DEVON ENERGY CORP/DE
Form 424B5
December 11, 2015
Table of Contents

Filed pursuant to Rule 424(b)(5)
Registration No. 333-200922

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee (1)
5.850% Senior Notes due 2025	$850,000,000	99.955%	$849,617,500	$85,557

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended. This Calculation of Registration Fee table shall be deemed to update the Calculation of Registration Fee table in the registrant s Registration Statement on Form S-3 (File No. 333-200922).

Table of Contents

PROSPECTUS SUPPLEMENT dated December 10, 2015

(To Prospectus dated December 12, 2014)

$850,000,000

Devon Energy Corporation

$850,000,000 5.850% Senior Notes due 2025

We are offering $850,000,000 principal amount of 5.850% Senior Notes due 2025, which we refer to in this prospectus supplement as the notes.

The notes will bear interest at a rate per annum of 5.850%. We will pay interest on the notes on June 15 and December 15 of each year, beginning on June 15, 2016. The notes will mature on December 15, 2025.

We may redeem the notes, in whole or in part, at any time at the redemption prices set forth under Description of the Notes Optional Redemption. The notes will be our general unsecured obligations and will rank equally in right of payment with all our existing and future unsecured and unsubordinated debt.

We do not intend to list the notes on any securities exchange.

Investing in the notes involves risks. You should carefully read the entire accompanying prospectus and this prospectus supplement, including the section titled Risk Factors beginning on page S-1 of this prospectus supplement and in our Annual Report on Form 10-K for the year ended December 31, 2014.

	Per Note	Total
Price to public[(1)]	99.955%	$ 849,617,500
Underwriting discount	0.650%	$ 5,525,000
Proceeds, before expenses, to us[(1)]	99.305%	$ 844,092,500

(1) Plus accrued interest, if any, from December 15, 2015.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these notes or determined if this prospectus supplement and the accompanying prospectus are truthful or complete. Any representation to the contrary is a criminal offense.

We expect that the notes will be delivered to investors on or about December 15, 2015 in book-entry form only through the facilities of The Depository Trust Company and its participants, including Clearstream Banking, *société anonyme*, and Euroclear Bank S.A./N.V.

Joint Book-Running Managers

BofA Merrill Lynch **Morgan Stanley** **Goldman, Sachs & Co.** **J.P. Morgan**

Senior Co-Managers

Barclays	**BMO Capital Markets**	**CIBC Capital Markets**	**Citigroup**
Credit Suisse	**Mizuho Securities**	**MUFG**	**RBC Capital Markets**
Scotiabank	**UBS Investment Bank**	**US Bancorp**	**Wells Fargo Securities**

Table of Contents

TABLE OF CONTENTS

You should read this prospectus supplement along with the accompanying prospectus carefully before you invest in the notes. These documents contain or incorporate by reference important information you should consider before making your investment decision. This prospectus supplement contains specific information about the notes being offered and the accompanying prospectus contains a general description of the notes. This prospectus supplement may add, update or change information in the accompanying prospectus. No person is authorized to give any information or to make any representations other than those contained or incorporated by reference in this prospectus supplement or the accompanying prospectus or in any free writing prospectus filed with the Securities and Exchange Commission (the SEC) and, if given or made, such information or representations must not be relied upon as having been authorized. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you.

This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities described in this prospectus supplement or an offer to sell or the solicitation of an offer to buy those securities in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this prospectus supplement or the accompanying prospectus, nor any sale made hereunder and thereunder shall, under any circumstances, create any implication that there has been no change in the affairs of Devon since the date hereof or that the information contained or incorporated by reference herein or therein is correct as of any time subsequent to the date of such information.

For purposes of this prospectus supplement and the accompanying prospectus, unless the context otherwise indicates, references to us, we, our, ours and Devon refer to Devon Energy Corporation and its subsidiaries.

