

**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, 2025

or

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

Commission File Number 001-32318


devon

DEVON ENERGY CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

333 West Sheridan Avenue, Oklahoma City, Oklahoma

(Address of principal executive offices)

73-1567067

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

73102-5015

(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	Trading Symbol	Name of each exchange on which registered
Common stock, par value \$0.10 per share	DVN	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 every Interactive Data File required to be submitted 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 such files). Yes No

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

Large accelerated filer	<input checked="" type="checkbox"/> Accelerated filer	<input type="checkbox"/> Non-accelerated filer	<input type="checkbox"/>
Smaller reporting company	<input type="checkbox"/> Emerging growth company	<input type="checkbox"/>	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

The aggregate market value of the voting common stock held by non-affiliates of the registrant as of June 30, 2025 was approximately \$20.2 billion, based upon the closing price of \$31.81 per share as reported by the New York Stock Exchange on such date. On February 4, 2026, 620 million shares of common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Registrant's definitive Proxy Statement relating to Registrant's 2026 annual meeting of stockholders have been incorporated by reference in Part III of this Annual Report on Form 10-K.

Auditor Name: KPMG LLP

Auditor Location: Oklahoma City, Oklahoma

Audit Firm ID: 185

DEVON ENERGY CORPORATION
FORM 10-K
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DEFINITIONS

Unless the context otherwise indicates, references to “us,” “we,” “our,” “ours,” “Devon,” the “Company” and “Registrant” refer to Devon Energy Corporation and its consolidated subsidiaries. All monetary values, other than per unit and per share amounts, are stated in millions of U.S. dollars unless otherwise specified. In addition, the following are other abbreviations and definitions of certain terms used within this Annual Report on Form 10-K:

“2017 Plan” means the Devon Energy Corporation 2017 Long-Term Incentive Plan.

“2022 Plan” means the Devon Energy Corporation 2022 Long-Term Incentive Plan.

“ASU” means Accounting Standards Update.

“Bbl” or “Bbls” means barrel or barrels.

“Bcf” means billion cubic feet.

“BLM” means the United States Bureau of Land Management.

“Boe” means barrel of oil equivalent. Gas proved reserves and production are converted to Boe, at the pressure and temperature base standard of each respective state in which the gas is produced, at the rate of six Mcf of gas per Bbl of oil, based upon the approximate relative energy content of gas and oil. NGL proved reserves and production are converted to Boe on a one-to-one basis with oil.

“Btu” means British thermal units, a measure of heating value.

“CAMT” means Corporate Alternative Minimum Tax.

“Catalyst” means Catalyst Midstream Partners, LLC.

“CDM” means Cotton Draw Midstream, L.L.C.

“Coterra” means Coterra Energy, Inc.

“DD&A” means depreciation, depletion and amortization expenses.

“EHS” means environmental, health and safety.

“EPA” means the United States Environmental Protection Agency.

“ESG” means environmental, social and governance.

“FASB” means Financial Accounting Standards Board.

“Fervo” means Fervo Energy Company.

“G&A” means general and administrative expenses.

“GAAP” means U.S. generally accepted accounting principles.

“GHG” means greenhouse gas.

“Grayson Mill” means Grayson Mill Intermediate HoldCo II, LLC and Grayson Mill Intermediate HoldCo III, LLC.

“Inside FERC” refers to the publication *Inside F.E.R.C.'s Gas Market Report*.

“IRA” refers to the Inflation Reduction Act of 2022.

“LOE” means lease operating expenses.

“Matterhorn” refers to Matterhorn Express Pipeline, LLC and, as applicable, its direct parent, MXP Parent, LLC.

“MBbls” means thousand barrels.

“MBoe” means thousand Boe.

“Mcf” means thousand cubic feet.

“Merger” means the merger of Merger Sub with and into Coterra, Coterra continuing as the surviving corporation and a wholly-owned subsidiary of the Company, pursuant to the terms of the Merger Agreement.

“Merger Agreement” means that certain Agreement and Plan of Merger, dated February 1, 2026, by and among the Company, Merger Sub and Coterra.

“Merger Sub” means Cubs Merger Sub, Inc., a wholly-owned subsidiary of the Company.

“MMBbls” means million barrels.

“MMBoe” means million Boe.

“MMBtu” means million Btu.

“MMcf” means million cubic feet.

“N/M” means not meaningful.

“NCI” means noncontrolling interests.

“NGL” or “NGLs” means natural gas liquids.

“NYMEX” means New York Mercantile Exchange.

“NYSE” means New York Stock Exchange.

“OBBA” means One Big Beautiful Bill Act.

“OPEC” means Organization of the Petroleum Exporting Countries.

“SEC” means United States Securities and Exchange Commission.

“Senior Credit Facility” means Devon’s syndicated unsecured revolving line of credit, effective as of March 24, 2023.

“SOFR” means secured overnight financing rate.

“Standardized measure” means the present value of after-tax future net revenues discounted at 10% per annum.

“STEM” means science, technology, engineering and mathematics.

“S&P 500 Index” means Standard and Poor’s 500 index.

“Term Loan” means Term Loan Credit Agreement.

“TSR” means total shareholder return.

“U.S.” means United States of America.

“VIE” means variable interest entity.

“Water JV” means NDB Midstream L.L.C.

“WaterBridge” means WaterBridge Infrastructure LLC and WBI Operating LLC. Any references to WaterBridge as a public company or its publicly-traded equity are to WaterBridge Infrastructure LLC individually.

“WPX” means WPX Energy, Inc.

“WTI” means West Texas Intermediate.

“/Bbl” means per barrel.

“/d” means per day.

