

DEVON ENERGY CORP/DE

Form DEF 14A

April 28, 2010

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Devon Energy Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- No fee required.
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1) Title of each class of securities to which transaction applies:

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Devon Energy Corporation
20 North Broadway
Oklahoma City, OK 73102-8260

April 28, 2010

Dear Devon Stockholder,

***Notice of 2010
Annual Meeting of
Stockholders***

You are invited to attend the 2010 Annual Meeting of Stockholders of Devon Energy Corporation on Wednesday, June 9, 2010. The meeting will be held at 8:00 a.m., local time, at The Skirvin Hilton Hotel, Continental Room, 1 Park Avenue, Oklahoma City, Oklahoma.

and

The Annual Meeting will focus on the formal items of business announced in the Notice of the 2010 Annual Meeting and Proxy Statement. Additionally, we will present a report on Devon's operations during 2009.

Proxy Statement

*Wednesday, June 9, 2010
8:00 a.m. (local time)*

It is important that your shares be represented and voted at the meeting. I urge you to submit your proxy using the Internet or telephone procedures provided in the Notice or, if you have elected to receive proxy materials by mail, by completing and mailing your Proxy Card in the envelope provided. If you decide to attend the Annual Meeting, you will be able to vote in person, even if you have previously submitted your proxy.

*The Skirvin Hilton Hotel Continental
Room
1 Park Avenue
Oklahoma City, Oklahoma*

Sincerely,

J. Larry Nichols
Chairman of the Board and
Chief Executive Officer

Commitment Runs Deep

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**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON JUNE 9, 2010**

Time	8:00 a.m. (local time) on Wednesday, June 9, 2010
Place	The Skirvin Hilton Hotel Continental Room 1 Park Avenue Oklahoma City, Oklahoma
Items of Business	To elect one Class I Director for a term of one year; To ratify the appointment of the independent auditors for 2010; To consider and vote upon the stockholder proposal set forth in this Proxy Statement, if presented; and To transact such other business as may properly come before the meeting or any adjournments of the meeting.
Who Can Vote	Stockholders of record at the close of business on April 12, 2010 are entitled to notice of and to vote at the meeting. You may examine a complete list of stockholders entitled to vote at the meeting during normal business hours for the 10 days prior to the meeting at our offices and at the meeting.
Voting by Proxy	Please submit a proxy as soon as possible so that your shares can be voted at the meeting in accordance with your instructions. You may submit your proxy by: Internet, telephone, or mail. For specific instructions, please refer to the section entitled "About the Annual Meeting" beginning on page 1.

**Important Notice Regarding the Availability of Proxy Materials
for the Stockholder Meeting to be Held on June 9, 2010:**

Our 2010 Proxy Materials, including the 2010 Proxy Statement, Summary Annual Report and Annual Report on Form 10-K for the fiscal year ended December 31, 2009, are available at www.proxydocs.com/dvn.

BY ORDER OF THE BOARD OF DIRECTORS

Oklahoma City, Oklahoma
April 28, 2010

Janice A. Dobbs
Vice President - Corporate Governance
and Corporate Secretary

Commitment Runs Deep

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**Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260**

Proxy Statement

Annual Meeting Of Stockholders

June 9, 2010

We are furnishing you this Proxy Statement in connection with the solicitation of proxies by our Board of Directors to be used at the Annual Meeting and any adjournment thereof. The Annual Meeting will be held on Wednesday, June 9, 2010 at 8:00 a.m. We are first sending this Proxy Statement to our stockholders on or about April 28, 2010.

All references in this Proxy Statement to we, our, us, or the Company refer to Devon Energy Corporation, including our subsidiaries and affiliates.

ABOUT THE ANNUAL MEETING

What is the purpose of the Annual Meeting?

At our Annual Meeting, stockholders will be asked to:

elect one Class I Director for a one-year term expiring in 2011;

ratify the appointment of our independent auditors for 2010;

consider and vote upon the stockholder proposal set forth in this Proxy Statement, if presented; and

transact such other business as may properly come before the Annual Meeting or any adjournments thereof.

Who is entitled to vote?

Stockholders as of the close of business on April 12, 2010 (the Record Date) are eligible to vote their shares at the Annual Meeting. As of the Record Date, there were 446,854,081 shares of our common stock outstanding. Each share of common stock is entitled to one vote at the Annual Meeting.

How do I vote?

