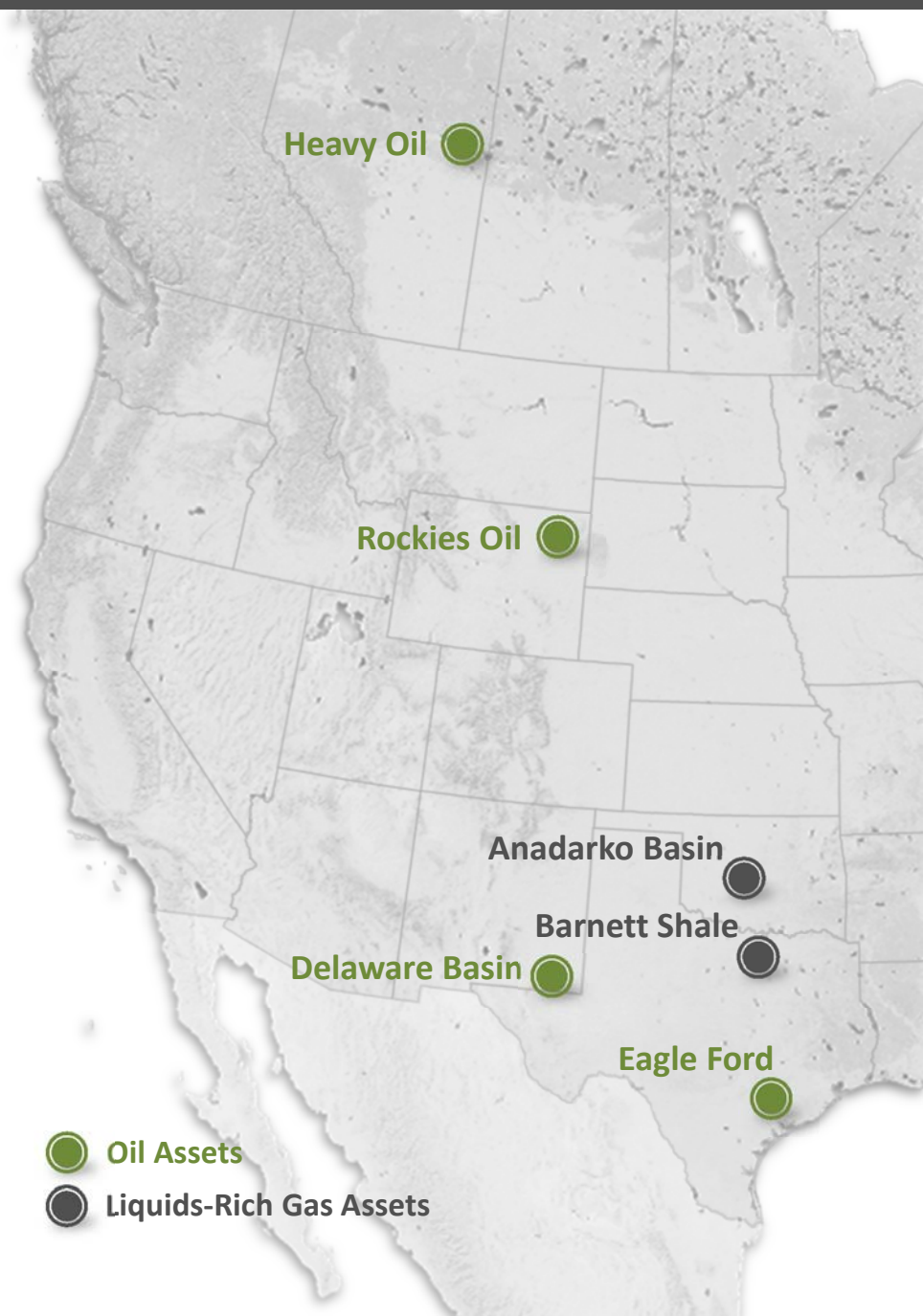
KEY TAKEAWAYS

HIGHLIGHTS

- › Produced company record 282,000 barrels of oil per day
- › Exceeded oil production guidance for fifth consecutive quarter
- › Raised oil production growth for the second time in 2015
- › Reduced lease operating expenses 14 percent year over year
- › Decreased G&A cost by 8 percent from second quarter
- › Improved 2015 operating and capital cost outlook

HIGHLIGHTS BY OPERATING AREA

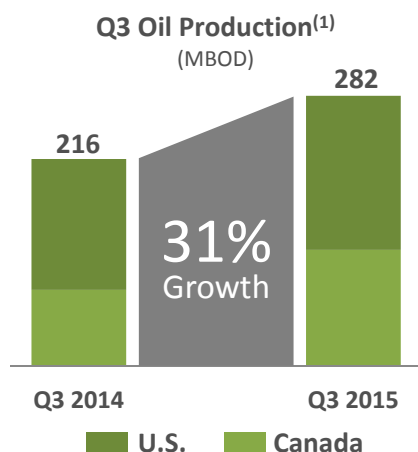
- › **Delaware Basin:** Bone Spring type curve raised
- › **Delaware Basin:** Industry-leading Leonard well brought online
- › **Delaware Basin:** Resource potential expands
- › **Eagle Ford:** Record-setting wells drive production outperformance
- › **Eagle Ford:** Undrilled inventory expands
- › **Heavy Oil:** Jackfish 3 reaches nameplate ahead of schedule
- › **Anadarko Basin:** Meramec delineation work expands inventory
- › **Barnett Shale:** Horizontal refrac testing underway
- › **Rockies Oil:** Delivering strong production growth and lower unit costs



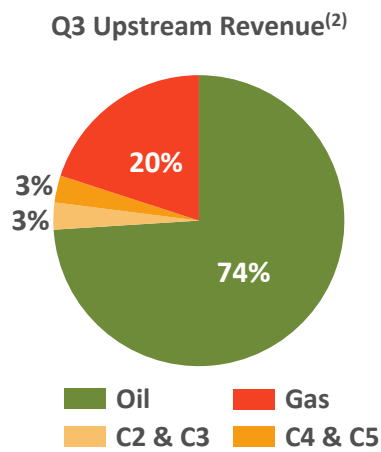
RESULTS OVERVIEW & OUTLOOK

Record Oil Production Exceeds Guidance for 5th Consecutive Quarter

- Oil production averaged a record 282,000 barrels per day in the third quarter of 2015. This represents a 31% increase compared to the third quarter of 2014 (chart below), **exceeding the top end of guidance** by 2,000 barrels per day.
- The company has now **exceeded oil production guidance for 5 consecutive quarters**, with the Q3 outperformance driven by strong performance from the Eagle Ford and Jackfish complex.



(1) Excludes non-core divested assets.



(2) Includes hedging cash settlements.

- Overall, net production averaged 680,000 Boe per day during the third quarter of 2015, a 6% increase compared to the third quarter of 2014. Excellent execution across the portfolio drove top-line production **to exceed the upper end of the company's guidance range** by 4,000 Boe per day.
- With strong growth in high-margin production, oil is now the company's largest product and accounts for 74% of total upstream revenue. Notably, ethane and propane account for only 3% of revenue (chart above).

Cost Reduction Initiatives Drive Strong Q3 Results

- Devon has several cost reduction initiatives underway that positively impacted third-quarter results.

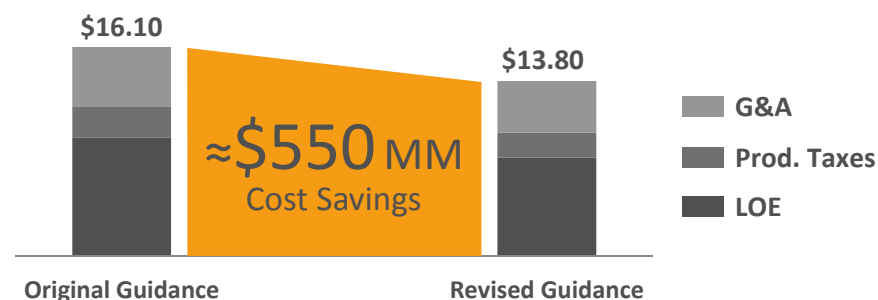
TOTAL COMPANY Q3 STATS

	Q3 2015	Q3 2014*
Production:		
Oil (MBOD)	282	216
NGL (MBLD)	134	138
Gas (MMCFD)	1,586	1,716
MBOED	680	640
E&P Capital (in millions):	\$834	
Operated Rigs (at 9/30/15):	18	

* Excludes non-core divested assets.

- The company's largest cash cost, lease operating expenses, declined 14% year over year to \$8.14 per Boe. This result was **11% below the second quarter of 2015**, saving more than \$60 million in Q3.
- Devon also reduced G&A costs during Q3. G&A totaled \$3.17 per Boe, an 8% decline quarter over quarter. This strong cost result was **7% below the low end of company guidance**.
- Devon now expects field-level operating costs and G&A to decline to \$13.80 per Boe in 2015, a \$150 million decrease compared to previous guidance. Compared to the company's original guidance in February, this implies a full-year cash cost savings of around \$550 million (chart below).