“/MMBtu” means per MMBtu.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This report includes “forward-looking statements” within the meaning of the federal securities laws. Such statements include those concerning strategic plans, our expectations and objectives for future operations, as well as other future events or conditions, and are often identified by use of the words and phrases “expects,” “believes,” “will,” “would,” “could,” “continue,” “may,” “aims,” “likely to be,” “intends,” “forecasts,” “projections,” “estimates,” “plans,” “expectations,” “targets,” “opportunities,” “potential,” “anticipates,” “outlook” and other similar terminology. All statements, other than statements of historical facts, included in this report that address activities, events or developments that Devon expects, believes or anticipates will or may occur in the future are forward-looking statements. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond our control. Consequently, actual future results could differ materially and adversely from our expectations due to a number of factors, including, but not limited to:

- the volatility of oil, gas and NGL prices, including from changes in trade relations and policies, such as the imposition of new or increased tariffs or other trade protection measures by the U.S., China or other countries;
- uncertainties inherent in estimating oil, gas and NGL reserves;
- the extent to which we are successful in acquiring and discovering additional reserves;
- the uncertainties, costs and risks involved in our operations;
- risks related to our hedging activities;
- our limited control over third parties who operate some of our oil and gas properties and investments;
- midstream capacity constraints and potential interruptions in production, including from limits to the build out of midstream infrastructure;
- competition for assets, materials, people and capital, which can be exacerbated by supply chain disruptions, including as a result of tariffs or other changes in trade policy;
- regulatory restrictions, compliance costs and other risks relating to governmental regulation, including with respect to federal lands, environmental matters, water disposal and tax matters;
- climate change and risks related to regulatory, social and market efforts to address climate change;
- risks relating to our sustainability initiatives;
- claims, audits and other proceedings impacting our business, including with respect to historic and legacy operations;
- governmental interventions in energy markets;
- counterparty credit risks;
- risks relating to our indebtedness;
- cybersecurity risks;
- risks associated with artificial intelligence and other emerging technologies;
- the extent to which insurance covers any losses we may experience;
- risks related to shareholder activism;
- our ability to successfully complete mergers, acquisitions and divestitures;
- our ability to pay dividends and make share repurchases;

- risks related to the Merger, including restrictions on our operations during the pendency of the Merger, litigation risk, the risk that the Merger Agreement may be terminated and the risk that we may not realize the anticipated benefits of the Merger or successfully integrate the two companies; and
- any of the other risks and uncertainties discussed in this report or other SEC filings.

The forward-looking statements included in this filing speak only as of the date of this report, represent management's current reasonable expectations as of the date of this filing and are subject to the risks and uncertainties identified above as well as those described elsewhere in this report and in other documents we file from time to time with the SEC. We cannot guarantee the accuracy of our forward-looking statements, and readers are urged to carefully review and consider the various disclosures made in this report and in other documents we file from time to time with the SEC. All subsequent written and oral forward-looking statements attributable to Devon, or persons acting on its behalf, are expressly qualified in their entirety by the cautionary statements above. We do not undertake, and expressly disclaim, any duty to update or revise our forward-looking statements based on new information, future events or otherwise.

PART I

Items 1 and 2. *Business and Properties*

General

Founded in 1971 and publicly held since 1988, Devon (NYSE: DVN) is an independent energy company engaged primarily in the exploration, development and production of oil, natural gas and NGLs. Our operations are concentrated in various onshore areas in the U.S. Our principal and administrative offices are located at 333 West Sheridan, Oklahoma City, OK 73102-5015 (telephone 405-235-3611).

Devon files or furnishes annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, as well as any amendments to these reports, with the SEC. Through our website, www.devonenergy.com, we make available electronic copies of the documents we file or furnish to the SEC, the charters of the committees of our Board of Directors and other documents related to our corporate governance. The corporate governance documents available on our website include our Code of Ethics for Chief Executive Officer, Chief Financial Officer and Principal Accounting Officer, and any amendments to and waivers from any provision of that Code will also be posted on our website. Access to these electronic filings is available free of charge as soon as reasonably practicable after filing or furnishing them to the SEC. Printed copies of our committee charters or other governance documents and filings can be requested by writing to our corporate secretary at the address on the cover of this report. Reports filed with the SEC are also made available on its website at www.sec.gov.

Our Strategy

Our business strategy is focused on delivering a consistently competitive shareholder return among our peer group. Because the business of exploring for, developing and producing oil and natural gas is capital intensive, delivering sustainable, capital efficient cash flow growth is a key tenet to our success. While our cash flow is highly dependent on volatile and uncertain commodity prices, we pursue our strategy throughout all commodity price cycles with five fundamental principles.

Operating excellence – Operating our business in a safe, reliable and environmentally responsible manner is fundamental to who we are. We embrace innovative thinking and believe technology will be instrumental in the longevity of our industry. With our vision to be a premier independent oil and natural gas exploration and production company, the work our employees do every day contributes to the local, national and global economies. We produce a valuable commodity that is fundamental to society, and we endeavor to do so in a safe, environmentally responsible and ethical way, while striving to deliver strong returns to our shareholders. We have an ongoing commitment to transparency in reporting our ESG performance. We continue to establish new environmental performance targets for our Company and incorporate ESG initiatives into our compensation structure.

Advantaged asset portfolio – We believe U.S. crude oil and natural gas will continue to be advantaged in the global energy markets. As discussed in more detail later in this section, we own a portfolio of assets located in the Delaware Basin, Rockies, Eagle Ford and Anadarko Basin. We strive to own premier assets capable of generating cash flows in excess of our capital and operating requirements, as well as competitive rates of return. We also desire to own a portfolio of assets that can deliver sustainable production extending many years into the future and provide reliable and affordable energy needed to support the world's growing population and energy demands.

Maintaining financial strength and flexibility – Commodity prices are uncertain and volatile, so we strive to maintain a strong balance sheet, as well as adequate liquidity and financial flexibility, in order to operate competitively in all commodity price cycles. Our capital allocation decisions are made with attention to these financial stewardship principles, as well as the priorities of funding our core operations, protecting our investment-grade credit ratings and paying and growing our shareholder dividend. While maintaining financial strength is a top priority, we remain committed to maximizing shareholder value, which is evidenced by making opportunistic share repurchases and consistently paying and growing our fixed dividend.

Delivering value to shareholders – We are committed to shareholder returns. We are dedicated to a growing fixed dividend that is sustainable through the commodity price cycles. We adhere to distributing our cash flows in excess of operating and capital needs to shareholders. As we pursue cash flow growth, we continually work to optimize the efficiency of our capital programs and production operations, with an underlying objective of reducing absolute and per unit costs and enhancing our returns.