Table of Contents

DEVON ENERGY CORPORATION

Devon is a leading independent energy company engaged primarily in the exploration, development and production of oil, natural gas and natural gas liquids, or NGLs. Our operations are concentrated in various North American onshore areas in the U.S. and Canada. We also have significant midstream operations and assets throughout key operating regions in North America, primarily through our controlling interests in EnLink Midstream Partners, LP (EnLink) and EnLink Midstream, LLC (the General Partner). In addition, we continue to maintain significant marketing operations for our gas, crude oil and NGLs and midstream operations in Canada. Devon pioneered the commercial development of natural gas from shale and coalbed formations, and we are a proven leader in using steam to produce bitumen from the Canadian oil sands

Recent Developments

As recently announced, we agreed to acquire Felix Energy Holdings, LLC (Felix), which owns oil and gas assets in the Anadarko Basin STACK play, for (i) $850 million in cash, subject to customary purchase price adjustments, and (ii) 23,470,000 shares of Devon common stock, as may be adjusted prior to issuance by customary anti-dilution provisions. In an unrelated transaction, we also agreed to acquire certain oil and gas properties in the Powder River Basin (the PRB Assets) for $600 million, subject to customary purchase price adjustments. We have exercised our right under the purchase and sale agreement for the PRB Assets to pay a portion of such purchase price in shares of Devon common stock, which will result in the issuance of $300 million of Devon common stock, valued at a price of the volume-weighted average price of a share of such common stock over a period of time specified in the purchase and sale agreement, as may be adjusted prior to issuance by customary anti-dilution provisions. We expect the acquisition of Felix to close in January 2016 and the acquisition of the PRB Assets to close on or about December 17, 2015, in each case subject to certain closing conditions.

We intend to use the net proceeds of this offering to finance a portion of the cash consideration component of the pending acquisition of Felix. However, this offering is not contingent on the consummation of that acquisition. For additional information, see Use of Proceeds.

Corporate Information

Our principal and administrative offices are located at 333 West Sheridan Ave., Oklahoma City, Oklahoma 73102-5015. Our telephone number at that location is (405) 235-3611.

RISK FACTORS

An investment in the notes is subject to risk. Before you decide to invest in the notes, you should carefully consider the specific factors discussed below, together with all the other information contained in this prospectus supplement, the accompanying prospectus as well as the documents incorporated by reference herein or therein. For further discussion of the risks, uncertainties and assumptions relating to our business, please see the discussion under the captions Risk Factors and Information Regarding Forward-Looking Statements included in our Annual Report on Form 10-K for the year ended December 31, 2014, as updated by annual, quarterly and other reports and documents that we file with the SEC, which are incorporated by reference in this prospectus supplement and the accompanying prospectus.

The notes do not restrict our ability to incur additional debt or prohibit us from taking other actions that could negatively impact holders of the notes.

We are not restricted under the terms of the notes or the indenture governing the notes from incurring additional debt and other obligations, including debt and other obligations that rank equal in right of payment

Table of Contents

with the notes. Although the indenture limits our ability to issue secured debt without also securing the notes and to consolidate with or merge into, or convey or otherwise transfer or lease our properties and assets substantially as an entirety to, any person, these limitations are subject to a number of exceptions. See Description of Debt Securities Covenants in the accompanying prospectus.

Our ability to service our debt, including the notes, will be dependent upon the earnings of our subsidiaries and the distribution of those earnings to us. The notes are effectively subordinated to any existing and future debt of our subsidiaries.

The notes are obligations exclusively of Devon. Our operations are conducted almost entirely through our subsidiaries. Accordingly, our cash flow and our consequent ability to service our debt, including the notes, are dependent upon the earnings of our subsidiaries and the distribution of those earnings to us, whether by dividends, loans or otherwise. The payment of dividends and the making of loans and advances to us and our right to receive assets of any of our subsidiaries upon their liquidation or reorganization, and the consequent right of the holders of the notes to participate in those assets, will be effectively subordinated to the claims of that subsidiary s creditors, including trade creditors, except to the extent that we are recognized as a creditor of such subsidiary, in which case our claims would still be subordinate to any liens on the assets of such subsidiary and any indebtedness of such subsidiary senior to ours. As of September 30, 2015, we had total consolidated indebtedness with a carrying value of approximately $11.9 billion, none of which was secured. This total includes indebtedness of EnLink of approximately $2.9 billion, excluding intercompany debt and trade payables. Each of the General Partner and EnLink maintains its own debt and lines of credit that are non-recourse to Devon. As of September 30, 2015, the General Partner did not have any outstanding debt under its credit agreement, dated March 7, 2014. Any future borrowings by the General Partner under this credit facility would be secured by first priority liens on certain interests pledged by the General Partner.