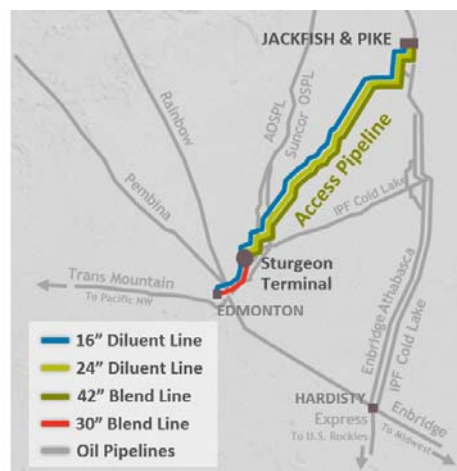
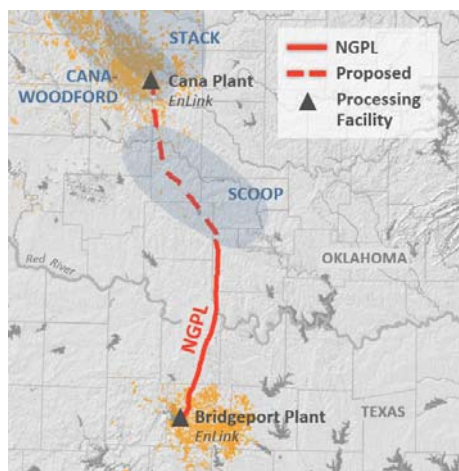
2015e Field-Level Operating Costs and G&A (Using Midpoints, \$/BOE)



RESULTS OVERVIEW & OUTLOOK

The EnLink Advantage: Steady Profits, Growing Distributions & Dropdowns

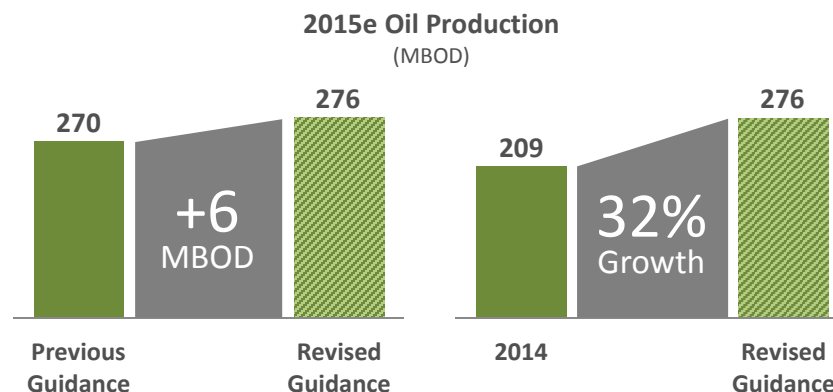
- The company's midstream business delivered another quarter of solid results, generating \$212 million of operating profit. Driven by EnLink Midstream, operating profit remains on pace to exceed \$800 million for the full-year 2015.
- Devon has a 70% ownership in the general partner (ENLC) and a 29% interest in the limited partner (ENLK). In aggregate, the company's ownership in EnLink is expected to **generate cash distributions of roughly \$270 million** in 2015. Devon expects distributions to grow in the future.
- Devon also has significant midstream dropdown optionality which includes Access Pipeline in Canada and its pending acquisition of the NGPL gas pipeline (maps below).



- These strategically located pipelines are potential candidates for dropdown into EnLink Midstream, **beginning with an Access Pipeline transaction as early as the first half of 2016.**
- The company has received regulatory approval and expects to close the NGPL transaction in early 2016, with potential dropdown timing under evaluation.

Raising Oil Production Guidance For 2nd Time In 2015

- Based on strong year-to-date results, Devon has **raised its full-year oil production outlook for the second time this year.** The company now expects the midpoint of its 2015 oil production guidance to increase by 2% from previous guidance to 276,000 barrels per day.
- **Total oil production growth in 2015 is now expected to range from 31% to 33%,** an increase of 6,000 barrels per day compared to previous guidance (charts below).



- This improved outlook is driven by the strong operational performance across Devon's asset portfolio. The company's strategy of operating in North America's best resource plays coupled with a focus on delivering best-in-class execution is delivering excellent results.

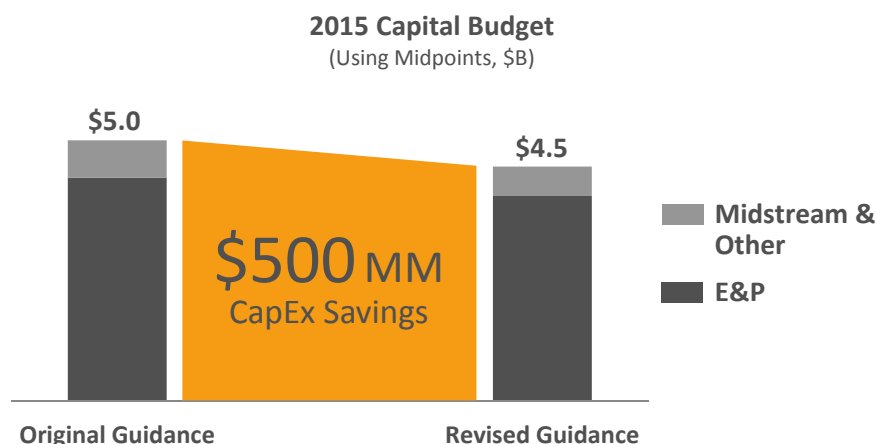
REVISED 2015 PRODUCTION

	2014 ACTUAL	2015 REVISED GUIDANCE	YOY GROWTH (Using Midpoint)
Oil (MBOD)	209	276	32% ↑
NGL (MBLD)	132	135	2%
Gas (MMCFD)	1,685	1,602	(5%)
MBOED	622	678	9% ↑

RESULTS OVERVIEW & OUTLOOK

Additional Capital Savings Achieved

- › In addition to higher production volumes, the company is also benefiting from lower capital spending.
- › Devon's 2015 E&P capital program is now expected to range from \$3.8 to \$4.0 billion, a \$100 million decrease compared to previous guidance. Combined with additional non-E&P capital savings, the company is now **reducing its total 2015 capital requirements by \$150 million compared to last quarter's guidance**.
- › As a result of these additional capital savings, Devon has now **reduced its 2015 capital spending guidance by \$500 million** compared to its original capital guidance in February (chart below).



Note: Excludes acquisition capital.

- › Assuming current pricing, Devon expects it could generate low single-digit oil production growth in 2016, with E&P capital spending of \$2.0 - \$2.5 billion. Other non-E&P capital requirements and dividends are expected to total around \$1 billion in 2016.
- › Importantly, should commodity price volatility continue, the company's capital programs have significant flexibility due to minimal exposure to long-term service contracts, no long-cycle project commitments and negligible leasehold expiration issues.
- › The company is still working through its budgeting process and will provide detailed production and capital guidance in its fourth-quarter earnings release in February.

Balance Sheet and Liquidity Remain Strong

- › Devon's financial position remains exceptionally **strong with investment-grade credit ratings** and **excellent liquidity**.
- › Devon had cash balances of \$1.8 billion at quarter end, and has no borrowings under its \$3.0 billion Senior Credit Facility. The company exited the quarter with net debt, excluding non-recourse EnLink obligations, totaling just over \$7 billion.

Preliminary 2016 Outlook

- › With current industry conditions, the company is focused on preserving operational momentum in 2016 by concentrating activity in areas providing the highest returns while **balancing capital investment with total cash inflows**.
- › Expected cash inflows in 2016 will consist of operating cash flow, distributions received from EnLink and potential sale proceeds from Access Pipeline.

DELAWARE BASIN

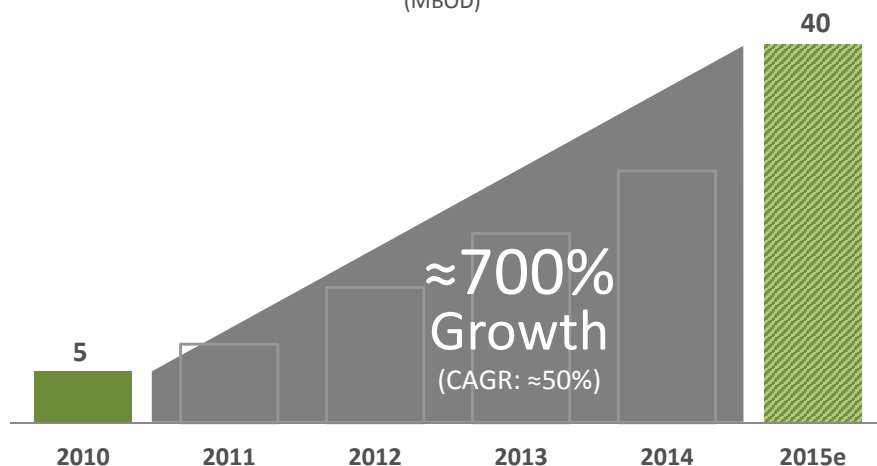


- Net production averaged 61,000 Boe per day, a 32% increase compared to Q3 of 2014. Light oil reached nearly 70% of total Delaware Basin production.
- The company also made significant progress lowering operating costs in the third quarter. **LOE declined by 15%** on a sequential quarter basis to \$12.62 per Boe. Improved water handling infrastructure and lower fuel costs drove the operating cost decline. Devon expects additional costs savings in the future.

Track Record of Growth

- Delaware Basin oil production in 2015 remains on track to once again deliver full-year growth of approximately 50%. Since 2010, this prolific asset has increased oil production by roughly 700% or about 50% compounded annually.

Delaware Basin Oil Production Growth
(MBOD)



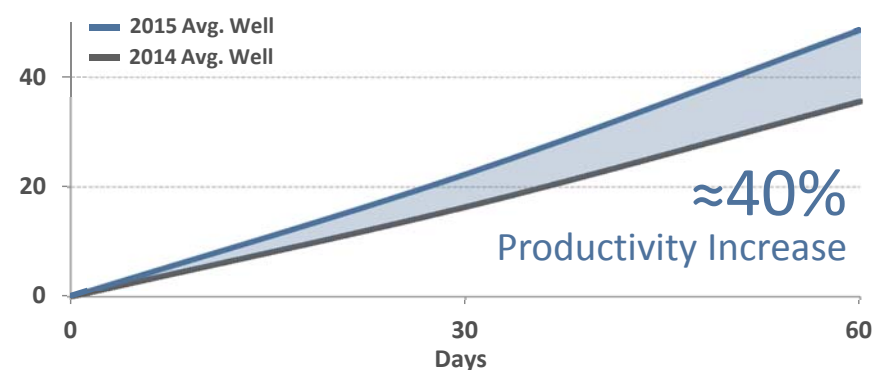
DELAWARE BASIN Q3 STATS

	Q3 2015	Q3 2014
Production:		
Oil (MBOD)	41	27
NGL (MBLD)	8	7
Gas (MMCFD)	70	68
MBOED	61	46
E&P Capital (in millions):	\$293	
Operated Rigs (at 9/30/15):	10	

Growth Driven By Well Productivity

- The Delaware Basin production growth has been driven by outstanding well performance across the Bone Spring play that has consistently delivered improving results over time.