Cultivating a culture of innovation and results – We empower our people to leverage emerging technologies and drive superior results. Our employees are at the center of value creation, delivering impactful results that share our long-term success. We are committed to providing fulfilling careers, meaningful benefits and a sense of inclusion and belonging. We strive to be good stewards in all the communities we operate in, being actively involved and applying our culture of operating excellence.

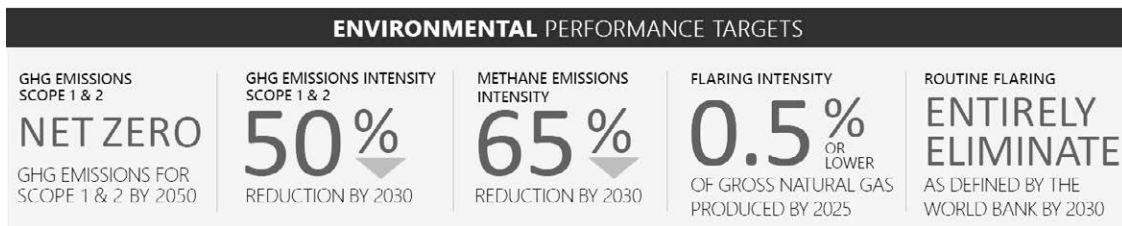
Sustainability and EHS

Devon is focused on producing reliable, affordable and accessible energy that the world needs, while continuing to find ways to produce and deliver it more responsibly. In planning activities and making decisions, we consider potential environmental impacts along with operational, financial and other relevant factors. We promote a culture of compliance with environmental laws and regulations and encourage performance that often goes above and beyond what is required. We deploy technologies, tools and processes intended to minimize or avoid potential effects on air, water, land and wildlife. We are also evaluating and selectively investing in low-emission opportunities that are complementary to our core business and deliver long-term shareholder value.

We have a strong organization in place to manage safety and environmental performance, encompassing our Board of Directors, our EHS and Sustainability leadership teams, and our field-level EHS and operations teams. Our governance philosophy in this space elevates EHS oversight and discussion, including matters related to climate change. Our Board and the Board's Safety, Operations, and Resource Committee and Governance, Environmental, and Public Policy Committee frequently review our safety and environmental initiatives and are keenly interested in the operational measures, technological advancements, planning, forecasting and other actions the Company takes in improving our performance in these areas.

Our organizational efforts are intended to ensure that our environmental objectives and targets are considered in capital allocation decisions, corporate and business unit planning and team strategies to integrate sustainability into our business activities. To support our environmental initiatives, we spent approximately \$100 million in 2025 on capital projects that will directly or indirectly result in emissions reduction, and we anticipate spending a similar amount in 2026.

Devon has established environmental performance targets that reflect our dedication and commitment to providing affordable energy while achieving meaningful emissions reductions and pursuing our longer-term aspiration of net zero GHG emissions for Scopes 1 and 2. Our GHG and methane targets, described below, are calculated from a 2019 baseline. Devon’s emission reduction strategy involves a range of potential actions, including expanding our leak detection and repair program; deploying advanced leak detection technologies; reducing the volume of natural gas that is flared; electrifying facilities to reduce the use of natural gas and diesel consumed onsite; and optimizing facility design to minimize leaks and eliminate common equipment failures.



Devon is also focused on water stewardship in support of our environmental objectives, continuing to advance our use of recycled water and targeting to use 90% or more non-freshwater for completions activities in our most active operating areas within the Delaware Basin.

We are confident we can deliver strong operational and financial results and reduce our environmental impact while safeguarding our workforce and the communities in which we operate.

Human Capital

Delivering strong operational and financial results in a safe, environmentally and socially responsible way requires the expertise and positive contributions of every Devon employee. Our people are the Company's most important resource and we seek to hire people who share and demonstrate our core values of integrity, relationships, courage and results. We value our people and invest in their success. Devon focuses on providing personally and professionally fulfilling careers, meaningful benefits and compensation and a sense of belonging and inclusion. Our workforce is central to and drives our long-term success. Devon's Executive Committee and Compensation Committee of the Board routinely engage in discussions regarding a wide range of human capital strategies, outcomes and activities. As of December 31, 2025, Devon and its consolidated subsidiaries had approximately 2,200 employees, all located in the U.S.

Employee Safety and Wellness

We prepare our workforce to work safely with comprehensive training and orientation, on-the-job guidance and tools, safety engagements, recognition and other resources. Employees and contractors are expected to comply with safety rules and regulations and are accountable for stopping at-risk work, immediately reporting incidents and near-miss events and informing visitors of emergency alarms and evacuation plans. To safeguard workers on our well sites and neighbors nearby, we plan, design, drill, complete and produce wells using proven best practices, technologies, tools and materials. We work continuously to prevent disruptions and provide training and drills so our employees are prepared and ready to respond to a wide variety of issues.

Devon also prioritizes the physical, mental and financial wellness of our employees. We offer competitive health and financial benefits with incentives designed to promote well-being, including an Employee Assistance Program ("EAP") that provides counseling services for employees and their family members free of charge. Access to experienced counselors, financial experts, staff attorneys, elder-care consultants and other services is included in EAP services available 365 days a year, 24 hours a day. Devon also provides virtual mental health counseling resources available through talk and text, as well as a digital mental health platform providing mental health assessment and education. Devon encourages employees to take advantage of our wellness programs and activities by getting an annual physical exam, attending preventive health screenings and completing a financial wellness series, all at no cost to our workforce.

Employee Compensation, Benefits, Development and Retention

We strive to attract and retain high-performing individuals across our workforce. One way we do this is by providing competitive compensation and benefits, including annual bonuses; a 401(k) savings plan with a Devon contribution up to 14% of the employee's earnings; stock awards for all employees; medical, dental and vision health care coverage; health savings and dependent-care flexible spending accounts; maternity and parental leave for the birth or adoption of a child; an adoption assistance program; alternate work schedules; flexible work hours; part-time work options; and telecommuting support; among other benefits. Devon also provides a four-week Paid Family and Medical Leave Policy for all employees to take care of themselves and their families. Devon continues to suspend collection of all employee health care premiums. We believe these benefits help contribute to strong productivity, low absenteeism and high retention rates.