At certain times we may redeem all or a portion of the notes at our option at a redemption price equal to 100% of the principal amount of such notes, plus accrued and unpaid interest to, but not including, the redemption date, which may adversely affect your return.

As described under Description of the Notes Optional Redemption, at certain times we have the right to redeem the notes, in whole or in part, at our option at a redemption price equal to 100% of the principal amount of such notes, plus accrued and unpaid interest to, but not including, the redemption date. We may choose to exercise this redemption right when prevailing interest rates are relatively low. As a result, you generally will not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the notes.

An active trading market for the notes may not develop.

The notes are a new issue of securities with no established trading market, and we do not intend to list them on any securities exchange or automated quotation system. As a result, an active trading market for the notes may not develop, or if one does develop, it may not be sustained. If an active trading market fails to develop or cannot be sustained, you may not be able to resell your notes at their fair market value or at all.

Table of Contents

USE OF PROCEEDS

The net proceeds of this offering, after discounts and expenses, are estimated to be approximately $842.6 million. We intend to use the net proceeds of this offering to finance a portion of the cash consideration component of our pending acquisition of Felix and to pay related fees and expenses. We expect to use any remainder for general corporate purposes. This offering is not contingent on the consummation of our pending acquisition of Felix and if such acquisition is not consummated, the net proceeds of this offering will be used for general corporate purposes. The net proceeds may be invested temporarily in short-term marketable securities until they are used for their stated purpose.

Table of Contents

RATIOS OF EARNINGS TO FIXED CHARGES

The ratios of earnings to fixed charges for each of the periods set forth below have been completed on a consolidated basis and should be read in conjunction with Devon s consolidated financial statements, including the accompanying notes thereto, which are incorporated by reference in this prospectus supplement and the accompanying prospectus.

	Year Ended December 31,					Nine Months Ended September 30,
	2010	2011	2012	2013	2014	2015
	(dollars in millions)					
Ratio of earnings to fixed charges	8.71	10.74	N/A	1.29	7.46	N/A
Insufficiency of earnings to cover fixed charges	N/A	N/A	$ 319	N/A	N/A	$ 15,745

N/A: Not applicable.

Our ratios of earnings to fixed charges were computed based on:

earnings, which consist of earnings from continuing operations before income taxes, plus fixed charges; and

fixed charges, which consist of interest expense and one-third of rental expense estimated to be attributable to interest.

Table of Contents

DESCRIPTION OF THE NOTES

The following description of the particular terms of the notes (which constitute a new series of, and are referred to in the accompanying prospectus as, the debt securities), supplements and, to the extent inconsistent therewith, replaces the description of the general terms and provisions of the debt securities set forth in the accompanying prospectus.

We will issue the notes under an indenture between us and UMB Bank, National Association, as trustee, dated as of July 12, 2011, as supplemented by a supplemental indenture to be dated as of the closing date of this offering. In this prospectus supplement, we refer to that indenture as so supplemented as the indenture. The terms of the notes include those set forth in the indenture and those made a part of the indenture by reference to the Trust Indenture Act of 1939, as amended.

The following description is a summary of the material provisions of the notes and the indenture. It does not restate the indenture in its entirety. We urge you to read the indenture because it, and not this description, defines your rights as a holder of notes. Copies of the indenture are available upon request from us or the trustee. References to us, we, our, ours or Devon in this section of the prospectus supplement are to De Energy Corporation and not its subsidiaries.

General

The notes will:

- accrue interest at the rate of 5.850% per year;
- be initially limited to $850,000,000 aggregate principal amount;
- be issued in denominations of $2,000 and integral multiples of $1,000 in excess thereof; and
- mature on December 15, 2025.

There is no limit on the aggregate principal amount of notes that we may issue. Also, we reserve the right, from time to time, in compliance with the terms of the indenture and without the consent of any holders of any of the notes, to reopen the series of notes by issuing additional notes. Any such additional notes would have terms identical to the outstanding notes (except the date of issuance, the price to public, the date interest begins to accrue and, in certain circumstances, the first interest payment date), so that such additional notes shall be consolidated with, form a single series with, and increase the aggregate principal amount of, the notes; provided that if the additional notes are not fungible with the outstanding notes for United States federal income tax purposes, the additional notes will have a separate CUSIP number.

