

FIRST-QUARTER AND FULL-YEAR 2022 GUIDANCE



PRODUCTION GUIDANCE⁽¹⁾

	Quarter 1 ⁽¹⁾		Full Year	
	Low	High	Low	High
Oil (MBbls/d)	280	290	285	295
Natural gas liquids (MBbls/d)	133	137	138	148
Gas (MMcf/d)	880	920	880	940
Total oil equivalent (MBoe/d)	560	580	570	600

(1) Production in the first quarter of 2022 is estimated to be reduced by 3 percent or 15,000 Boe per day due to the impact of severe winter weather.

CAPITAL EXPENDITURES GUIDANCE

(in millions)	Quarter 1		Full Year	
	Low	High	Low	High
Upstream capital	\$ 475	\$ 515	\$ 1,900	\$ 2,200
Environmental capital	25	35	80	120
Midstream & other capital	40	60	80	120
Total capital	\$ 540	\$ 610	\$ 2,060	\$ 2,440

PRICE REALIZATIONS GUIDANCE

	Quarter 1		Full Year	
	Low	High	Low	High
Oil - % of WTI	92%	100%	92%	100%
NGL - % of WTI	35%	45%	35%	45%
Natural gas - % of Henry Hub	80%	90%	80%	90%

OTHER GUIDANCE ITEMS

(\$ millions, except Boe and %)	Quarter 1		Full Year	
	Low	High	Low	High
Marketing & midstream operating profit	\$ (10)	\$ 10	\$ (30)	\$ —
LOE & GP&T per BOE	\$ 7.50	\$ 7.90	\$ 7.25	\$ 7.75
Production & property taxes as % of upstream sales	7.0%	8.0%	7.0%	8.0%
Exploration expenses	\$ —	\$ 5	\$ 5	\$ 15
Depreciation, depletion and amortization	\$ 475	\$ 525	\$ 2,050	\$ 2,150
General & administrative expenses	\$ 85	\$ 95	\$ 330	\$ 350
Net financing costs, net	\$ 80	\$ 90	\$ 335	\$ 345
Other expenses	\$ —	\$ 10	\$ —	\$ 40
Total income tax rate ⁽²⁾	20%	25%	20%	25%

(2) Assumes a mid-single digit current tax rate for the first quarter and full-year 2022.

CONTINGENT PAYMENTS FOR BARNETT SHALE DIVESTITURE (4-year period beginning in 2021)



WTI Threshold	WTI Annual Earnout Amount	Henry Hub Threshold	Henry Hub Annual Earnout Amount
\$ 50.00	\$ 10,000,000	\$ 2.75	\$ 20,000,000
\$ 55.00	\$ 12,500,000	\$ 3.00	\$ 25,000,000
\$ 60.00	\$ 15,000,000	\$ 3.25	\$ 35,000,000
\$ 65.00	\$ 20,000,000	\$ 3.50	\$ 45,000,000

2022 & 2023 HEDGING POSITIONS

Oil Commodity Hedges

Period	Price Swaps		Price Collars		
	Volume (Bbls/d)	Weighted Average Price (\$/Bbl)	Volume (Bbls/d)	Weighted Average Floor Price (\$/Bbl)	Weighted Average Ceiling Price (\$/Bbl)
Q1 2022	38,500	\$ 44.40	32,250	\$ 44.43	\$ 54.43
Q2 2022	36,000	\$ 44.63	36,000	\$ 49.59	\$ 65.18
Q3 2022	35,000	\$ 44.61	38,500	\$ 55.19	\$ 70.90
Q4 2022	35,000	\$ 44.61	24,000	\$ 59.42	\$ 78.60
Q1-Q4 2023	—	\$ —	2,589	\$ 56.92	\$ 86.09

Oil Basis Swaps

Period	Index	Volume (Bbls/d)	Weighted Average Differential to WTI (\$/Bbl)
Q1-Q4 2022	BRENT/WTI Spread	1,000	\$ (7.75)
Q1-Q4 2022	NYMEX Roll	29,000	\$ 0.45

Natural Gas Commodity Hedges - Henry Hub

Period	Price Swaps		Price Collars		
	Volume (MMBtu/d)	Weighted Average Price (\$/MMBtu)	Volume (MMBtu/d)	Weighted Average Floor Price (\$/MMBtu)	Weighted Average Ceiling Price (\$/MMBtu)
Q1 2022	114,000	\$ 2.72	173,000	\$ 2.58	\$ 3.08
Q2 2022	110,000	\$ 2.79	221,000	\$ 2.84	\$ 3.70
Q3 2022	110,000	\$ 2.79	184,000	\$ 2.87	\$ 3.81
Q4 2022	110,000	\$ 2.79	128,000	\$ 3.05	\$ 4.18
Q1-Q4 2023	4,959	\$ 3.65	34,967	\$ 3.32	\$ 4.85

Natural Gas Basis Swaps

Period	Index	Volume (MMBtu/d)	Weighted Average Differential to Henry Hub (\$/MMBtu)
Q1-Q4 2022	WAHA	70,000	\$ (0.57)
Q1-Q4 2023	WAHA	70,000	\$ (0.51)

Devon's oil derivatives settle against the average of the prompt month NYMEX West Texas Intermediate futures price. Devon's natural gas derivatives settle against the Inside FERC first of the month Henry Hub index. Commodity hedge positions are shown as of February 11, 2022.