Devon also looks to our core values to build the workforce we need. We develop our employees' knowledge and creativity and advance continual learning and career development through ongoing performance, training and development conversations.

Employee Culture and Community

Devon's success depends on employees who demonstrate integrity, accountability, perseverance and a passion for building our business and delivering results. Our efforts to create a workforce with these qualities start with offering equal opportunity in all aspects of employment. We do this with company policies and leadership commitment, and by providing employees opportunities to help shape Devon's culture.

We strive to bring a range of thoughts, experiences and points of view to our problem-solving and decision making throughout Devon. Along with our workforce efforts, we invest in community partnerships focusing on social services, environment and conservation, emergency response and preparedness, arts and culture and STEM education. Since 2019, Devon has created STEM centers throughout elementary and middle schools in the areas in which we operate. Devon has helped open 194 STEM centers that orient children of all backgrounds to skills that will be essential for the future workforce. Devon works with various school districts to provide students with access to state-of-the-art STEM tools and resources in each STEM Center.

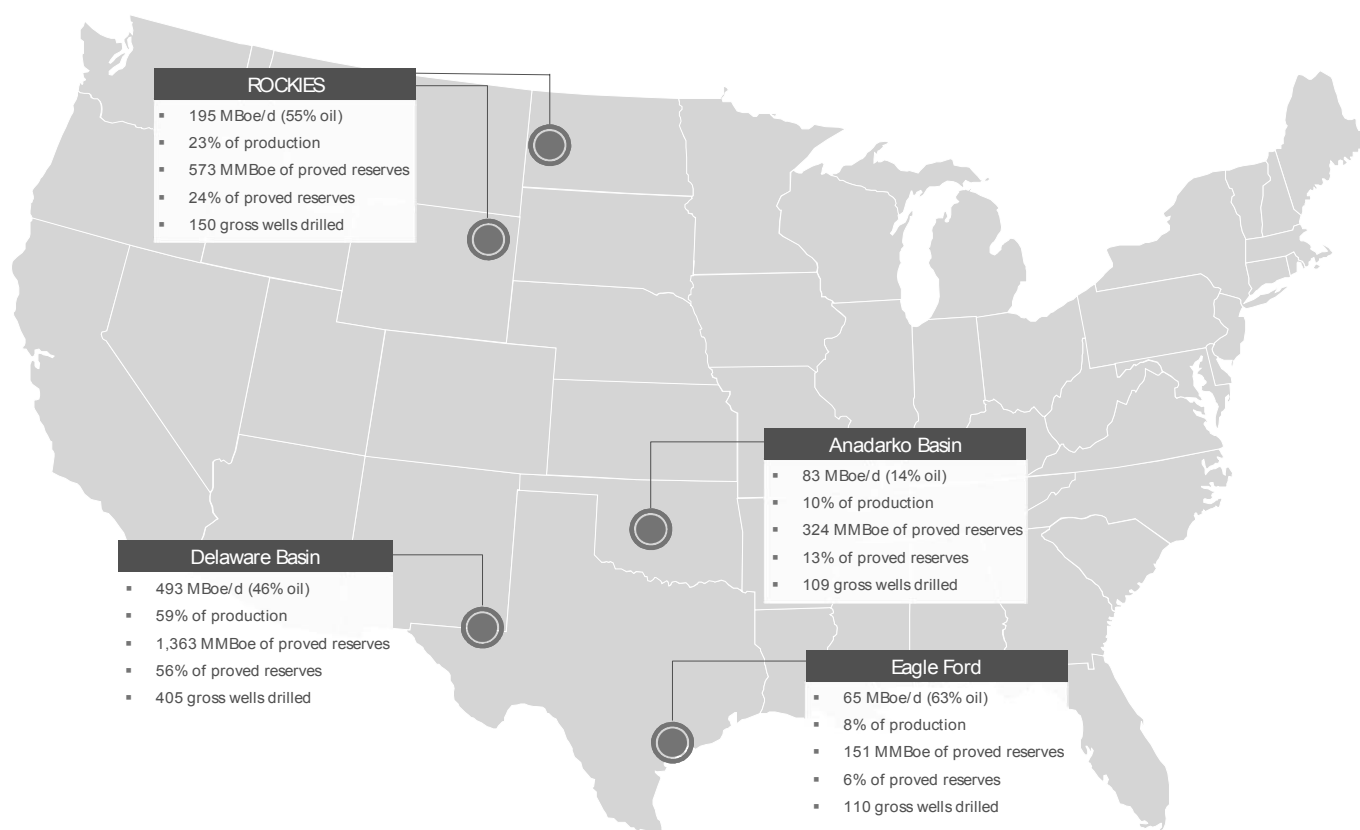
Compliance Culture

Devon reinforces the high expectations we have for ethical conduct by our employees through our Code of Business Conduct and Ethics (“Code”). The Code sets out basic principles for all employees to follow and incorporates specific guidance on critical areas such as our prohibition of harassment and discrimination, our protocols for avoiding conflicts of interest and our policies related to anti-corruption laws, privacy, cybersecurity and confidential information. On an annual basis, Devon employees, as well as our directors and officers, are required to acknowledge and agree to abide by our Code and complete a training course on the Code and its related policies. We encourage our employees to help enforce the Code, and we maintain reporting systems that are designed to minimize concerns that reports will result in retaliation.

Oil and Gas Properties

Property Profiles

Key summary data from each of our areas of operation as of and for the year ended December 31, 2025 are detailed in the map below.



Delaware Basin – The Delaware Basin is our largest and most active program in the portfolio with operations in southeast New Mexico and across the state line into west Texas. Over the past several years, we have built an industry-leading position in this basin. Through a capital efficient drilling program, it offers exploration and low-risk development opportunities from many geologic reservoirs and play types, including the oil-rich Wolfcamp, Bone Spring, Avalon and Delaware formations. With a significant inventory of oil and liquids-rich drilling opportunities that have multi-zone development potential, Devon has a robust platform to deliver high-margin drilling programs for many years to come. At December 31, 2025, we had 11 operated rigs developing this asset in the Wolfcamp and Bone Spring formations. The Delaware Basin is our top funded asset.