If any maturity date or redemption date falls on a day that is not a business day, the payment will be made on the next business day with the same force and effect as if made on the relevant maturity date or redemption date. Unless we default on a payment, no interest will accrue for the period from and after the applicable maturity date or redemption date.

Subject to the exceptions, and subject to compliance with the applicable requirements, set forth in the indenture, we may discharge our obligations under the indenture with respect to the notes as described under Description of Debt Securities Defeasance in the accompanying prospectus.

The notes will be our general unsecured obligations and will rank equally in right of payment with all our other existing and future unsecured and unsubordinated debt.

Table of Contents

Interest on the Notes

Interest on the notes will accrue from and including December 15, 2015 or from and including the most recent interest payment date to which interest has been paid or provided for. We will make interest payments on the notes semi-annually on June 15 and December 15 of each year, with the first interest payment being made on June 15, 2016. We will make interest payments to the person in whose name the notes are registered at the close of business on June 1 or December 1, as applicable (in each case, whether or not a business day), before the next interest payment date with the same force and effect as if made on the relevant interest payment date. Unless we default on a payment, no interest will accrue for the period from and after the applicable interest payment date.

If the interest payment date is not a business day at the relevant place of payment, payment of interest will be made on the next day that is a business day at such place of payment. For the purposes of the notes, business day means any day that is not a Saturday or Sunday and that is not a day on which banking institutions are generally authorized or obligated by law to close in The City of New York and, for any place of payment outside of The City of New York, in such place of payment. Interest on the notes will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Payment and Transfer

The notes will be issued in the form of one or more permanent global securities as described in the accompanying prospectus under Description of Debt Securities Global Securities and registered in the name of a nominee of The Depository Trust Company, as depositary for the notes, and its participants, including Clearstream Banking, *société anonyme*, and Euroclear Bank S.A./N.V. See Book-Entry Securities in the accompanying prospectus. Beneficial interests in notes in global form will be shown on, and transfers of interest in notes in global form will be made only through, records maintained by the depositary and its participants. Notes in definitive form, if any, may be registered, exchanged or transferred at the office or agency maintained by us for such purpose (which initially will be the corporate trust office of the trustee located at 1010 Grand Blvd., Kansas City, MO 64106). Payment of principal of, premium, if any, and interest on notes in global form registered in the name of or held by the depositary or its nominee will be made in immediately available funds to the depositary or its nominee, as the case may be, as the registered holder of such global security. If any of the notes are no longer represented by global securities, all payments on such notes will be made at the corporate trust office of the trustee; however, any payment of interest on such notes may be made, at our option, by check mailed directly to registered holders at their registered addresses.

No service charge will be made for any registration of transfer or exchange of notes, but we may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith. We are not required to transfer or exchange any note selected for redemption or any other note for a period of 15 days before any mailing of notice of notes to be redeemed.

Optional Redemption

We may redeem the notes, at any time and from time to time prior to September 15, 2025 (3 months prior to the maturity date of the notes), in whole or in part, at our option at a redemption price equal to the greater of:

- 100% of the principal amount of the notes then outstanding to be redeemed; or
- the sum of the present values of the remaining scheduled payments of principal and interest thereon (exclusive of interest accrued to the date of redemption), calculated as if the maturity date of the notes was September 15, 2025 (3 months prior to the maturity date of the notes), computed by discounting such payments to the redemption date on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at a rate equal to the sum of 55 basis points, plus the Adjusted Treasury Rate, as determined by the Independent Investment Banker, on the third business day prior to the redemption date;

plus, in each case, accrued and unpaid interest, if any, to the redemption date.

Table of Contents

On or after September 15, 2025 (3 months prior to the maturity date of the notes), we may redeem the notes, at any time, in whole or in part, at our option at a redemption price equal to 100% of the principal amount of such notes, plus accrued and unpaid interest to, but not including, the redemption date.

Adjusted Treasury Rate means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity of the Optional Redemption Comparable Treasury Issue, calculated using a price for the Optional Redemption Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Optional Redemption Comparable Treasury Price for such redemption date.

Independent Investment Banker means an independent investment banking institution of national standing appointed by Devon.