60-Day Average Cumulative Production – Bone Spring
(MBOE)



DELAWARE BASIN



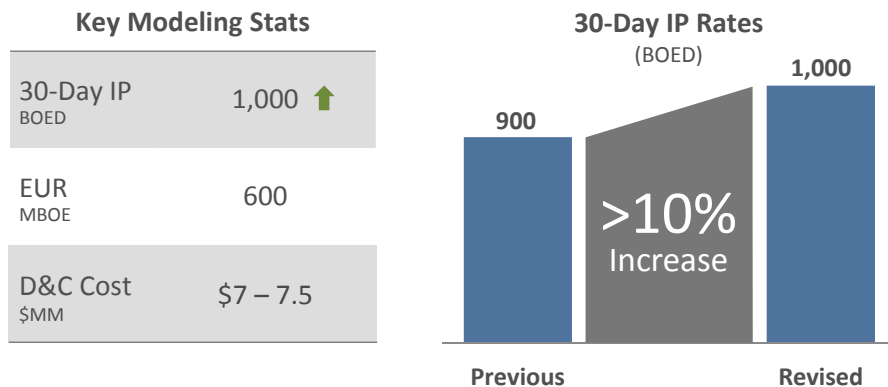
Growth Driven By Well Productivity (continued)

- For Bone Spring wells brought online in 2015, average cumulative production per well over the first 60 days has increased approximately 40% compared to 2014 (chart previous page).
- The key factors driving this positive rate of change are an enhanced completion design and a greater focus on development drilling.

Q3 Bone Spring Wells Outperform; Raising Type Curve

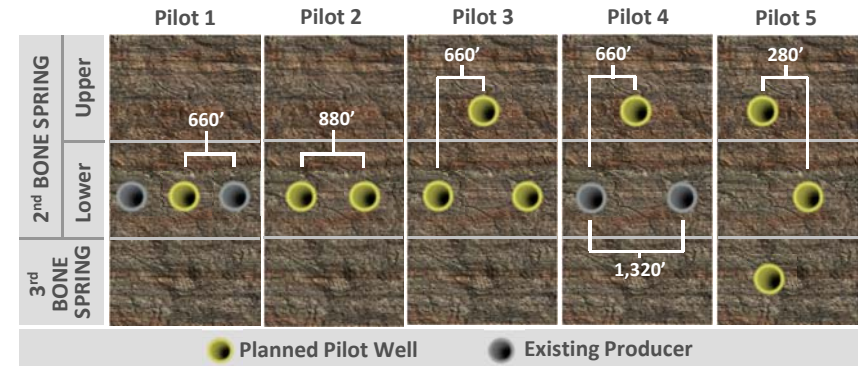
- The majority of drilling activity in Q3 (10 operated rigs at 9/30) was centered on the company's Bone Spring basin development in Southeast New Mexico, which is delivering some of the best returns in the company's portfolio.
- The company brought online 12 new Bone Spring basin wells during the quarter. Initial production from these wells averaged peak 30-day rates of approximately 1,200 Boe per day.
- With consistently strong results from the 2nd Bone Spring interval, the company is **raising Bone Spring basin type curve expectations** for its 2015 program. IP's for wells brought online in Q4 are now expected to be more than 10% higher than the previous estimate (table/chart below).

Bone Spring Basin Type Well



Bone Spring Downspacing Update

- To optimize future development plans and expand risked inventory, Devon is conducting a number of Bone Spring downspacing pilots and staggered lateral infill tests in Eddy and Lea counties (graphic below).



- As a reminder, the 2nd Bone Spring interval is most prospective for tighter well spacing due to the over pressured reservoir and average gross pay of 500', providing opportunity for multiple landing zones.
- Through September, the company had drilled 19 of its planned 23 pilot wells, with 8 of these tests tied into production. All pilot wells are expected to be drilled and flowing by early 2016.
- While early, **initial flow back results from the pilot wells have been positive, trending in line with expectations**. The company will continue to collect and analyze data from these pilots into 2016. With commercial success, the company's risked Bone Spring inventory has the potential to increase.

Leonard Shale Program Delivering Excellent Results

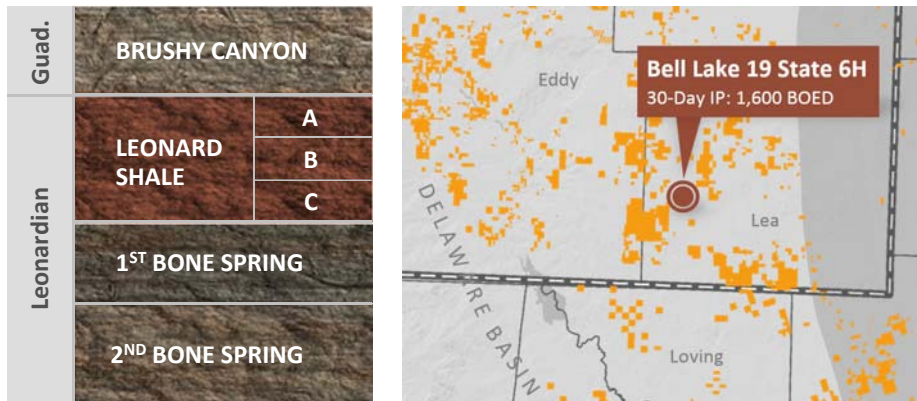
- Devon is also appraising the Leonard Shale, which sits just above the Bone Spring formation at a depth of 9,000'. The Leonard has gross thickness up to 1,200' of pay, providing opportunity to target **as many as 3 different landing zones** in this oil-prone shale (graphic next page).

DELAWARE BASIN



Leonard Shale Program Delivering Excellent Results (continued)

- Devon commenced production on 3 Leonard Shale wells in Q3. Initial 30-day rates from these wells averaged 1,200 Boe per day, 74% was light oil.
- This activity was highlighted by the Bell Lake 19 State 6H, which achieved a 30-day IP of 1,600 Boe per day, one of the **highest IP rates achieved from the Leonard Shale to-date in the play** (map below).



- Devon has 60,000 net acres located in the core of the Leonard Shale play and has conservatively identified **700 risked locations**. Due to the potential for tighter infill spacing and multiple landing zones in this high-quality reservoir, the company is **more than doubling its unrisked location count to 3,100**.

Accelerating Leonard Shale Activity

- In 2016, the company plans to **accelerate its Leonard program** with preliminary plans to run up to 2 rigs in the play. The drilling program will include spacing pilots and staggered lateral tests to further de-risk inventory in this high-potential opportunity.

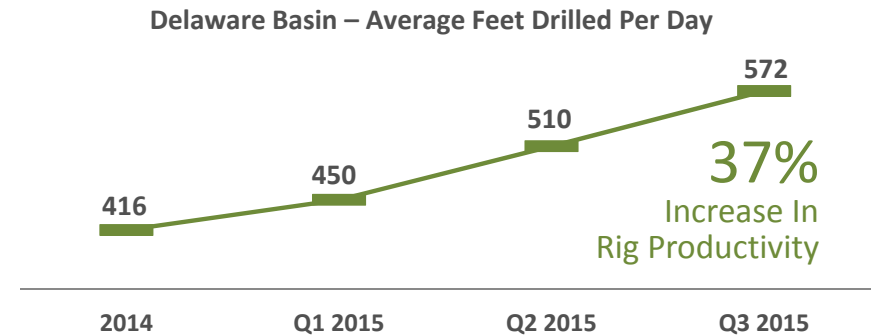
Delaware Sands Wells Exceeding Expectations

- The company also tied in 3 high-rate Delaware Sands wells during the third quarter. These wells averaged a 30-day production rate of 1,000 Boe per day, which **exceeded the company's recently raised type well by 25%**.

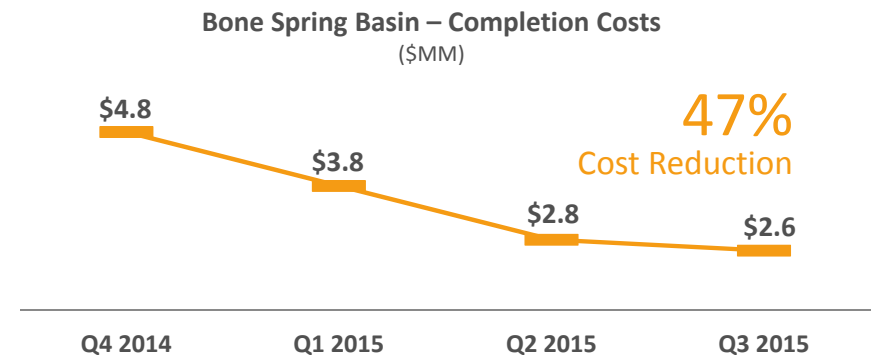
- Devon has identified 700 risked undrilled locations in the Delaware Sands and has a total unrisked inventory of about 1,500 locations.

Delaware Basin Efficiencies Driving Sustainable Cost Savings

- Devon continues to deliver significant efficiencies with its drilling and completion operations in the Delaware Basin.
- Since 2014, rig productivity in the Delaware Basin has improved 37% to an average of 572 feet drilled per day, with best-in-class wells exceeding 1,000 feet drilled per day (chart below).



- Completion costs have also dramatically declined from peak 2014 rates. In the Bone Spring Basin, the cost of a completion design with 1,500 pounds of sand per lateral foot has declined 47% due to improved efficiencies and lower service costs (chart below).



DELAWARE BASIN



Delaware Basin Resource Potential Expands

- › Devon has one of the best Delaware Basin positions in the industry with stacked-pay potential providing exposure to the Delaware Sands, Leonard Shale, Bone Spring, and Wolfcamp formations.
- › Adding up leasehold by formation, the company has exposure to 585,000 risked net acres, with **5,100 risked undrilled locations** in this world-class basin.
- › With the company's ongoing reservoir characterization work, infill spacing tests and industry's nearby appraisal wells, Devon is now **raising its unrisked inventory in the Delaware Basin to more than 16,000 locations**, an increase of nearly 50% from previous estimates (table below).
- › This increased potential was driven by tighter spacing opportunities in the Leonard Shale and industry success in the emerging Wolfcamp play.