You may:

attend the Annual Meeting and vote in person; or

dial the toll-free number listed on the Proxy Card or Voting Instruction Form. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded. Telephone voting for stockholders of record will be available 24 hours a day, and will close at 11:59 p.m. Eastern Time on June 8, 2010; or

go to the website printed on the Notice, www.proxyvote.com, simply follow the instructions on the screen, then confirm that your instructions have been properly recorded. If you vote on the

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Internet, you can request electronic delivery of future proxy materials. Internet voting for stockholders of record will be available 24 hours a day, and will close at 11:59 p.m. Eastern Time on June 8, 2010; or

if you elected to receive a paper copy of your proxy materials, mark your selections on the Proxy Card, date and sign it, and return the card in the pre-addressed, postage-paid envelope provided.

Why did I receive a Notice in the mail regarding the Internet availability of proxy materials this year instead of a full set of proxy materials?

In connection with recent United States Securities and Exchange Commission (the SEC) rules that allow companies to furnish proxy materials over the Internet, we have sent to most of our stockholders a Notice of Internet Availability of proxy materials instead of a paper copy of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request a paper copy may be found in the Notice. In addition, stockholders may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis. A stockholder's election to receive proxy materials by mail or email will remain in effect until the stockholder terminates it.

Why didn't I receive a Notice in the mail regarding the Internet availability of proxy materials?

We are providing certain stockholders, including those who have previously requested to receive paper copies of the proxy materials, with paper copies of the proxy materials instead of a Notice. If you would like to reduce the costs incurred by us in mailing proxy materials, you can consent to receive all future proxy materials electronically via email or the Internet. To sign up for electronic delivery, please follow the instructions provided in your proxy materials. When prompted, indicate that you agree to receive or access stockholder communications electronically in the future.

How do I vote the shares held in my 401(k) Plan?

If you are a current employee participating in the Devon Energy Incentive Savings Plan (the 401(k) Plan), please follow the instructions you received via email from Broadridge Financial Solutions, Inc. (Broadridge).

If you are a former employee participating in the 401(k) Plan and have shares of our common stock credited to your 401(k) Plan account as of the Record Date, such shares are shown on the Voting Instruction Form. You have the right to direct Fidelity Management Trust Company (the 401(k) Plan Trustee) regarding how to vote those shares, which you can do by voting your shares in the same manner as provided above.

The 401(k) Plan Trustee will vote your shares in the 401(k) Plan account in accordance with your instructions. If instructions are not received by June 6, 2010, the shares credited to your account will be voted by the 401(k) Plan Trustee in the same proportion as it votes shares for which it did receive timely instructions.

Will each stockholder in our household receive proxy materials?

Generally, no. We try to provide only one set of proxy materials to be delivered to multiple stockholders sharing an address unless you have notified us to the contrary. Any stockholder at a shared address may request delivery of single or multiple copies of proxy materials for future meetings by contacting us at Devon Energy Corporation, Attention: Corporate Secretary, 20 North Broadway, Oklahoma City, Oklahoma 73102-8260, email: janice.dobbs@dvn.com or call (405) 235-3611.

If I vote via telephone or the Internet or by mailing my Proxy Card, may I still attend the Annual Meeting?

Yes.

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Commitment Runs Deep

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What if I want to change my vote?

You may revoke your proxy before it is voted by submitting a new proxy with a later date (by mail, telephone or Internet), by voting at the Annual Meeting, or by filing a written revocation with our Corporate Secretary. Your attendance at the Annual Meeting will not automatically revoke your proxy.

Is my vote confidential?

Yes. We have procedures to ensure that regardless of whether stockholders vote by mail, telephone, Internet or in person, all proxies, ballots and voting tabulations that identify stockholders are kept permanently confidential, except as disclosure may be required by federal or state law or as expressly permitted by a stockholder.

In addition, special procedures have been established to maintain the confidentiality of shares voted in our 401(k) Plan. None of our employees will have access to voting information for shares in the 401(k) Plan.

Who will count the votes?

Broadridge will tabulate the votes.

What constitutes a quorum?

A majority of the shares entitled to vote, present in person or represented by proxy, constitutes a quorum. If you vote by telephone, Internet or by returning your Proxy Card, you will be considered part of the quorum. Broadridge, the Inspector of Election, will treat shares represented by a properly executed proxy as present at the meeting. Abstentions and broker non-votes will be counted for purposes of determining a quorum. A broker non-vote occurs when a nominee holding shares for a beneficial owner submits a proxy but does not vote on a particular proposal because the nominee does not have discretionary voting power for that item and has not received instructions from the beneficial owner.