Optional Redemption Reference Treasury Dealer means each of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. LLC, and their respective successors; provided that if any of the foregoing ceases to be, and has no affiliate that is, a primary U.S. governmental securities dealer, Devon will substitute for it another primary U.S. governmental securities dealer.

Optional Redemption Comparable Treasury Issue means the U.S. Treasury security selected by the Independent Investment Banker as having a maturity comparable to the remaining term of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the notes or, if, in the reasonable judgment of the Independent Investment Banker, there is no such security, then the Optional Redemption Comparable Treasury Issue will mean the U.S. Treasury security or securities selected by the Independent Investment Banker as having an actual or interpolated maturity or maturities comparable to the remaining term of the notes.

Optional Redemption Comparable Treasury Price means the average of the Optional Redemption Reference Treasury Dealer Quotations for the applicable redemption date.

Optional Redemption Reference Treasury Dealer Quotations means, with respect to each Optional Redemption Reference Treasury Dealer and any redemption date for the notes, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Optional Redemption Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker and the trustee at 5:00 p.m., New York City time, on the third business day preceding such redemption date.

We will mail notice of redemption at least 30 days but not more than 60 days before the applicable redemption date to each holder of the notes to be redeemed.

Upon the payment of the redemption price, plus accrued and unpaid interest, if any, to the date of redemption, interest will cease to accrue on and after the applicable redemption date on the notes or portions thereof called for redemption.

In the case of any partial redemption, selection of the notes for redemption will be made by the trustee by such method of random selection as the trustee shall deem fair and appropriate. Notes will only be redeemed in multiples of $2,000 or any integral multiple of $1,000 in excess thereof. If any note is to be redeemed in part only, the notice of redemption will state the portion of the principal amount to be redeemed. A new note in principal amount equal to the unredeemed portion of the original note will be issued upon the cancellation of the original note.

Table of Contents

No Sinking Fund

We are not required to make mandatory redemption or sinking fund payments with respect to the notes.

Covenants

The covenant limiting our ability to incur liens described in the accompanying prospectus under the heading Description of Debt Securities Covenants and the restrictions on consolidation, merger or sale of assets described in the accompanying prospectus under the heading Description of Debt Securities Consolidation, Merger and Sale of Assets will apply to the notes. The indenture does not otherwise limit the amount of indebtedness or other obligations that we may incur and does not give you the right to require us to repurchase your notes upon a change of control.

In addition, the indenture provides that the covenant limiting our ability to incur liens, the restrictions on consolidation, merger or sale of assets and certain other non-monetary covenants included in the indenture may be waived or modified by holders representing at least a majority of all debt securities, including the notes, outstanding at any one time under the indenture, and that, following an Event of Default arising from a breach of any of these provisions, the trustee or holders of not less than 25% in principal amount of all debt securities, including the notes, outstanding under the indenture to which these provisions are applicable may accelerate the maturity of the debt securities under the indenture.

Events of Default

In addition to the Events of Default described in the accompanying prospectus under the heading Description of Debt Securities Events of Default, it shall constitute an Event of Default under the indenture in respect of the notes if we default in the payment of any principal of our Funded Debt (as defined in the accompanying prospectus) outstanding in an aggregate principal amount in excess of $50 million at the stated final maturity thereof or the occurrence of any other default the effect of which is to cause the stated final maturity of this Funded Debt to be accelerated, and if:

- the default in payment is not cured within 60 days after written notice of the default from the trustee or holders of at least 25% in principal amount of the outstanding notes; or

- the acceleration is not rescinded or annulled or the default that caused the acceleration is not cured within 60 days after written notice of the default from the trustee or holders of at least 25% in principal amount of the outstanding notes.

Concerning the Trustee

UMB Bank, National Association, is the trustee under the indenture and has been appointed by us as security registrar and paying agent with regard to the notes.