Rockies – Our Rockies development consists of our Williston Basin and Powder River Basin assets. Our position within these oil-weighted basins provides us with a deep inventory of high-margin opportunities.

Through the Grayson Mill acquisition, we significantly expanded our operating position within the basin. Our position in the Williston is focused on the oil-prone Bakken and Three Forks formations located across eastern Montana and western North Dakota. Our Williston Basin asset is a high-margin oil resource located in the core of the play and generates substantial cash flow. At December 31, 2025, we had three operated rigs developing the Williston Basin.

Our Powder River asset is focused on emerging oil opportunities in Wyoming's Powder River Basin. We are currently targeting several Cretaceous oil objectives, including the Turner, Parkman, Teapot and Niobrara formations. Recent drilling success in this basin has expanded our drilling inventory, and we expect further growth as we continue to de-risk this emerging light-oil opportunity. At December 31, 2025, we had one operated rig developing the Powder River Basin asset.

Eagle Ford – Our Eagle Ford operations are located in Texas' DeWitt and Karnes counties, situated in the economic core of this south Texas play. Its production is leveraged to oil and has low-cost access to premium Gulf Coast pricing, providing for strong operating margins. On April 1, 2025, Devon and BPX Energy dissolved their partnership and divided their acreage in the Eagle Ford Blackhawk field located in Texas' DeWitt County, resulting in increased operational flexibility for both parties. At December 31, 2025, we had two operated rigs developing this asset.

Anadarko Basin – Our Anadarko Basin development, located in western Oklahoma, is one of the largest in the industry, providing substantial long-term inventory optionality. We have an agreement with Dow to jointly develop a portion of our Anadarko Basin acreage and, as of December 31, 2025, we had a two rig program associated with this joint venture.

Proved Reserves

Proved oil and gas reserves are those quantities of oil, gas and NGLs which can be estimated with reasonable certainty to be economically producible from known reservoirs under existing economic conditions, operating methods and government regulations. To be considered proved, oil and gas reserves must be economically producible before contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain. Also, the project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence within a reasonable time. We establish our proved reserves estimates using standard geological and engineering technologies and computational methods, which are generally accepted by the petroleum industry. We primarily prepare our proved reserves additions by analogy using type curves that are based on decline curve analysis of wells in analogous reservoirs. We further establish reasonable certainty of our proved reserves estimates by using one or more of the following methods: geological and geophysical information to establish reservoir continuity between penetrations, rate-transient analysis, analytical and numerical simulations, or other proprietary technical and statistical methods. For estimates of our proved developed and proved undeveloped reserves and the discussion of the contribution by each property, see Note 21 in “Item 8. Financial Statements and Supplementary Data” of this report.

The process of estimating oil, gas and NGL reserves is complex and requires significant judgment, as discussed in “Item 1A. Risk Factors” of this report. As a result, we have developed internal policies for estimating and recording reserves in compliance with applicable SEC definitions and guidance. Our policies assign responsibilities for compliance in reserves bookings to our Reserve Evaluation Group (the “Group”). The Group, which is led by Devon’s Manager of Reserves and Economics, is responsible for the internal review and certification of reserves estimates. We ensure the Manager and key members of the Group have appropriate technical qualifications to oversee the preparation of reserves estimates and are independent of the operating groups. The Manager of the Group has approximately 20 years of industry experience, a degree in engineering and is a licensed professional engineer. The Group also oversees audits and reserves estimates performed by a qualified third-party petroleum consulting firm. During 2025, we engaged DeGolyer and MacNaughton to audit 91% of our proved reserves. Additionally, our Board of Directors has a Safety, Operations and Resource Committee that provides additional oversight of our reserves process. The committee consists of five independent members of our Board of Directors who collectively have skills and backgrounds that are relevant to the reserves estimation processes, reporting systems and disclosure requirements.

The following tables present production, price and cost information for each significant field in our asset portfolio and the total company. Beginning in 2024, the Williston Basin was added as a significant field while the Anadarko Basin was removed due to the acquisition of the Williston Basin business of Grayson Mill in the third quarter of 2024.

Year Ended December 31,	Production			
	Oil (MMBbls)	Gas (Bcf)	NGLs (MMBbls)	Total (MMBoe)
2025				
Delaware Basin	82	297	49	180
Williston Basin	33	78	17	63
Total	142	505	81	307
2024				
Delaware Basin	80	268	45	170
Williston Basin	19	39	7	32
Total	127	438	70	270
2023				
Delaware Basin	77	240	39	156
Anadarko Basin	5	87	10	30
Total	117	385	59	240

Year Ended December 31,	Average Sales Price			Production Cost (Per Boe) ⁽¹⁾
	Oil (Per Bbl)	Gas (Per Mcf)	NGLs (Per Bbl)	
2025				
Delaware Basin	\$ 63.52	\$ 1.54	\$ 19.50	\$ 8.34
Williston Basin	\$ 60.37	\$ (0.06)	\$ 9.57	\$ 9.85
Total	\$ 62.77	\$ 1.67	\$ 18.28	\$ 8.98
2024				
Delaware Basin	\$ 74.75	\$ 0.59	\$ 20.27	\$ 7.95
Williston Basin	\$ 69.15	\$ (0.34)	\$ 8.76	\$ 11.61
Total	\$ 73.78	\$ 0.91	\$ 20.20	\$ 8.76
2023				
Delaware Basin	\$ 76.24	\$ 1.70	\$ 20.54	\$ 7.67
Anadarko Basin	\$ 75.48	\$ 2.34	\$ 22.82	\$ 9.30
Total	\$ 75.98	\$ 1.83	\$ 20.48	\$ 8.87

(1) Represents production expense per Boe excluding production and property taxes.

Drilling Statistics

The following table summarizes our development and exploratory drilling results.