How many votes will be required to approve a proposal?

Election of Directors at the Annual Meeting will be by a plurality of votes cast at the Annual Meeting. Votes may be cast in favor of the election of the Director nominee or withheld.

Our Corporate Governance Guidelines and Bylaws contain a Director Resignation Policy which provides that any nominee for Director in an uncontested election who receives a greater number of votes withheld from his or her election than votes for such election must submit his or her offer of resignation to the Governance Committee of the Board of Directors within 90 days from the date of the election. The Governance Committee will consider all of the relevant facts and circumstances and recommend to the Board the action to be taken with respect to such offer of resignation.

With respect to other matters, the affirmative vote of the holders of a majority of the shares, present in person or by proxy, and entitled to vote at the Annual Meeting, is required to take any other action.

Shares cannot be voted at the Annual Meeting unless the holder of record is present in person or by proxy.

Can brokers who hold shares in street name vote those shares with respect to the election of Directors if they have received no instructions?

The New York Stock Exchange (the NYSE) rules have changed and an uncontested election of directors is no longer considered a routine matter. This means that brokers may not vote your shares on the election of directors if you have not given specific instruction as to how to vote. Please be sure to give specific voting instructions to your broker so that your vote will be counted.

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How will you treat abstentions and broker non-votes?

We will:

count abstentions and broker non-votes for purposes of determining the presence of a quorum at the Annual Meeting;

treat abstentions as votes not cast but as shares represented at the Annual Meeting for determining results on actions requiring a majority of shares present and entitled to vote at the Annual Meeting;

not consider broker non-votes for determining actions requiring a majority of shares present and entitled to vote at the Annual Meeting; and

consider neither abstentions nor broker non-votes in determining results of plurality votes.

Who pays the solicitation expenses?

We will bear the cost of solicitation of proxies. Proxies may be solicited by mail or personally by our Directors, officers or employees, none of whom will receive additional compensation for such solicitation. We have retained Georgeson Inc. to assist in the solicitation of proxies at an estimated cost of \$9,500, plus reasonable expenses. Those holding shares of common stock of record for the benefit of others, or nominee holders, are being asked to distribute proxy soliciting materials to, and request voting instructions from, the beneficial owners of such shares. We will reimburse nominee holders for their reasonable out-of-pocket expenses.

Where can I find the voting results of the Annual Meeting?

We will announce preliminary voting results at the Annual Meeting, and we will publish final results in a Form 8-K which will be filed with the SEC within four business days of the Annual Meeting. You may obtain a copy of this and other reports free of charge at www.devonenergy.com, or by contacting our Investor Relations Department at (405) 552-4570, email: investor.relations@dvn.com or the SEC at (800) 732-0300 or www.sec.gov.

Will your independent auditors be available to respond to your stockholder questions?

Yes. The Audit Committee of the Board of Directors has approved KPMG LLP to serve as our independent auditors for the year ending December 31, 2010. Representatives of KPMG LLP will be present at the Annual Meeting. They will have an opportunity to make a statement, if they desire to do so, and will be available to respond to stockholder questions.

Where can I reach you?

Our mailing address is:

Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260

Our telephone number is:

(405) 235-3611

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AGENDA ITEM 1. ELECTION OF DIRECTOR

Pursuant to provisions of our Restated Certificate of Incorporation, as amended, and Bylaws, the Board of Directors shall consist of not less than three nor more than 20 Directors. Currently, the Board is comprised of nine Directors. Our Restated Certificate of Incorporation and Bylaws provide for three classes of Directors. These three classes of Directors currently serve staggered terms, with Class I having two Directors, Class II having four Directors and Class III having three Directors. Effective with the 2011 Annual Meeting, Directors shall be elected annually. The nominee for Director in Class I, to be elected at this Annual Meeting of Stockholders, will be elected to serve a one-year term. All Directors to be elected at the 2011 Annual Meeting, and thereafter, will be elected for a one-year term.