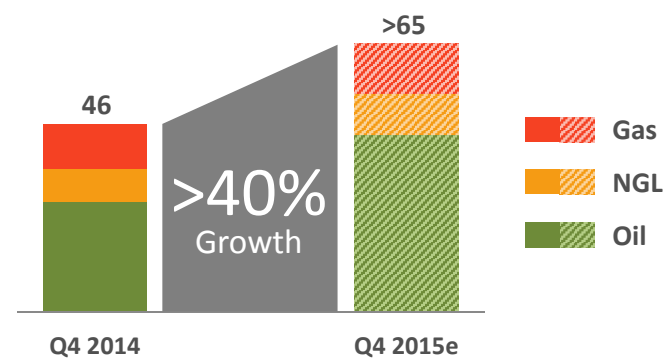
Formation	Risked Net Acres	Risked Gross Locations	Unrisked Gross Locations	Unrisked Resource Potential
Delaware Sands	80,000	700	1,500	
Leonard Shale	60,000	700	3,100 ↑	
Bone Spring	285,000	3,500	5,700	
Wolfcamp	140,000	Appraising	5,800 ↑	
Other (Yeso & Strawn)	20,000	200	200	
Total	585,000	5,100	16,300	≈6 BBOE

Q4 Outlook: 60%-Plus Oil Growth Expected

- › Devon remains on plan to drill 140 wells in 2015.
- › The company projects fourth-quarter production to exceed 65,000 Boe per day, a projected increase of more than 40% from Q4 2014 (chart below).
- › This growth is driven by **oil production which is expected to increase by more than 60% year over year**.

Delaware Basin Production Outlook

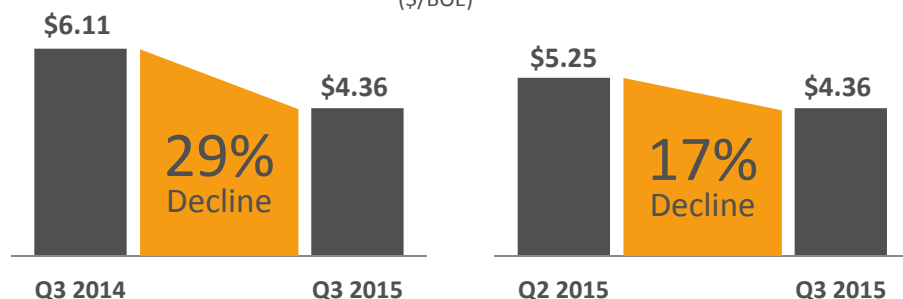
(MBOED)





- Net production averaged 113,000 Boe per day with liquids accounting for nearly 80% of production in the third quarter.
- This strong result **exceeded guidance by 13,000 Boe per day** and represents a **43% increase in production** compared to Q3 2014 (graphic bottom right).
- Eagle Ford production is also achieving the lowest per-unit costs of any asset in the company's portfolio. Third-quarter LOE was \$4.36 per Boe, a decline of 29% year over year and 17% from last quarter (charts below).

Eagle Ford Unit LOE
(\$/BOE)



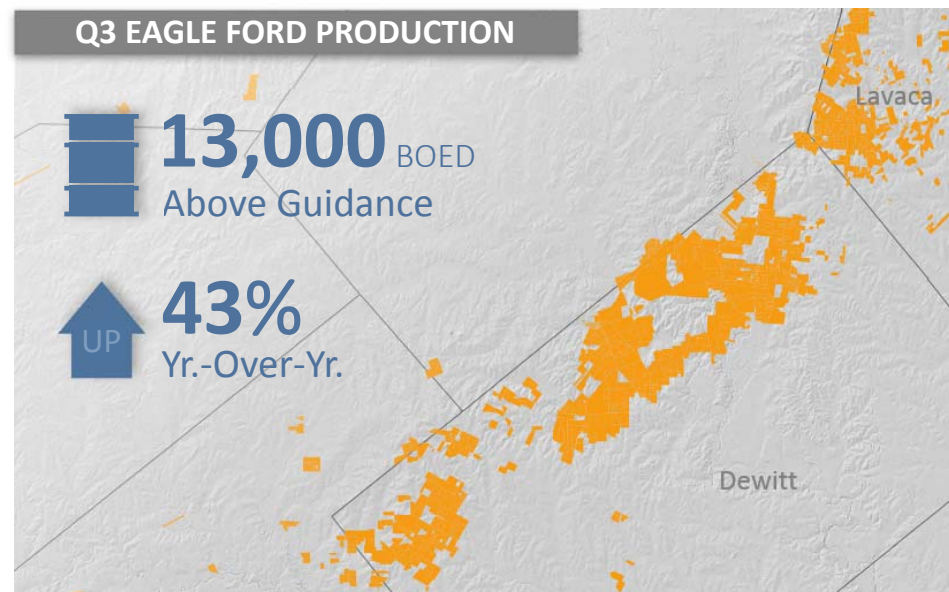
Condensate Exports Boost Profitability

- The Eagle Ford is also producing the highest margin of any Devon asset. Year-to-date, cash operating margins are nearly 80% of revenue, averaging approximately \$25 per Boe.
- In an effort to maximize the value of production, the company has exported on average 25,000 barrels per day of condensate in 2015. The premium pricing of condensate exports achieved an uplift of more than \$3 per barrel.

EAGLE FORD Q3 STATS

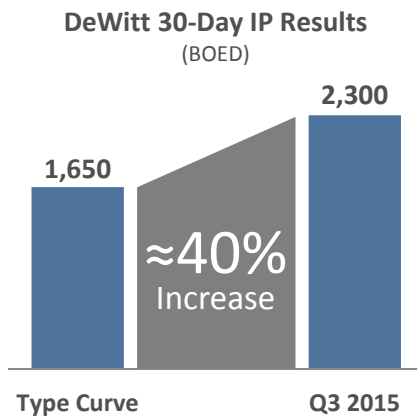
	Q3 2015	Q3 2014
Production:		
Oil (MBOD)	62	47
NGL (MBLD)	26	14
Gas (MMCFD)	154	109
MBOED	113	79
E&P Capital (in millions):	\$178	
Operated Rigs (at 9/30/15):	0 (5 including JV rigs)	

Q3 EAGLE FORD PRODUCTION



Record-Setting Well Results Drive Production Outperformance

- The company's production outperformance in Q3 was driven by strong well performance from its DeWitt County development program. During the quarter, Devon and its partner ran 5 rigs and 2-3 completion crews.
- The company added 53 Lower Eagle Ford wells to production in the quarter with 30-day rates averaging **an all-time quarterly high of 2,300 Boe per day**. This record-setting group of wells exceeded the company's initial production expectations by approximately 40% (chart below).
- Devon's new well activity was highlighted by several high-rate wells with 30-day IP rates in excess of 3,000 Boe per day (table below).



Notable Wells – DeWitt County

Well Name	30-Day IP BOED
Wagner A 12H	3,750
Ibrom B 4H	3,600
Ibrom B 5H	3,260
Wagner A 8H	3,250
Ibrom B 2H	3,220

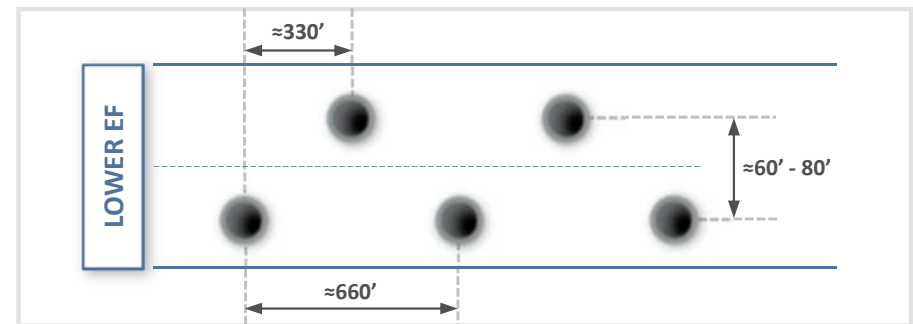
Operational Efficiencies Enhancing Returns

- Devon is also realizing significant efficiencies with its drilling and completion operations in DeWitt County.
- Since 2014, drilling times have improved by approximately 40% to an average of 15 days per well, with **leading wells reaching target depth in as few as 8 days**.
- Devon is achieving significant efficiencies with completion operations as well. Since last year, technical teams have improved frac stage times by up to 65% and reduced equipment move times by 20%.

Staggered Lateral Infill Program Under Way

- To maximize net present value, the company initiated a staggered infill program in the southwest portion of DeWitt County in the third quarter.
- Due to the quality and thickness of the reservoir, the infill program will stagger laterals in the upper and lower portions of the Lower Eagle Ford formation with spacing as tight as 330 feet (40-acre spacing) (graphic below).

Staggered Lateral Development Concept



- Devon expects this staggered development concept to deliver IP rates, EURs and returns that are consistent with current type curve expectations, while improving overall recoveries from the field.
- The company plans to spud ~10 staggered laterals for the remainder of 2015 and this staggered lateral development concept has the potential to expand inventory in DeWitt County **by more than 200 locations**.

Eagle Ford Inventory Expands

- The stacked-pay nature of Devon's 72,000 net acres provides exposure not only to multiple landing zones in the Lower Eagle Ford, but also emerging Upper Eagle Ford Marl potential.
- Within the economic core of the play in DeWitt County, Devon has a risked inventory of ~500 Lower Eagle Ford locations, 200-plus potential locations from staggered laterals and ~100 wells waiting to be placed online.