Table of Contents

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

FOR NON-U.S. HOLDERS

The following is a general discussion of material U.S. federal income tax consequences of the purchase, ownership and disposition of the notes. This discussion applies only to a Non-U.S. Holder (as defined below) that acquires the notes pursuant to this offering at the initial offering price. This discussion is limited to investors that hold the notes as capital assets for U.S. federal income tax purposes. Furthermore, this discussion does not address all aspects of U.S. federal income taxation that may be applicable to investors in light of their particular circumstances, or to investors subject to special treatment under U.S. federal income tax law. Furthermore, this discussion does not address any U.S. federal estate or gift tax consequences or any state, local or foreign tax consequences. This discussion is based upon the Internal Revenue Code of 1986, as amended (the Code), the Treasury Department regulations (the Treasury Regulations) promulgated thereunder and judicial decisions and administrative interpretations thereof, all as of the date hereof and all of which are subject to change, possibly with retroactive effect. Prospective investors are urged to consult their tax advisors regarding the U.S. federal, state, local and foreign income and other tax consequences of the purchase, ownership and disposition of the notes.

For purposes of this summary, the term Non-U.S. Holder means a beneficial owner of a note that is not a partnership and is not, for U.S. federal income tax purposes (i) an individual that is a citizen or resident of the United States, (ii) a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, that is created or organized under the laws of the United States, any of the States or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust (A) if a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all substantial decisions of such trust, or (B) that has made a valid election under applicable Treasury Regulations to be treated as a U.S. person for U.S. federal income tax purposes.

If a partnership (including any entity or arrangement treated as a partnership for U.S. federal income tax purposes) owns notes, the tax treatment of a partner in the partnership will depend upon the status of the partner and the activities of the partnership. Partners in a partnership that owns the notes should consult their tax advisors as to the particular U.S. federal income tax consequences applicable to them.

Interest

Subject to the discussion below concerning backup withholding and FATCA, a Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax on payments of interest on the notes provided that the Non-U.S. Holder:

- does not actually or constructively own 10% or more of the total combined voting power of all classes of our voting stock;
- is not a controlled foreign corporation related to us directly or constructively through stock ownership; and
- satisfies certain certification requirements.

Such certification requirements will be met if: (i) the Non-U.S. Holder certifies on the appropriate Internal Revenue Service (IRS) form, under penalties of perjury, that it is not a U.S. person or (ii) a securities clearing organization or one of certain other financial institutions holding the note on behalf of the Non-U.S. Holder certifies on the appropriate IRS form, under penalties of perjury, that such certification has been received by it and furnishes our paying agent or a relevant withholding agent with the applicable certifications. In addition, the applicable withholding agent must not have actual knowledge or reason to know that the beneficial owner of the note is a U.S. person.

Table of Contents

If a Non-U.S. Holder cannot satisfy the requirements described above, payments of interest made to such Non-U.S. Holder will generally be subject to a 30% withholding tax or a lower rate as may be specified by an applicable tax treaty, unless the interest is effectively connected with the conduct by such Non-U.S. Holder of a U.S. trade or business as described below. A Non-U.S. Holder who claims the benefit of an applicable tax treaty generally will be required to satisfy applicable certification and other requirements. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under a relevant tax treaty.

Generally, if interest on the notes is effectively connected with the conduct of a U.S. trade or business by the Non-U.S. Holder and, if required by an applicable tax treaty, attributable to a permanent establishment in the United States, the Non-U.S. Holder will not be subject to the 30% withholding if the Non-U.S. Holder files the appropriate IRS form with the payor. Instead, such interest will be subject to U.S. federal income tax on a net-income basis at the applicable graduated U.S. federal income tax rates. In addition, a Non-U.S. Holder that is a foreign corporation receiving effectively connected interest may be subject to an additional branch profits tax which is generally imposed on a foreign corporation on the repatriation from the United States of effectively connected earnings and profits, subject to certain adjustments. This tax is imposed at a 30% or lower rate as may be specified by an applicable tax treaty.

Dispositions of the Notes

Subject to the discussion below concerning backup withholding and FATCA, a Non-U.S. Holder generally will not be subject to U.S. federal withholding tax with respect to gain recognized on the sale, exchange, redemption, retirement or other disposition of the notes. A Non-U.S. Holder also generally will not be subject to U.S. federal income tax with respect to such gain unless (i) the gain is effectively connected with the conduct of a trade or business within the United States by the Non-U.S. Holder and, if required by an applicable tax treaty, is attributable to a permanent establishment maintained by the Non-U.S. Holder within the United States, or (ii) in the case of a Non-U.S. Holder that is a nonresident alien individual, such holder is present in the United States for 183 or more days in the taxable year of disposition and certain other conditions are satisfied. In the case described above in (i), gain or loss recognized on the disposition of such notes will generally be subject to U.S. federal income taxation in the same manner as if such gain or loss were recognized by a U.S. person, and, in the case of a Non-U.S. Holder that is a foreign corporation, may also be subject to an additional branch profits tax at a rate of 30% (or a lower applicable treaty rate). In the case described above in (ii), the Non-U.S. Holder generally will be subject to 30% (or lower applicable treaty rate) tax on any capital gain recognized on the disposition of the notes, which may be offset by certain U.S. source capital losses. Proceeds from the disposition of a note that are attributable to accrued but unpaid interest generally will be subject to, or exempt from, tax to the same extent as described above with respect to interest paid on a note.