The Board of Directors has nominated for re-election incumbent Director in Class I, John Richels, whose term expires at the Annual Meeting. The term of the Director nominee will expire at the Annual Meeting in the year 2011. The nominee will serve until his successor is elected and qualified. The term of Thomas F. Ferguson, a member of Class I, will expire at the 2010 Annual Meeting and the term of Robert L. Howard, a member of Class II, will expire at the 2011 Annual Meeting. Both Mr. Ferguson and Mr. Howard will retire at the 2010 Annual Meeting due to the age requirement for Board members in accordance with the Company's Corporate Governance Guidelines.

The Board of Directors recommends a vote FOR the nominee for election to the Board of Directors.

It is the intention of the persons named in the proxy to vote proxies **FOR** the election of the nominee unless they are instructed otherwise. In the event that the nominee should fail to stand for election, the persons named in the proxy intend to vote for a substitute nominee designated by the Board of Directors. Proxies cannot be voted for a greater number of persons than the number of nominees named.

Class I Nominee for Director for a Term Expiring in 2011

John Richels

Director since 2007

Mr. Richels, age 59, is a member of the Board of Directors and has served as President of Devon since January 2004. Prior to that, Mr. Richels served as President and Chief Executive Officer of Devon Canada Corporation, a subsidiary of Devon. He has been with the Company since the 1998 acquisition of the Canadian-based Northstar Energy Corporation. Previously, Mr. Richels served as Managing and Chief Operating Partner of the Canadian-based national law firm, Bennett Jones.

Mr. Richels holds a Bachelor of Arts degree in economics from York University and a law degree from the University of Windsor. Mr. Richels has more than 20 years of experience in the energy industry and his knowledge of the industry is extensive. Mr. Richels served as a director of Northstar Energy Corporation from 1993 to 1996 and on the boards of a number of other publicly traded companies. He also served as vice-chairman of the board of governors of the Canadian Association of Petroleum Producers. Mr. Richels has demonstrated his leadership abilities and his commitment to our Company and has made significant contributions to the success of the Company during his tenure. For these reasons, the Board concluded that Mr. Richels is qualified and should serve as a director of the Company.

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DIRECTORS CONTINUING IN SERVICE

Class II Directors with Terms Expiring in 2011

Michael M. Kanovsky
1998

Director since

Mr. Kanovsky, age 61, is President of Sky Energy Corporation. From 1982 to 1998 he served on the Board of Directors of the Canadian-based Northstar Energy Corporation which was acquired by Devon in 1998. Mr. Kanovsky currently serves as a director of Argosy Energy Inc., ARC Resources Ltd., Bonavista Petroleum Ltd., Pure Technologies Ltd. and TransAlta Corporation.

Mr. Kanovsky, a professional engineer, holds a Bachelor of Science degree in mechanical engineering from Queen's University (Kingston, ON) as well as a Masters degree in Business Administration from the Richard Ivey School of Business at the University of Western Ontario (London, ON). Mr. Kanovsky is a founder of both Northstar Energy Corporation and Bonavista Energy Trust. Mr. Kanovsky has more than 27 years of experience and his knowledge of the energy industry is extensive. For these reasons, the Board concluded that Mr. Kanovsky is qualified and should serve as a director of the Company.

J. Todd Mitchell

Director since 2002

Mr. Mitchell, age 51, served as President of Mitchell Family Corporation (formerly GPM, Inc.), a family-owned investment company, from 1998 to 2006, and as Vice President of Strategic Planning from 2006 to 2007. He currently serves as President of Two Seven Ventures, LLC, a private energy investment company. Mr. Mitchell served on the Board of Directors of Mitchell Energy & Development Corp. from 1993 to 2002.

Mr. Mitchell holds a Bachelor of Science degree in Geology from Colorado College, a Masters degree in Geology from the University of Texas and a Masters degree in Environmental Sustainability, with distinction, from Edinburgh University. Mr. Mitchell has more than 17 years of experience working in the energy industry, first as a principal in a start-up company related to natural gas exploration and geo-physics, and more recently in a leadership role at Two Seven. He has demonstrated sound business judgment and knowledge of the energy industry. For these reasons, the Board concluded that Mr. Mitchell is qualified and should serve as a director of the Company.

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***J. Larry Nichols
since 1971***

Director

Mr. Nichols, age 67, is a co-founder of Devon and serves as Chairman of the Board of Directors and Chief Executive Officer of the Company. Mr. Nichols is a director of Baker Hughes Incorporated and Sonic Corp. Since January 1, 2009, Mr. Nichols has served as Chairman of the Board of Directors of the American Petroleum Institute.