Eagle Ford Inventory Expands (continued)

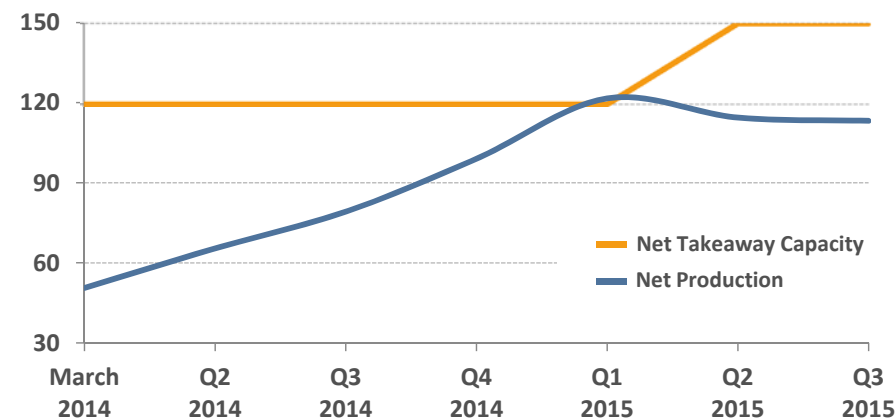
- The shallower Upper Eagle Ford Marl formation also resides across the company's acreage position with potential for around 400 drilling locations. To date, appraisal drilling has been encouraging, highlighted by 7 operated wells averaging 30-day IP rates in excess of 1,000 Boe per day.
- Overall, Devon has identified roughly 1,400 potential locations (table below).

Target	Gross Locations
DeWitt Lower Eagle Ford (Risky)	500
Lavaca Lower Eagle Ford (Risky)	200
Wells Waiting to be Placed Online (At 9/30)	≈100
DeWitt Staggered Lateral Potential (Unrisked)	200+
Upper Eagle Ford Marl Potential (Unrisked)	400
Total	≈1,400

Well Positioned To Accelerate Future Growth

- Given the quality and depth of inventory, Devon is well positioned to accelerate production growth in the Eagle Ford once conditions incentivize higher activity.
- To support future growth potential, Devon has successfully worked with midstream providers to debottleneck gathering system capacity by increasing stabilizer uptime and improving trucking takeaway capabilities.
- **Overall, these initiatives have increased gross oil takeaway capacity by 30,000 barrels per day, boosting Devon's net productive capacity in the field to around 150,000 Boe per day (chart above right).**

Eagle Ford Production & Takeaway Capacity
(MBOED)

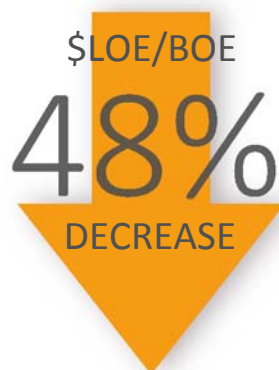
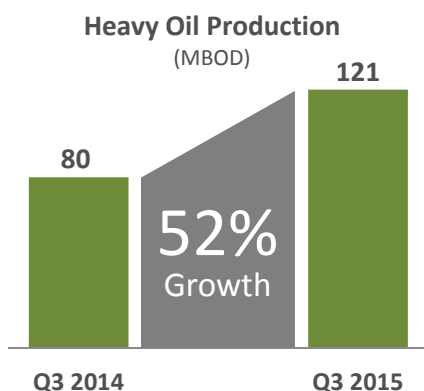


Q4 Eagle Ford Production Outlook

- In the upcoming fourth quarter, Devon and its partner plans to run 5 rigs and 2 completion crews. This level of activity is expected to result in roughly flat net production with the third quarter.



- Net oil production in Canada averaged 121,000 barrels per day, a 52% increase compared to the third quarter of 2014 (chart below). This result **exceeded the top-end of guidance** by 6,000 barrels per day.
- The impact of this robust growth was aided by significantly lower operating costs where **LOE declined 48%** over the third quarter of 2014, to \$12 per barrel (graphic below).



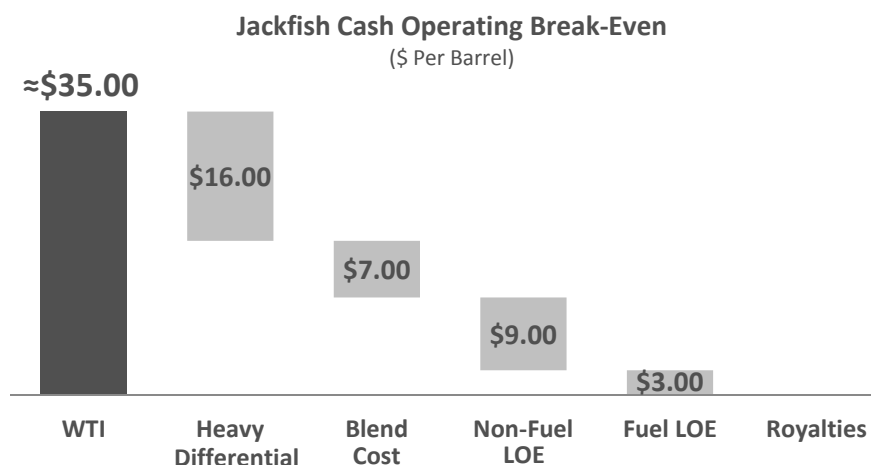
Top-Tier Heavy Oil Assets Generate Attractive Margins

- The strong Q3 performance was driven by Devon's Jackfish complex where net production reached a record 94,000 barrels per day, a 77% increase compared to the third quarter of 2014.
- Top-tier reservoir quality coupled with solid execution are critical factors allowing Devon's Jackfish complex to be among the best in industry. These advantaged assets **generated a positive cash margin, before hedges, of \$14 per barrel** or \$120 million of cash flow during the quarter.

HEAVY OIL Q3 STATS

	Q3 2015	Q3 2014
Production:		
Oil & Bitumen (MBOD)	121	80
Gas (MMCFD)	16	26
MBOED	124	84
E&P Capital (in millions):	\$71	
Operated Rigs (at 9/30/15):	1	

- The quality of these assets is further demonstrated by their low break-even economics. The company's Jackfish complex **can cover operating cash costs with WTI oil prices as low as \$35 per barrel** (chart below).



Note: LOE reflects Q3 results and royalties are de minimis at this price point.

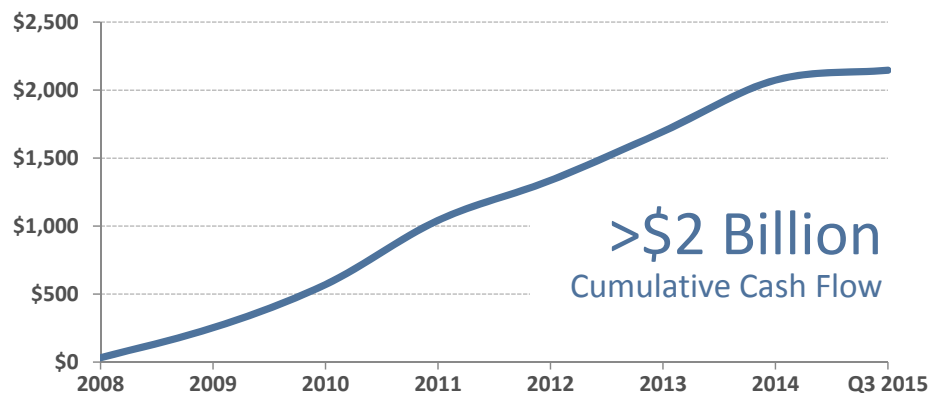
Minimal Maintenance Capital Requirements Going Forward

- With the Jackfish complex approaching nameplate capacity of 105,000 barrels per day, the company's operations are focused on harvesting cash flow from these top-tier facilities.
- Each Jackfish project has a flat production profile for 20 years or more. In the current environment, the capital investment required to sustain nameplate capacity at each facility is \$65-\$70 million per facility per year, or roughly **\$200 million for the entire complex in 2016**.
- The majority of this capital is for new well pad development. On average, each facility will bring a new well pad online every 1 to 1.5 years in order to maintain a flat production profile.

Jackfish 1 Exceeds \$2 Billion of Cumulative Cash Flow

- Due to a planned facility turnaround that impacted volumes early in the quarter, net production at Jackfish 1 averaged 32,000 barrels per day in Q3. Production exited Q3 at 35,000 barrels per day.
- Since first production in late 2007, this industry-leading project has **generated more than \$2 billion of cumulative cash flow** from operations (chart below).

Jackfish 1 Cumulative Operating Cash Flow
(\$ US Millions)



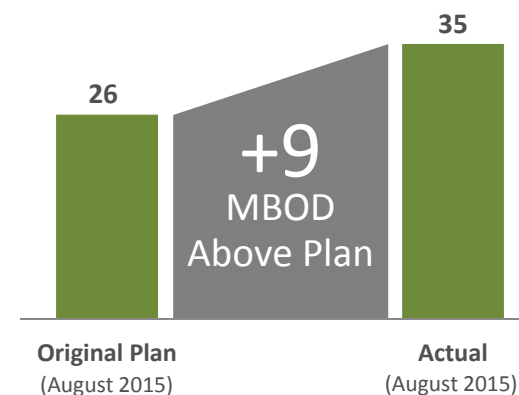
Jackfish 2 Continues Production Ramp-Up

- Net production at Jackfish 2 reached 27,000 barrels per day in the third quarter. After royalties, Q3 net production was 10% higher than the year-ago period due to improved performance from existing well pads.
- The company remains on track to begin steaming 2 new well pads in the fourth quarter of 2015. The production contribution from these pads is expected to help Jackfish 2 reach nameplate capacity in 2016.

Jackfish 3 Reaches Nameplate Capacity Ahead of Schedule

- Devon's newest heavy-oil facility **reached nameplate capacity** of 35,000 gross barrels per day in early August, **4 months ahead of schedule and only 13 months after first steam was initiated** (chart below).

Jackfish 3 Achieves Nameplate Ahead of Schedule
(Gross MBOD)



- This significant outperformance was driven by nearly perfect facility uptime and strong reservoir results, generating a steam-to-oil ratio of just 2.2.
- For the third quarter, net production at Jackfish 3 averaged 35,000 barrels per day.

