

# EXHIBIT I

DEVON ENERGY CORPORATION  
United States Securities and Exchange Commission  
Form 10-K for the Fiscal Year Ended December 31, 2009  
Excerpt

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
**Form 10-K**

(Mark One)



**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2009

or



**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

Commission File Number 001-32318

**Devon Energy Corporation**

(Exact name of registrant as specified in its charter)

**Delaware**

(State of other jurisdiction of incorporation or organization)

**20 North Broadway, Oklahoma City, Oklahoma**  
(Address of principal executive offices)

**73-1567067**

(I.R.S. Employer identification No.)

**73102-8260**  
(Zip code)

**Registrant's telephone number, including area code:**  
**(405) 235-3611**

**Securities registered pursuant to Section 12(b) of the Act:**

**Title  
of  
each  
class**

**Name  
of  
each  
exchange  
on  
which  
registered**

Common stock, par value \$0.10 per share

The New York Stock Exchange

**Securities registered pursuant to Section 12(g) of the Act:**  
**None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting common stock held by non-affiliates of the registrant as of June 30, 2009, was approximately \$24.0 billion, based upon the closing price of \$54.50 per share as reported by the New York Stock Exchange on such date. On February 15, 2010, 446.8 million shares of common stock were outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

Proxy statement for the 2010 annual meeting of stockholders — Part III

## PART I

### Item 1. *Business*

#### General

Devon Energy Corporation, including its subsidiaries (“Devon”), is an independent energy company engaged primarily in exploration, development and production of natural gas and oil. Our oil and gas operations are concentrated in various North American onshore areas in the United States and Canada. We also have offshore operations that are situated principally in the Gulf of Mexico and regions located offshore Azerbaijan, Brazil and China.

To complement our upstream oil and gas operations, we have marketing and midstream operations primarily in North America. With these operations, we market gas, crude oil and NGLs. We also construct and operate pipelines, storage and treating facilities and natural gas processing plants. These midstream facilities are used to transport oil, gas, and NGLs and process natural gas.

We began operations in 1971 as a privately held company. We have been publicly held since 1988, and our common stock is listed on the New York Stock Exchange. Our principal and administrative offices are located at 20 North Broadway, Oklahoma City, OK 73102–8260 (telephone 405/235–3611).

#### Strategy

As an enterprise, we aspire to be the premier independent natural gas and oil company in North America. To achieve this, we continuously strive to optimize value for our shareholders by growing reserves, production, earnings and cash flows, all on a per share basis. We do this by:

- exercising capital discipline;
- investing in oil and gas properties with high operating margins;
- balancing our reserves and production mix between natural gas and liquids;
- maintaining a low overall cost structure;
- improving performance through our marketing and midstream operations; and
- preserving financial flexibility.

Over the past decade, we captured an abundance of resources by carrying out this strategy. We pioneered horizontal drilling in the Barnett Shale and extended this technique to other natural gas shale plays in the United States and Canada. We became proficient with steam-assisted gravity drainage with our Jackfish oil sands development in Alberta, Canada. We achieved key oil discoveries with our drilling in the deepwater Gulf of Mexico and offshore Brazil. We have more than tripled our proved oil and gas reserves since 2000, and have also assembled an extensive inventory of exploration assets representing additional unproved resources.

Building off our past successes, in November 2009, we announced plans to strategically reposition Devon as a high-growth, North American onshore exploration and production company. As part of this strategic repositioning, we plan to bring forward the value of our offshore assets located in the Gulf of Mexico and countries outside North America by divesting them.

This repositioning is driven by our desire to unlock and accelerate the realization of the value underlying the deep inventory of opportunities we have. We have assembled a valuable portfolio of offshore assets, and we have a considerable inventory of premier North American onshore assets. However, our North American onshore assets have consistently provided us our highest risk-adjusted investment returns. By selling our offshore assets, we can more aggressively pursue the untapped value of these North American onshore opportunities. Besides reducing debt, the offshore divestiture proceeds are expected to provide significant funds to redeploy into our prolific North American onshore opportunities. With these added funds, we plan to accelerate the growth and realization of the value of our North American onshore assets.