Backup Withholding and Information Reporting

A Non-U.S. Holder generally will be required to comply with certain certification procedures in order to establish that such holder is not a U.S. person in order to avoid backup withholding with respect to payments of principal and interest on or the proceeds of a disposition of the notes. In addition, we (or the applicable withholding agent) must report annually to the IRS and to each Non-U.S. Holder the amount of any interest paid to such Non-U.S. Holder and the amount of tax, if any, withheld with respect to such interest. Copies of the information returns reporting such interest payments and the amount of any tax withheld may also be made available to the tax authorities in the country in which a Non-U.S. Holder resides under the provisions of an applicable income tax treaty. Any amounts withheld under the backup withholding rules will be allowed as a refund or credit against a Non-U.S. Holder s U.S. federal income tax liability provided the required information is timely provided to the IRS. Non-U.S. Holders should consult their tax advisors as to their qualification for any exemption for backup withholding and the procedure for obtaining such an exemption.

Table of Contents

FATCA Legislation

Pursuant to provisions commonly referred to as FATCA, withholding at a rate of 30% generally will be required in certain circumstances on interest in respect of, and, after December 31, 2018, gross proceeds from the disposition of, notes held by or through certain foreign financial institutions (including investment funds), unless such institution (i) enters into, and complies with, an agreement with the IRS to report, on an annual basis, information with respect to interests in, and accounts maintained by, the institution that are owned by U.S. persons and to withhold on certain payments or (ii) if required under an intergovernmental agreement between the United States and an applicable foreign country, reports such information to its local tax authority, which will exchange such information with the U.S. authorities. An intergovernmental agreement between the United States and applicable foreign country may modify these requirements. Accordingly, the entity through which the notes are held will affect the determination of whether such withholding is required. Similarly, interest in respect of and, after December 31, 2018, gross proceeds from the disposition of, notes held by an investor that is a non-financial foreign entity that does not qualify under certain exemptions generally will be subject to withholding at a rate of 30%, unless such entity either (i) certifies to us or the withholding agent that such entity does not have any substantial United States owners or (ii) provides certain information regarding the entity s substantial United States owners, which we or the withholding agent will in turn provide to the U.S. authorities. Each prospective investor is urged to consult its tax advisor regarding the possible implications of these rules on an investment in the notes.

Table of Contents

UNDERWRITING

We are selling the notes to the underwriters named in the table below pursuant to an underwriting agreement dated as of the date of this prospectus supplement. We have agreed to sell to each of the underwriters, and each of the underwriters has severally agreed to purchase, the principal amount of notes set forth opposite that underwriter s name in the table below:

Underwriter	Principal Amount of $850,000,000 5.850% Senior Notes due 2025
Merrill Lynch, Pierce, Fenner & Smith Incorporated	$ 148,750,000
Morgan Stanley & Co. LLC	148,750,000
Goldman, Sachs & Co.	72,250,000
J.P. Morgan Securities LLC	72,250,000
Barclays Capital Inc.	34,000,000
BMO Capital Markets Corp.	34,000,000
CIBC World Markets Corp.	34,000,000
Citigroup Global Markets Inc.	34,000,000
Credit Suisse Securities (USA) LLC	34,000,000
Mitsubishi UFJ Securities (USA), Inc.	34,000,000
Mizuho Securities USA Inc.	34,000,000
RBC Capital Markets, LLC	34,000,000
Scotia Capital (USA) Inc.	34,000,000
U.S. Bancorp Investments, Inc.	34,000,000
UBS Securities LLC	34,000,000
Wells Fargo Securities, LLC	34,000,000
Total	$ 850,000,000

Under the terms and conditions of the underwriting agreement, the underwriters must buy all of the notes if they buy any of them. The underwriting agreement provides that the obligations of the underwriters pursuant thereto are subject to certain conditions. In the event of a default by an underwriter, the underwriting agreement provides that, in certain circumstances, the purchase commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated. The underwriters will sell the notes to the public when and if the underwriters buy the notes from us. The offering of the notes by the underwriters is subject to receipt and acceptance and subject to the underwriters right to reject any order in whole or in part.