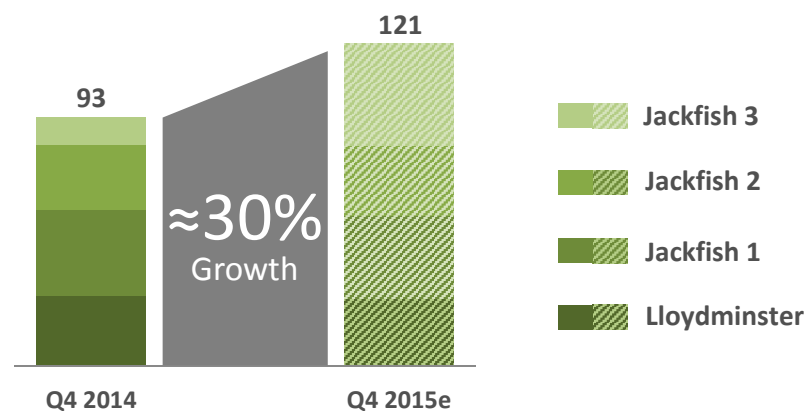
Engineering & Design Work Continues at Pike

- Activity at the company's Pike project for the remainder of 2015 will consist of engineering and design work. The Pike acreage lies immediately adjacent to the Jackfish complex and Devon is the operator of this joint venture leasehold with a 50% working interest.
- Upon completion of this work, expected in the fourth quarter of 2015, the company will review the go-forward plan for Pike.

Raising 2015 Production Outlook

- Due to the accelerated ramp-up at Jackfish 3, the company is **raising its fourth quarter heavy oil production guidance** by more than 10,000 barrels per day from previous expectations.
- Devon now expects Q4 net oil production to range between 118,000 and 123,000 barrels per day. This represents a growth rate of nearly 30% compared to the fourth quarter of 2014 (chart below).

Heavy Oil Production Outlook
(Using Midpoint, MBOD)



ANADARKO BASIN




- Net production averaged 83,000 Boe per day, with Devon and its partner running 9 rigs during the quarter.

Cana Completion Activity Under Way

- Devon commenced completion operations at the Cana-Woodford field with 3 frac crews at the beginning of the third quarter. In September, Devon tied in its first 14 operated wells from the Gordon Row (map right).
- Initial flowback data indicates production is on trend with recent high-rate wells in the play. Peak 30-day rates are expected in Q4. The company and its partner **plan to bring ~60 wells online from the Gordon Row by year end.**

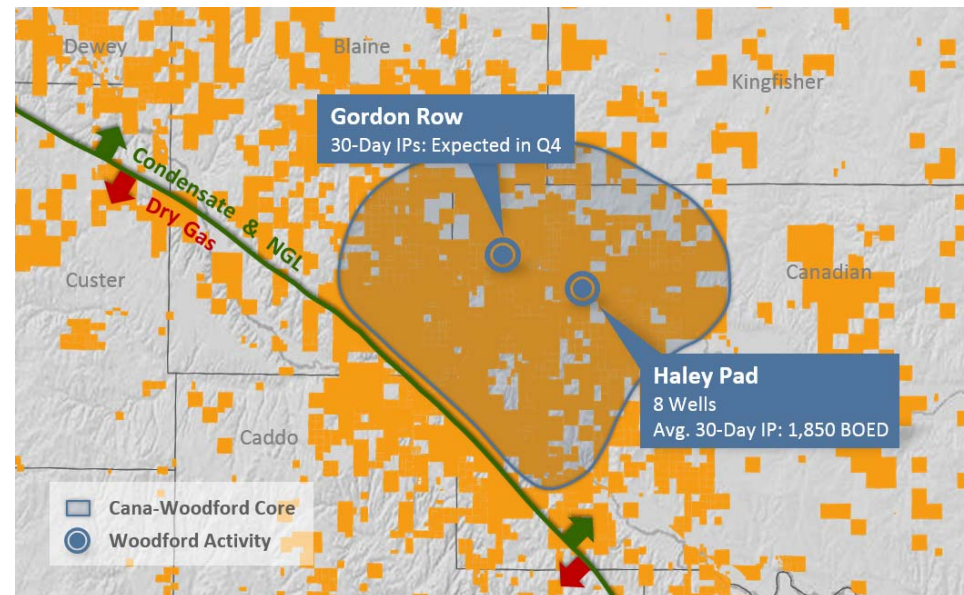
Improved Completion Design Provides Upside

- In the previous quarter, Devon achieved record-setting production rates from its 8-well Haley section. These results were driven by an enhanced completion design that the company is now implementing across its Cana development.
- The new design uses 50% more proppant along with increased stage spacing and perf clusters (graphic below). The company expects these larger completions to improve recoveries and deliver enhanced rates of return compared to the previous completion design

Old Design		New Design	
 Sand: 6.0 MM lbs.	20 Frac Stages	 Sand: 9.0 MM lbs.	23 Frac Stages
 Fluid: 140k Bbls.	80 Perf Clusters	 Fluid: 180k Bbls.	115 Perf Clusters

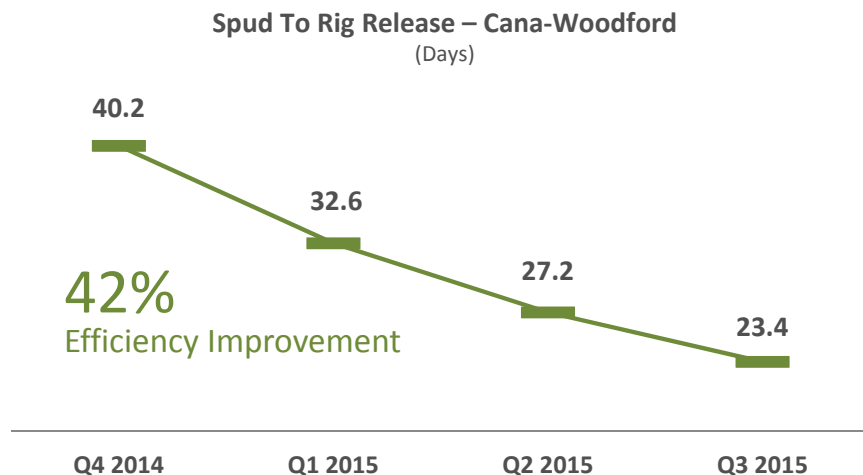
ANADARKO BASIN Q3 STATS

	Q3 2015	Q3 2014
Production:		
Oil (MBOD)	9	10
NGL (MBLD)	27	34
Gas (MMCFD)	278	323
MBOED	83	98
E&P Capital (in millions):	\$114	
Operated Rigs (at 9/30/15):	5 (9 including JV rigs)	



Drilling Efficiencies Continue At Cana-Woodford

- Devon is currently running 3 operated rigs in the Cana-Woodford and continues to achieve significant drilling efficiencies. Over the past year, drilling times have improved by approximately 42% to a record low of less than 24 days in the third quarter (chart below).



- These drilling efficiencies are driven by detailed planning and improved drilling analytics across the company's technical teams, along with strong rig performance.

Cana-Woodford Positioned For Strong Growth

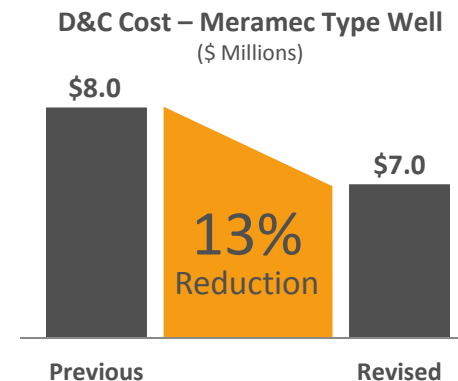
- The Cana-Woodford play was the most significant contributor to production in the Anadarko Basin, averaging 64,000 Boe per day in the third quarter.
- This production result represents an 8% growth rate compared to the second quarter of 2015 and exceeded the top-end of guidance by 2,000 Boe per day.
- The company and its partners expect to run as many as 6 rigs in Q4 and bring online all the wells from its 7-section Gordon row. This activity is expected to drive a **year-end exit rate in excess of 70,000 Boe per day**.

Meramec Delivers Strong Results

- In addition to Devon's best-in-class Cana-Woodford development, the company is also appraising the Meramec formation, which sits directly above the Woodford Shale.
- The company's Meramec position has several favorable geologic characteristics including an overpressured reservoir, low water cuts and the potential for multiple landing zones due to a gross pay thickness of up to 500'.
- During the third quarter, the company participated in 7 Meramec wells, with 5 of these wells having at least 30 days of production history. Initial 30-day rates from these 5 appraisal wells averaged 1,430 Boe per day, of which 37% was light-oil.

Meramec D&C Costs Decline To \$7 Million Per Well

- In addition to strong flow rates, recent Meramec activity has also benefited from drilling efficiencies. Since mid-2014, drilling times have **improved by 35%**, to an average spud-to-rig release of 23 days in the third quarter.
- Due to these drilling efficiencies and lower service pricing, Meramec well costs for standard length 5,000' laterals declined to around \$7 million per well in Q3.