Year Ended December 31,	Development Wells ⁽¹⁾		Exploratory Wells ⁽¹⁾		Total Wells ⁽¹⁾		
	Productive	Dry	Productive	Dry	Productive	Dry	Total
2025 ⁽²⁾	266.1	—	70.5	—	336.6	—	336.6
2024	290.8	—	47.2	—	338.0	—	338.0
2023	293.0	0.7	42.2	—	335.2	0.7	335.9

- (1) Well counts represent net wells completed during each year. Gross wells are the sum of all wells in which we own a working interest. Net wells are gross wells multiplied by our fractional working interests in each well.
- (2) As of December 31, 2025, there were 473 gross and 255 net wells that have been spud and are in the process of drilling, completing or waiting on completion.

Productive Wells

The following table sets forth our producing wells as of December 31, 2025.

	<u>Oil Wells</u>		<u>Natural Gas Wells</u>		<u>Total Wells</u>	
	<u>Gross⁽¹⁾⁽³⁾</u>	<u>Net⁽²⁾</u>	<u>Gross⁽¹⁾⁽³⁾</u>	<u>Net⁽²⁾</u>	<u>Gross⁽¹⁾⁽³⁾</u>	<u>Net⁽²⁾</u>
Total	15,035	5,748	3,514	1,581	18,549	7,329

- (1) Gross wells are the sum of all wells in which we own a working interest.
- (2) Net wells are gross wells multiplied by our fractional working interests in each well.
- (3) Includes 18 and 32 gross oil and gas wells, respectively, which had multiple completions.

The day-to-day operations of oil and gas properties are the responsibility of an operator designated under pooling or operating agreements. The operator supervises production, maintains production records, employs field personnel and performs other functions. We are the operator of approximately 7,785 gross wells. As operator, we receive reimbursement for direct expenses incurred to perform our duties, as well as monthly per-well producing, drilling and construction overhead reimbursement at rates customarily charged in the respective areas. In presenting our financial data, we record the monthly overhead reimbursements as a reduction of G&A, which is a common industry practice.

Acreage Statistics

The following table sets forth our developed and undeveloped lease and mineral acreage as of December 31, 2025. Of our 2.4 million net acres, approximately 1.6 million acres are held by production. The acreage in the table below does not include any material net acres subject to leases that are scheduled to expire during 2026, 2027 and 2028. For the net acres that are set to expire by December 31, 2028, we anticipate performing operational and administrative actions to continue the lease terms for portions of the acreage that we intend to further assess. However, we do expect to allow a portion of the acreage to expire in the normal course of business. Approximately 15% of our total net acres are located on federal lands.

	<u>Developed</u>		<u>Undeveloped</u>		<u>Total</u>	
	<u>Gross⁽¹⁾</u>	<u>Net⁽²⁾</u>	<u>Gross⁽¹⁾</u>	<u>Net⁽²⁾</u>	<u>Gross⁽¹⁾</u>	<u>Net⁽²⁾</u>
Total	1,730	1,059	3,188	1,310	4,918	2,369

- (1) Gross acres are the sum of all acres in which we own a working interest.
- (2) Net acres are gross acres multiplied by our fractional working interests in the acreage.

Title to Properties

Title to properties is subject to contractual arrangements customary in the oil and gas industry, liens for taxes not yet due and, in some instances, other encumbrances. We believe that such burdens do not materially detract from the value of properties or from the respective interests therein or materially interfere with their use in the operation of the business.

As is customary in the industry, a preliminary title investigation, typically consisting of a review of local title records, is made at the time of acquisitions of undeveloped properties. More thorough title investigations, which generally include a review of title records and the preparation of title opinions by outside legal counsel, are made prior to the consummation of an acquisition of producing properties and before commencement of drilling operations on undeveloped properties.

Marketing Activities

Oil, Gas and NGL Marketing

The spot markets for oil, gas and NGLs are subject to volatility as supply and demand factors fluctuate. As detailed below, we sell our production under both long-term (one year or more) and short-term (less than one year) agreements at prices negotiated with third parties. Regardless of the term of the contract, the vast majority of our production is sold at variable, or market-sensitive, prices.

Additionally, we may enter into financial hedging arrangements or fixed-price contracts associated with a portion of our oil, gas and NGL production. These activities are intended to support targeted price levels and to manage our exposure to price fluctuations. See Note 3 in “Item 8. Financial Statements and Supplementary Data” of this report for further information.

As of January 2026, our production was sold under the following contract terms.

	Short-Term		Long-Term	
	Variable	Fixed	Variable	Fixed
Oil	71%	—	29%	—
Natural gas	59%	3%	38%	—
NGLs	76%	13%	11%	—

Delivery Commitments

A portion of our production is sold under certain contractual arrangements that specify the delivery of a fixed and determinable quantity. As of December 31, 2025, we were committed to deliver the following fixed quantities of production.

	Total	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
Oil (MMBbls)	11	10	1	—	—
Natural gas (Bcf)	530	149	121	110	150
NGLs (MMBbls)	13	13	—	—	—
Total (MMBoe)	112	48	21	18	25

We expect to fulfill our delivery commitments primarily with production from our proved developed reserves. Moreover, our proved reserves have generally been sufficient to satisfy our delivery commitments during the three most recent years, and we expect such reserves will continue to be the primary means of fulfilling our future commitments. However, where our proved reserves are not sufficient to satisfy our delivery commitments, we can and may use spot market purchases to satisfy the commitments.

Competition

See “Item 1A. Risk Factors.”

Public Policy and Government Regulation

Our industry is subject to a wide range of governmental regulation and oversight. Laws, regulations, taxes, fees and other policy implementation actions affecting our industry have been pervasive and are under constant review for amendment or expansion. Numerous government agencies have issued extensive regulations which are binding on our industry and its individual members, some of which carry substantial penalties for failure to comply. These laws and regulations increase the cost of doing business and consequently affect profitability. Public policy changes are commonplace, and changes to existing laws and regulations are frequently proposed or implemented. Moreover, it is often difficult to quantify all associated compliance costs as such amounts may be indistinguishable components of our general capital expenditures and operating expenses. Accordingly, we are unable to predict the future cost or impact of regulatory compliance, though we do not expect such compliance costs or impacts to affect our operations materially differently than other similarly situated companies. However, based on regulatory trends and increasingly stringent laws and permitting requirements, our capital expenditures and operating expenses related to environmental and other regulations have increased over the years and will likely continue to increase. For more information on our environmental capital expenditures specifically, see the sustainability and EHS discussion earlier in this report.