Mr. Nichols holds a Bachelor of Arts degree in Geology from Princeton University and a law degree from the University of Michigan. Mr. Nichols' role in the founding of Devon, as well as its growth and continued success over a period of 40 years, is unsurpassed. Mr. Nichols' decades of knowledge and experience and his proven contribution to the energy industry continue to be an immeasurable asset to the Company. Mr. Nichols has demonstrated strong business, management and leadership skills, as evidenced by his successful performance as Chairman and Chief Executive Officer of the Company. For these reasons, the Board concluded that Mr. Nichols is qualified and should serve as a director of the Company.

***Robert A. Mosbacher, Jr.
2009***

Director since

Mr. Mosbacher, age 58, returned to the Board of Directors in April 2009. Mr. Mosbacher previously served as a member of the Board from 1999 until 2005, at which time he resigned to accept an appointment by the Bush administration to serve as President and Chief Executive Officer of the Overseas Private Investment Corporation (OPIC), an independent agency of the U.S. government that supports private capital investment in emerging markets around the world, where he served until January 2009.

Mr. Mosbacher received a law degree in 1977 from Southern Methodist University and a Bachelor of Arts degree from Georgetown University in 1973. Mr. Mosbacher's leadership at OPIC contributed to the successful development of the global marketplace. Mr. Mosbacher also served as President and Chief Executive Officer of Mosbacher Energy Company, an independent oil and gas exploration and production company, from 1986 to 2005. Mr. Mosbacher currently serves as a director of Calpine Corporation. Mr. Mosbacher's experience in the industry and his well-rounded business acumen are widely acknowledged. For these reasons, the Board concluded that Mr. Mosbacher is qualified and should serve as a director of the Company.

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Class III Directors with Terms Expiring in 2011

John A. Hill

Director Since 2000

Mr. Hill, age 68, has been with First Reserve Corporation, an oil and gas investment management company, since 1983 and is currently its Vice Chairman and Managing Director. Prior to creating First Reserve Corporation, Mr. Hill was President and Chief Executive Officer of several investment banking and asset management companies. He served as the Deputy Associate Director of the Office of Management and Budget and as Deputy Administrator of the Federal Energy Administration during the Ford administration. Mr. Hill is Chairman of the Board of Trustees of the Putnam Funds in Boston, a Trustee of Sarah Lawrence College and a director of various companies controlled by First Reserve Corporation.

Mr. Hill holds a Bachelor of Arts degree in Economics from Southern Methodist University and pursued graduate studies there as a Woodrow Wilson Fellow. Mr. Hill has 27 years of experience managing investments in the oil and gas business. This business experience demonstrates his leadership skill and success in the industry. Mr. Hill brings his extensive investment experience to the Board, which enhances the knowledge of the Board and provides useful insights to management. For these reasons, the Board concluded that Mr. Hill is qualified and should serve as a director of the Company.

Mary P. Ricciardello
2007

Director Since

Ms. Ricciardello, age 54, joined the Board of Directors in 2007. She retired in 2002 after a 20-year career with Reliant Energy Incorporated, a leading independent power producer and marketer. Ms. Ricciardello began her career with Reliant in 1982 and served in various financial management positions with the company including Comptroller, Vice President and most recently as Senior Vice President and Chief Accounting Officer. She also serves as a director of U.S. Concrete, Inc. and Noble Corporation. Ms. Ricciardello is a Certified Public Accountant.

Ms. Ricciardello holds a Bachelor of Science degree in Business Administration from the University of South Dakota and a Masters degree in Business Administration with emphasis in Finance from the University of Houston. Ms. Ricciardello is qualified as a financial expert, with over 20 years of knowledge and experience in corporate finance and tax matters. Ms. Ricciardello has held audit committee chairmanships in a NYSE and NASDAQ company, and has served as editorial advisor for the Journal of Accountancy. As a result of her business career and her experience as a director of other publicly held companies, Ms. Ricciardello provides knowledgeable advice to the Company's other directors and to senior management. For these reasons, the Board concluded that Ms. Ricciardello is qualified and should serve as a director of the Company.

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CORPORATE GOVERNANCE

Board of Directors Information

Our Board of Directors met seven times in 2009. All Directors attended 75% or more of the total meetings of the Board of Directors and Committees on which they served. We require a majority of our Directors to be in attendance at our Annual Meetings of Stockholders. All Directors attended the 2009 Annual Meeting.