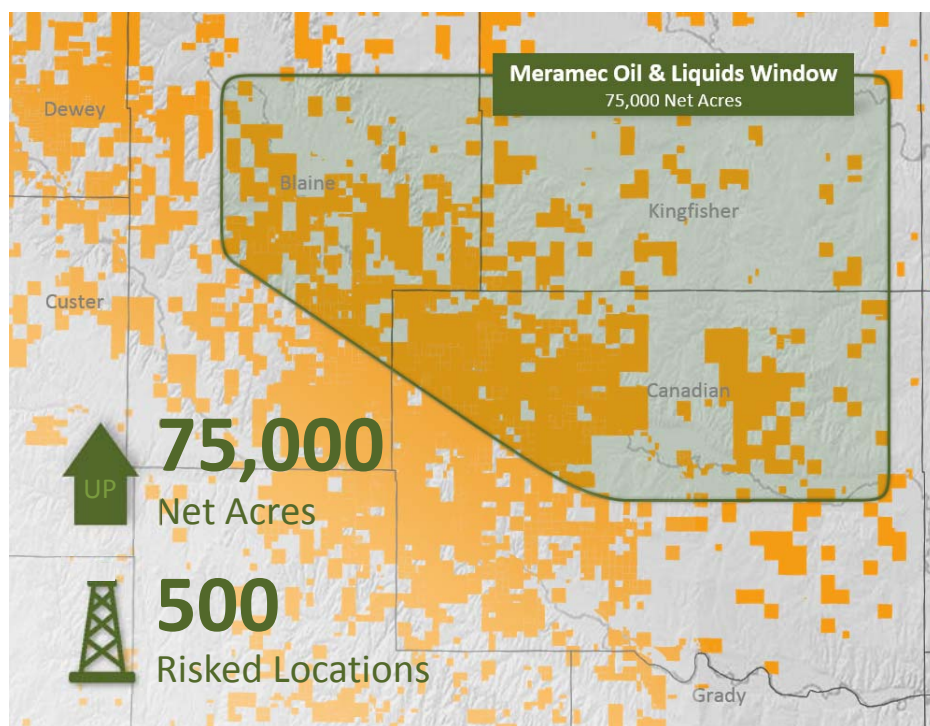


ANADARKO BASIN



Meramec Inventory Expands

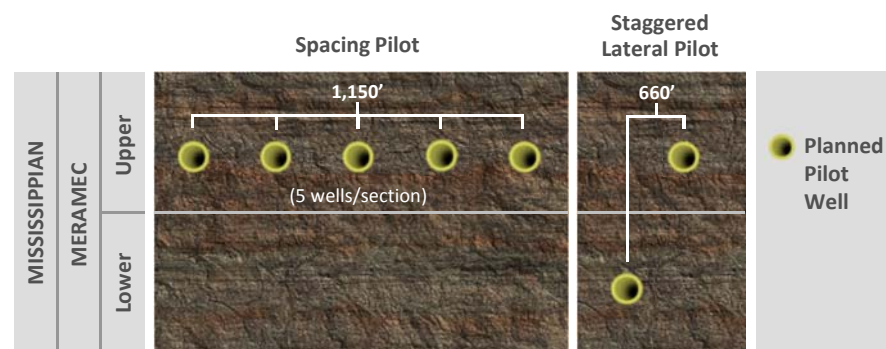
- In an ongoing effort to derisk the emerging Meramec play, Devon and other operators have now drilled more than 100 appraisal wells across Blaine, Kingfisher and Canadian counties.
- As a result of this delineation work, the company has now identified **75,000 net acres in the oil and condensate windows** of the Meramec (map below) and derisked **500 locations**, a **25% increase** from previous estimate.



Formation	Window	Net Acres	Gross Risked Locations
Meramec	Oil and Liquids	75,000 ↑	500 ↑
	Gas	TBD	TBD

Accelerating Meramec Activity

- The company and its partners are accelerating Meramec drilling by **increasing activity to 5 rigs for the remainder of 2015**. This includes the reallocation of 2 operated Cana-Woodford rigs to the play.
- As a result of this increased activity, Devon plans to spud or participate in 40 Meramec wells in 2015. This drilling program will include two Meramec spacing pilots and a staggered lateral test to evaluate the joint development of the Upper and Lower Meramec intervals (graphic below).



BARNETT SHALE



- Net production averaged 176,000 Boe per day or 1.1 Bcfe per day in the third quarter. Liquids accounted for 26% of total production.
- Devon's Barnett Shale properties are some of the lowest-cost assets in its portfolio with field-level operating costs totaling \$1.25 per Mcfe in Q3. Year-to-date, operating costs have declined by approximately \$20 million compared to the same period in 2014.

Maximizing Base Production

- Given the current commodity price environment, the company's operations are focused on enhancing existing well performance with an active refrac program, artificial lift initiatives and line pressure reduction projects.
- These initiatives are expected to improve the Barnett's unaided PDP decline in 2015 by approximately 3 percentage points. This success translates into **incremental production of roughly 15 Bcfe for the year**, with a capital spend of only \$100 million, down approximately \$50 million from original guidance.

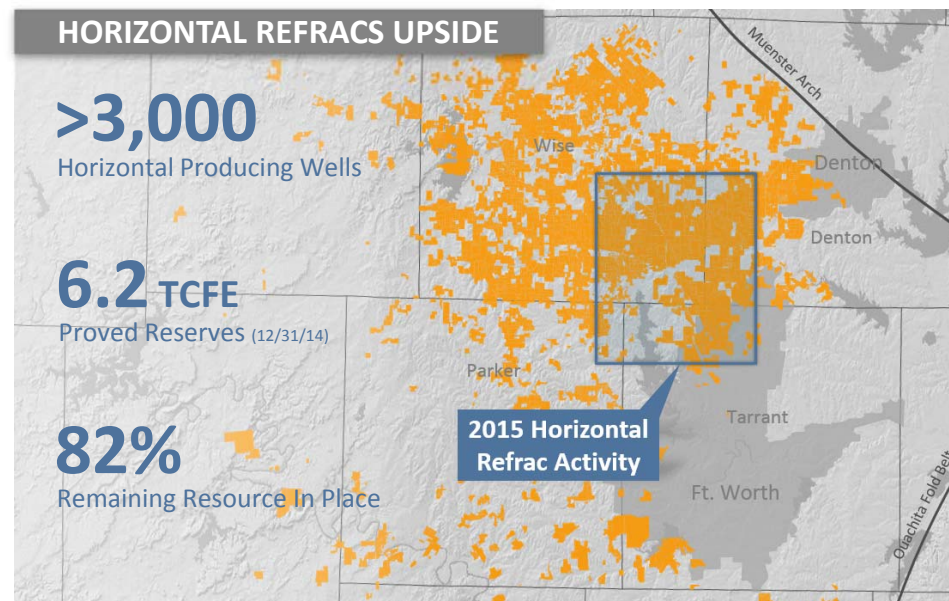
Vertical Refrac Program Exceeds Expectations

- Third quarter capital activity was highlighted by strong results from the vertical refrac program. Devon re-stimulated 16 vertical wells during the quarter, with an average per-well production uplift of 725 Mcf per day.
- These results **exceeded the company's type curve by nearly 50%** and **increased per-well production by approximately 700%**.
- The cost of vertical refracs has recently declined to as low as \$270,000 per well, more than 30% below peak costs in 2014.

BARNETT SHALE Q3 STATS

	Q3 2015	Q3 2014
Production:		
Oil (MBOD)	1	2
NGL (MBLD)	44	54
Gas (MMCFD)	788	896
MBOED	176	205
E&P Capital (in millions):	\$23	
Operated Rigs (at 9/30/15):	0	

HORIZONTAL REFRACS UPSIDE



Vertical Refrac Program Exceeds Expectations (continued)

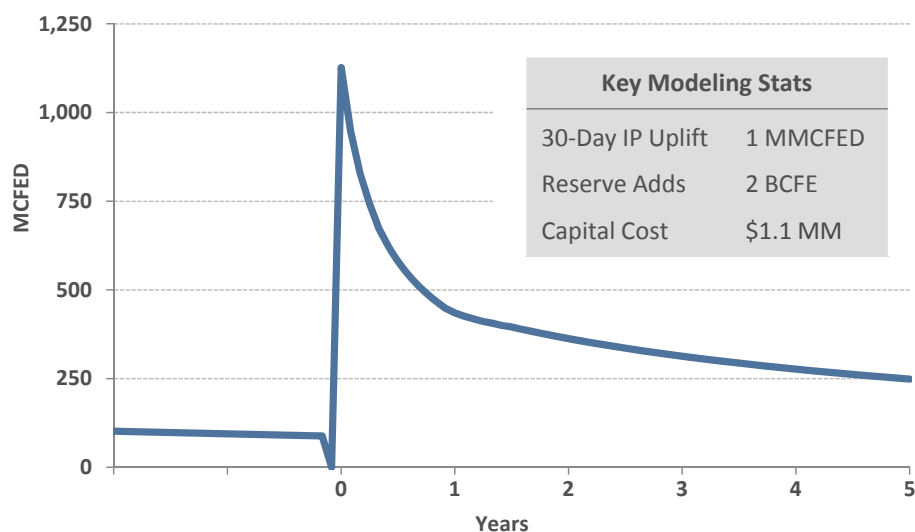
- With improved productivity and lower costs, the company's third-quarter refracs are on trend to deliver rates of return in excess of 20% at current pricing.

Horizontal Refracs Testing Under Way

- There is also tremendous upside opportunity with **horizontal refracs** in the Barnett where the company operates more than 3,000 producing horizontal wells in the best portion of the field.
- With recent advances in completion technology, Devon is now testing horizontal refracs designed to successfully treat the entire lateral of a legacy Barnett well.
- These refracs mechanically isolate old perforations through the use of steel liners and chemicals, which allows for better fluid control to more efficiently stimulate the reservoir.

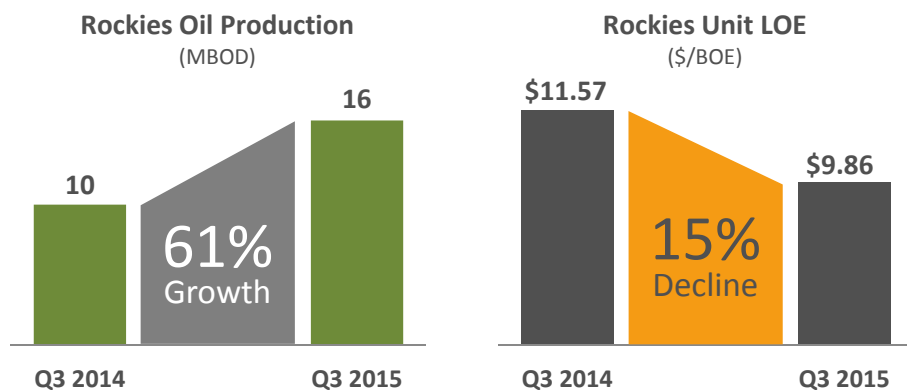
- Today, costs are trending at \$1.2 million per refrac, down approximately 10% from earlier in the year.
- In development mode, **total costs for a horizontal refrac are expected to be as low as \$1.1 million** with a 30-day IP uplift of 1 MMcf per day and reserve adds of 2 Bcfe per well (chart below left).
- To date, the company has brought online 8 of its planned 25 horizontal refracs in 2015. Data collection and analysis with this exciting opportunity will continue into 2016.