The following are significant areas of government control and regulation affecting our operations. For additional information on the Company's regulatory risks, see "Item 1A. Risk Factors—Legal, Regulatory and Environmental Risks" of this report.

Exploration and Production Regulation

Our operations are subject to various federal, state, tribal and local laws and regulations relating to exploration and production activities, including with respect to:

- acquisition of seismic data;
- design, location, drilling and casing of wells;
- hydraulic fracturing;
- well production, and the gathering and transportation of such production;
- spill prevention plans;
- emissions and discharge permitting;
- use, transportation, storage and disposal of fluids and materials incidental to oil and gas operations;
- surface usage and the restoration of properties upon which wells have been drilled;
- calculation and disbursement of royalty payments and production taxes;
- plugging and abandoning of wells; and
- endangered species and habitat.

Our operations are also subject to conservation regulations, including the regulation of the size of drilling and spacing units or proration units; the number of wells that may be drilled in a unit; the rate of production allowable from oil and gas wells; and the unitization or pooling of oil and gas properties. Some states allow the forced pooling or unitization of tracts to facilitate exploration and development, while other states rely on voluntary pooling of lands and leases. Such rules often impact the ultimate timing of our exploration and development plans. In addition, federal and state conservation laws generally limit the venting or flaring of natural gas, and state conservation laws impose certain requirements regarding the ratable purchase of production. These regulations limit the amounts of oil and gas we can produce from our wells and the number of wells or the locations at which we can drill.

Certain of our leases are granted or approved by the federal government and administered by the BLM or Bureau of Indian Affairs of the Department of the Interior. Such leases require compliance with detailed federal regulations and orders that regulate, among other matters, drilling and operations on lands covered by these leases and calculation and disbursement of royalty payments to the federal government, tribes or tribal members. Moreover, the permitting process for oil and gas activities on federal and Indian lands can sometimes be subject to delay, including as a result of challenges to permits or other regulatory decisions brought by non-governmental organizations or other parties, which can hinder development activities or otherwise adversely impact operations. The federal government has, from time to time, evaluated and, in some cases, promulgated new rules and regulations regarding competitive lease bidding, venting and flaring, oil and gas measurement and royalty payment obligations for production from federal lands.

EHS Regulations

We strive to conduct our operations in a socially and environmentally responsible manner, which includes compliance with applicable law. We are subject to many federal, state, tribal and local laws and regulations concerning occupational safety and health as well as the discharge of materials into, and the protection of, the environment and natural resources. EHS laws and regulations relate to, among other things:

- the discharge of pollutants into federal and state waters;
- assessing the environmental impact of seismic acquisition, drilling or construction activities;
- the generation, storage, transportation and disposal of waste materials, including hazardous substances and wastes;
- the emission of methane and certain other gases into the atmosphere;

- the monitoring, abandonment, reclamation and remediation of well and other sites, including sites of former operations;
- the development of emergency response and spill contingency plans;
- the monitoring, repair and design of pipelines used for the transportation of oil and natural gas;
- the protection of threatened and endangered species; and
- worker protection.

Failure to comply with these laws and regulations can lead to the imposition of remedial liabilities, administrative, civil or criminal fines or penalties or injunctions limiting our operations in affected areas. Moreover, multiple environmental laws provide for citizen suits, which can allow environmental organizations to sue operators for alleged violations of environmental law. Environmental organizations also can assert legal and administrative challenges to certain actions of oil and gas regulators, such as the BLM, for allegedly failing to comply with environmental laws, which can result in delays in obtaining permits or other necessary authorizations. In recent years, federal and state policy makers and regulators have increasingly implemented or proposed new laws and regulations designed to reduce methane and other GHG emissions, which have included mandates for new leak detection and retrofitting requirements, stricter emission standards and a fee on methane emissions. For example, in March 2024, the BLM adopted a rule that limits flaring and allows the delay or denial of permits upon a finding that an operator's methane waste minimization plan is insufficient, although this rule is currently subject to litigation and halted in certain states. In addition, in December 2023, the EPA finalized more stringent methane rules for new, modified and reconstructed facilities and, for the first time ever, established standards for existing sources. Fines and penalties for violations of these EPA rules can be substantial. The rules have been subject to legal challenge, and may also be repealed or modified by the current U.S. administration, though we cannot predict the substance or timing of such changes, if any.

Item 1A. Risk Factors

Our business and operations, and our industry in general, are subject to a variety of risks. The risks described below may not be the only risks we face, as our business and operations may also be subject to risks that we do not yet know of, or that we currently believe are immaterial. If any of the following risks should occur, our business, financial condition, results of operations and liquidity could be materially and adversely impacted. As a result, holders of our securities could lose part or all of their investment in Devon.

Risks Related to Our Industry

Volatile Oil, Gas and NGL Prices Significantly Impact Our Business

Our financial condition, results of operations and the value of our properties are highly dependent on the general supply and demand for oil, gas and NGLs, which impact the prices we ultimately realize on our sales of these commodities. Historically, market prices and our realized prices have been volatile. For example, over the last five years, monthly NYMEX WTI oil and NYMEX Henry Hub gas prices ranged from highs of over \$120 per Bbl and \$9.50 per MMBtu, respectively, to lows of under \$50 per Bbl and \$1.60 per MMBtu, respectively. Such volatility is likely to continue in the future due to numerous factors beyond our control, including, but not limited to:

- the domestic and worldwide supply of and demand for oil, gas and NGLs;
- volatility and trading patterns in the commodity-futures markets;
- climate change incentives and conservation and environmental protection efforts;
- production levels of members of OPEC, Russia, the U.S. or other producing countries;
- geopolitical risks, including the conflict between Russia and Ukraine, the Israel-Gaza and Hezbollah conflicts and hostilities in Yemen and the Red Sea, as well as other hostilities or political and civil unrest in the Middle East, Africa, Europe and South America, including Venezuela;
- adverse weather conditions, natural disasters and other catastrophic events, such as tornadoes, earthquakes, hurricanes and acts of terrorism;
- pandemics (such as COVID-19) and epidemics of infectious diseases and other public health events, as well as any related governmental actions;