The Board is governed by the laws of the state of Delaware, our Restated Certificate of Incorporation, as amended, Bylaws, Corporate Governance Guidelines, Charters of the Board's standing committees and various federal laws. Copies of the following governance documents are available at www.devonenergy.com and in print to any stockholder upon request:

Restated Certificate of Incorporation;

Certificate of Amendment of Restated Certificate of Incorporation;

Bylaws;

Corporate Governance Guidelines;

Code of Business Conduct and Ethics;

Code of Ethics for Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Chief Accounting Officer (CAO);

Foreign Corrupt Practices Act Policy and Procedures; and

Committee Charters.

Amendments to and waivers from any provision of the Code of Ethics for the CEO, CFO, and CAO will be posted on our website.

Also, on our website is information on our Environmental, Health and Safety Initiatives, and our Corporate Responsibility Report.

Practices for Considering Diversity

The charter of the Governance Committee provides that it shall annually review the appropriate skills and characteristics of members of the Board of Directors in the context of the then current make-up of the Board. This assessment includes the following factors: diversity (including diversity of skills, background and experience); business or professional background; financial literacy and expertise; availability and commitment; independence; and other criteria that the Governance Committee or the full Board finds to be relevant. It is the practice of the Governance Committee to consider these factors when screening and evaluating candidates for nomination to the Board of Directors.

Table of Contents**Committees**

The Board of Directors has a standing Audit Committee, Compensation Committee, Governance Committee and Reserves Committee. The following table shows the current membership of each committee, each committee's functions, and the number of meetings each committee held in 2009:

Committee and Members	Functions of Committee	Number of Meetings in 2009
Audit Thomas F. Ferguson ⁽¹⁾⁽²⁾ Michael M. Kanovsky J. Todd Mitchell Mary P. Ricciardello ⁽²⁾	Monitors the integrity of the Company's financial statements and reporting system; Ensures that the Company complies with legal and regulatory requirements; Monitors the independent auditors' qualifications and independence; Monitors the performance of the Company's internal auditors and independent auditors; Monitors the Company's corporate risk exposure and the procedures the Company has undertaken to monitor, control, and report corporate risk; Monitors the business practices and ethical standards of the Company; and Performs such other duties and responsibilities as the Board shall approve and assign to the Committee.	9
Compensation Robert L. Howard ⁽¹⁾ John A. Hill Robert A. Mosbacher, Jr.	Reviews and approves compensation philosophy and strategy for the Company; Directs management to administer the annual compensation process in accordance with the stated compensation strategy of the Company and any requirements of the appropriate regulatory bodies; Reviews and approves the Company's employee benefit and incentive programs; Annually reviews and determines total compensation for the CEO and any other employee that is a member of the Board of Directors, currently the President; Reviews and approves total compensation for the Company's executive officers in consultation with the CEO; Reviews with the CEO and advises the Board with regard to executive officer succession planning; and	6

Performs such other duties and responsibilities as the Board shall approve and assign to the Committee.

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Committee and Members	Functions of Committee	Number of Meetings in 2009
<p>Governance John A. Hill⁽¹⁾ Robert A. Mosbacher, Jr. Mary P. Ricciardello</p>	<p>Identifies and recommends qualified individuals to become Board members; Evaluates and recommends nominees for election as directors at the annual stockholders meetings or for appointment between annual stockholders meetings; Evaluates and recommends compensation or revisions to compensation for members of the Board; Develops, recommends and reviews corporate governance guidelines for the Company; and Performs such other duties and responsibilities as the Board shall approve and assign to the Committee.</p>	<p>4</p>
<p>Reserves J. Todd Mitchell⁽¹⁾ Robert L. Howard Michael M. Kanovsky</p>	<p>Performs an annual review and evaluation of the Company's consolidated oil, natural gas and natural gas liquids reserves; Verifies the integrity of the Company's reserves evaluation and reporting system; Assesses the disclosure for the Company's compliance with legal and regulatory requirements related to its oil, natural gas and natural gas liquids reserves; Investigates and verifies the qualifications and independence of the Company's independent engineering consultants; Monitors the performance of the Company's independent engineering consultants; Monitors and evaluates the business practices and ethical standards of the Company in relation to the preparation and disclosure of its oil and gas reserves; and Performs such other duties and responsibilities as the Board shall approve and assign to the Committee.</p>	<p>2</p>

⁽¹⁾ Chairman

⁽²⁾ Audit Committee financial expert

Director Independence