The notes are a new issue of securities with no established trading market. We do not intend to apply for listing of the notes on any national securities exchange. We have been advised by the underwriters that the underwriters intend to make a market in the notes but are not obligated to do so and may stop their market-making at any time without providing any notice. Liquidity of the trading market for the notes cannot be assured. If an active public trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected.

Table of Contents

The notes sold by the underwriters to the public will initially be offered at the public offering price set forth on the cover of this prospectus supplement. Any notes sold by the underwriters to securities dealers may be sold at a discount from the initial public offering price of up to 0.40% of the principal amount of the notes. Any such securities dealers may resell any notes purchased from the underwriters to certain other brokers or dealers at a discount from the initial public offering price of up to 0.20% of the principal amount of the notes. If all of the notes are not sold at the initial offering price, the underwriters may change the offering price and other selling terms.

	Per Note	Total
Price to public	99.955%	$ 849,617,500
Underwriting discount	0.650%	$ 5,525,000
Proceeds, before expenses, to us	99.305%	$ 844,092,500

We estimate that our expenses in connection with the sale of the notes, other than the underwriting discounts, will be approximately $1.5 million.

In order to facilitate the offering of the notes, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the notes. Specifically, the underwriters may over-allot in connection with the offering, creating a short position in the notes for their own accounts. In addition, to cover short positions or to stabilize the price of the notes, the underwriters may bid for, and purchase, the notes in the open market. Finally, the underwriters may reclaim selling concessions allowed to a particular underwriter or dealer for distributing the notes in the offering if the underwriter or dealer repurchases previously distributed notes in transactions to cover short positions, in stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of the notes above independent market levels. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected in the over-the-counter market or otherwise.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

Other Relationships

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for Devon, for which they may receive customary fees and expenses. In particular, affiliates of the underwriters are parties to and lenders under our credit facility. Our credit facility was negotiated on an arm s length basis and contains customary terms pursuant to which the lenders receive customary fees.

In the ordinary course of their various business activities, the underwriters and their respective affiliates have made or held, and may in the future make or hold, a broad array of investments including serving as counterparties to certain derivative and hedging arrangements, and may have actively traded, and, in the future may actively trade, debt and equity securities (or related derivative securities), and financial instruments (including bank loans) for their own account and for the accounts of their customers and may have in the past and at any time in the future hold long and short positions in such securities and instruments. Such investment and securities activities may have involved,

Table of Contents

and in the future may involve, securities and instruments of our company. Certain of the underwriters or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Delivery of the Notes

We expect that delivery of the notes will be made to investors on or about the closing date set forth on the cover page of this prospectus supplement, which will be the third business day following the date of this prospectus supplement (such settlement being referred to as T+3).

Selling Restrictions

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each Underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of notes which are the subject of the offering contemplated by this prospectus supplement to the public in that Relevant Member State other than:

a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the issuer for any such offer; or

c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of notes shall require the issuer or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

This prospectus supplement has been prepared on the basis that any offer of notes in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of notes. Accordingly any person making or intending to make an offer in that Relevant Member State of notes which are the subject of the offering contemplated in this prospectus supplement may only do so in circumstances in which no obligation arises for the Company or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither we nor the underwriters have authorized, nor do they authorize, the making of any offer of notes in circumstances in which an obligation arises for Devon or the underwriters to publish a prospectus for such offer.

For the purposes of this provision, the expression an offer of notes to the public in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

Table of Contents

United Kingdom

Each Underwriter has represented and agreed that:

a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (FSMA)) received by it in connection with the issue or sale of the notes in circumstances in which Section 21(1) of the FSMA does not apply to the issuer; and

b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

Hong Kong

The notes may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a prospectus within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), and no advertisement, invitation or document relating to the notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.