Horizontal Refrac Type Well





- Net production averaged 28,000 Boe per day, a 25% increase compared to the third quarter of 2014.
- Oil production from this emerging opportunity increased 61% year over year (chart below). This growth is attributable to strong results from the company's Powder River development program and the ramp-up of its Big Sand Draw CO₂ project (map right).



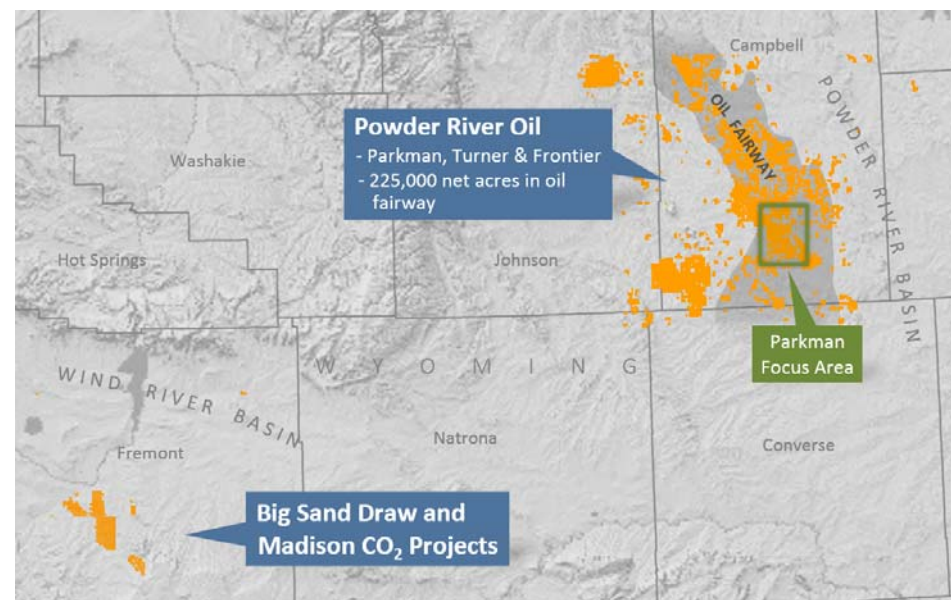
- The company is also having success lowering operating costs in the Rockies. For the third quarter of 2015, LOE declined 15% compared to the third quarter of 2014 (chart above).

Powder River Basin Delivers High-Rate Development Wells

- The most significant production growth in the Rockies came from the Powder River Basin development activity, which is **delivering some of the best rates of return in Devon's portfolio**.

ROCKIES OIL Q3 STATS

	Q3 2015	Q3 2014
Production:		
Oil (MBOD)	16	10
NGL (MBLD)	2	1
Gas (MMCFD)	58	66
MBOED	28	22
E&P Capital (in millions):	\$75	
Operated Rigs (at 9/30/15):	2	



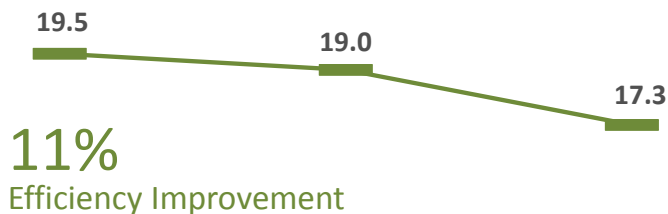
Powder River Basin Delivers High-Rate Development Wells (continued)

- Q3 drilling activity was highlighted by 4 development wells in the company's Parkman Focus Area. Initial 30-day production rates from these wells averaged around 1,300 Boe per day, of which more than 90% was light oil.
- The company also tied in a Parkman appraisal well to the north of its focus area in Campbell County, Wyoming, with a 30-day rate of roughly 1,000 Boe per day. This result further affirms additional Parkman potential in the Powder River Oil Fairway.

Drilling Efficiencies Drive Parkman Well Costs Lower

- Devon has also achieved drilling efficiencies with its 2 rig lines in the Powder River Basin.
- Over the past 6 months, extended-reach lateral drilling times have improved by 11% to a low of 17 days in Q3. Recently the company **achieved a record-setting spud to rig release of just 14.5 days**.

Spud To Rig Release – Parkman Extended-Reach Laterals (Days)



- Future operational efficiencies will also be aided by a recent agreement Devon entered into with the Bureau of Land Management. This landmark agreement now **allows year-round drilling** in its Parkman Focus Area.

- As a result of these productivity gains and further cost reductions across the supply chain, Devon is now **targeting well costs of \$7.0 million per well in the Parkman Focus Area by year-end** (chart below).

Parkman D&C Cost (\$ Millions)



Drilling Carry To Help Derisk Oil Fairway

- Devon has 225,000 net acres in the Powder River oil fairway with stacked-pay potential in the Parkman, Turner, Frontier and other formations. The size of the opportunity is significant with **several billion barrels of resource** in place across the basin.
- To date, the company has identified approximately 800 undrilled locations and expects inventory to increase over time as the oil fairway continues to be derisked.
- To advance the understanding of stacked-pay potential in this region, Devon is in the process of acquiring over 800 square miles of 3D seismic to help high grade opportunities in the Powder River Basin.
- The company also plans to shift its **remaining joint venture drilling carry of approximately \$80 million** to fund capital-efficient appraisal activity over the next year.

INVESTOR NOTICES & RISK FACTORS

Forward-Looking Statements: Some of the information provided in this report includes “forward-looking statements” as defined by the U.S. Securities and Exchange Commission (SEC). Forward-looking statements are often identified by use of the words “expects,” “believes,” “will,” “would,” “could,” “forecasts,” “projections,” “estimates,” “plans,” “expectations,” “targets,” “opportunities,” “potential,” “anticipates,” “outlook” and other similar terminology. Such statements concerning future performance or events are subject to a variety of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements contained herein. Certain risks and uncertainties are described below in more detail as well as in the “Risk Factors” section of our most recent Form 10-K and under the caption “Forward-Looking Statements” in the related earnings release included as an exhibit to our Form 8-K furnished November 3, 2015.

The forward-looking statements provided in this report are based on management’s examination of historical operating trends, the information which was used to prepare reserve reports and other data in Devon’s possession or available from third parties. Devon cautions that its future oil, natural gas and NGL 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, gas and NGL. These risks include, but are not limited to, price volatility, inflation or lack of availability of goods and services, environmental risks, drilling risks, political changes, changes in laws or regulations, the uncertainty inherent in estimating future oil and gas production or reserves, and other risks identified in our Form 10-K and our other filings with the SEC.

Specific Assumptions and Risks Related to Price and Production Estimates: A significant and prolonged deterioration in market conditions and the other assumptions on which our estimates are based will impact many aspects of our business and our results. Substantially all of Devon’s revenues are attributable to sales, processing and transportation of three commodities: oil, natural gas and NGL. Prices for oil, natural gas and NGL are determined primarily by prevailing market conditions, which may be impacted by a variety of general and specific factors that are difficult to control or predict. Worldwide and regional economic conditions, weather and other local market conditions influence the supply of and demand for energy commodities. In particular, concerns about the level of global crude-oil and natural-gas inventories and the production trends of significant oil producers like OPEC, among other things, have led to a significant drop in prices. In addition to volatility from general market conditions, Devon’s oil, natural gas and NGL prices may vary considerably due to factors specific to Devon, such as pricing differentials among the various regional markets in which our products are sold, the value derivable from the quality of oil Devon produces (i.e., sweet crude versus heavy or sour crude), the Btu content of gas produced, the availability and capacity of transportation facilities we may utilize, and the costs and demand for the various products derived from oil, natural gas and NGL.

Estimates for Devon’s future production of oil, natural gas and NGL are based on the assumption that market demand and prices for oil, natural gas and NGL will be at levels that allow for profitable production of these products. As illustrated by recent market trends, there can be no assurance of such stability. Much of Devon’s production in Canada is subject to government royalties that fluctuate with prices, which, therefore, will affect reported production. Estimates for Devon’s future processing and transportation of oil, natural gas and NGL are based on the assumption that market demand and prices for oil, natural gas and NGL will be at levels that allow for profitable processing and transport of these products. As with our production estimates, there can be no assurance of such stability.

The production, transportation, processing and marketing of oil, natural gas and NGL 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, tornadoes, extreme temperatures, and numerous other factors.

Assumptions and Risks Related to Capital Expenditures Estimates: Devon’s capital expenditures budget is based on an expected range of future oil, natural gas and NGL prices as well as the expected costs of the capital additions. Should actual prices received differ materially from Devon’s price expectations for its future production, some projects may be accelerated, deferred or eliminated and, consequently, may increase or decrease capital expenditures. In addition, if the actual material or labor costs of the budgeted items vary significantly from the anticipated amounts, actual capital expenditures could vary materially from Devon’s estimates.

Assumptions and Risks Related to Marketing and Midstream Estimates: Devon cautions that its future marketing and midstream revenues and expenses are subject to all of the risks and uncertainties normally incident to the marketing and midstream business. These risks include, but are not limited to, price volatility, environmental risks, mechanical failures, regulatory changes, the uncertainty inherent in estimating future processing volumes and pipeline throughput, cost of goods and services and other risks.

Cautionary Note to Investors

The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves that meet the SEC’s definitions for such terms, and price and cost sensitivities for such reserves, and prohibits disclosure of resources that do not constitute such reserves. This report may contain certain terms, such as resource potential, potential locations, risked or unrisked locations, exploration target size and other similar terms. These estimates are by their nature more speculative than estimates of proved, probable and possible reserves and accordingly are subject to substantially greater risk of being actually realized. The SEC guidelines strictly prohibit us from including these estimates in filings with the SEC. Investors are urged to consider closely the disclosure in our Form 10-K, available from us at Devon Energy Corporation, Attn: Investor Relations, 333 West Sheridan, Oklahoma City, OK 73102-5015. You can also obtain this form from the SEC by calling 1-800-SEC-0330 or from the SEC’s website at www.sec.gov.