- regional pricing differentials, including in the Delaware Basin and other areas of our operations;
- differing quality of production, including NGL content of gas produced;
- the level of imports and exports of oil, gas and NGLs and the level of global oil, gas and NGL inventories;
- the price and availability of alternative energy sources;
- technological advances affecting energy consumption and production, including with respect to electric vehicles;
- stockholder activism or activities by non-governmental organizations to restrict the exploration and production of oil and natural gas in order to reduce GHG emissions;
- the overall economic environment, including inflationary pressures, fluctuations in interest rates, economic slowdowns or recessions;
- market and geopolitical uncertainty as a result of shifts or potential further shifts in domestic and international policies;
- changes in trade relations and policies, such as (i) the imposition of new or increased tariffs or other trade protection measures by the U.S., China or other countries, (ii) environmental performance standards or similar fossil fuel import restrictions in certain international markets, (iii) economic sanctions, including embargoes, on Russia or other producing countries or (iv) restrictions on oil, gas and NGL exports by the U.S.; and
- other governmental regulations and taxes.

Estimates of Oil, Gas and NGL Reserves Are Uncertain and May Be Subject to Revision

The process of estimating oil, gas and NGL reserves is complex and requires significant judgment in the evaluation of available geological, engineering and economic data for each reservoir, particularly for new discoveries. Because of the high degree of judgment involved, different reserve engineers may develop different estimates of reserve quantities and related revenue based on the same data. In addition, the reserve estimates for a given reservoir may change substantially over time as a result of several factors, including additional development and appraisal activity and the related impact to spacing assumptions for future drilling locations, the viability of production under varying economic conditions, including commodity price declines, and variations in production levels and associated costs. Consequently, material revisions to our existing reserves estimates may occur as a result of changes in any of these or other factors. Such revisions to proved reserves could have an adverse effect on our financial condition and the value of our properties, as well as the estimates of our future net revenue and profitability. Our policies and internal controls related to estimating and recording reserves are included in “Items 1 and 2. Business and Properties” of this report.

Discoveries or Acquisitions of Reserves Are Needed to Avoid a Material Decline in Reserves and Production, and Such Activities Are Capital Intensive

The production rates from oil and gas properties generally decline as reserves are depleted, while related per unit production costs generally increase due to decreasing reservoir pressures and other factors. Moreover, our current development activity is focused on unconventional oil and gas assets, which generally have significantly higher decline rates as compared to conventional assets. Therefore, our estimated proved reserves and future oil, gas and NGL production will decline materially as reserves are produced unless we conduct successful exploration and development activities, such as identifying additional producing zones in existing properties, utilizing secondary or tertiary recovery techniques or acquiring additional properties containing proved reserves. Consequently, our future oil, gas and NGL production and related per unit production costs are highly dependent upon our level of success in finding or acquiring additional reserves.

Our business requires significant capital to find and acquire new reserves. Although we plan to primarily fund these activities from cash generated by our operations, we have also from time to time relied on other sources of capital, including by accessing the debt and equity capital markets. There can be no assurance that these or other financing sources will be available in the future on acceptable terms, or at all. If we are unable to generate sufficient funds from operations or raise additional capital for any reason, we may be unable to replace our reserves, which would adversely affect our business, financial condition and results of operations.

Our Operations Are Uncertain and Involve Substantial Costs and Risks

Our operating activities are subject to numerous costs and risks, including the risk that we will not encounter commercially productive oil or gas reservoirs. Drilling for oil, gas and NGLs can be unprofitable, not only from dry holes, but from productive wells that do not return a profit because of insufficient revenue from production or high costs. Substantial costs are required to locate, acquire and develop oil and gas properties, and we are often uncertain as to the amount and timing of those costs. Our cost of drilling, completing, equipping and operating wells is often uncertain before drilling commences. Declines in commodity prices and overruns in budgeted expenditures are common risks that can make a particular project uneconomic or less economic than forecasted. While both exploratory and developmental drilling activities involve these risks, exploratory drilling involves greater risks of dry holes or failure to find commercial quantities of hydrocarbons. In addition, our oil and gas properties can become damaged, our operations may be curtailed, delayed or canceled and the costs of such operations may increase as a result of a variety of factors, including, but not limited to:

- unexpected drilling conditions, pressure conditions or irregularities in reservoir formations;
- equipment failures or accidents;
- fires, explosions, blowouts, cratering or loss of well control, as well as the mishandling or underground migration of fluids and chemicals;
- adverse weather conditions, such as tornadoes, hurricanes, severe thunderstorms and extreme temperatures, the severity and frequency of which could potentially increase as a consequence of climate change;
- other natural disasters, such as earthquakes, floods and wildfires;
- terrorism, vandalism, equipment theft, extreme activism directed against fossil fuel operations or assets, cybersecurity incidents and pandemics or other widespread health concerns;
- issues with title or in receiving governmental permits or approvals;
- restricted takeaway capacity for our production, including due to inadequate midstream infrastructure or constrained downstream markets;
- environmental hazards or liabilities;
- restrictions in access to, or disposal of, water used or produced in drilling and completion operations;
- limited access to electrical power sources or other infrastructure used in our operations; and
- shortages or delays in the availability of services or delivery of material or equipment.

Many of the factors described above have negatively impacted and currently impact our operations and may do so again in the future. The occurrence of one or more of these factors could result in a partial or total loss of our investment in a particular property, as well as significant liabilities. Moreover, certain of these events historically have, and in the future could, result in environmental pollution and impact to third parties, including persons living in proximity to our operations, our employees and employees of our contractors, leading to possible injuries, death or significant damage to property and natural resources. For example, we have from time to time experienced well-control events that have resulted in various remediation and clean-up costs and certain of the other impacts described above.

In addition, we rely on our employees, consultants and independent contractors to conduct our operations in compliance with applicable laws and standards. Any violation of such laws or standards by these individuals, whether through negligence, harassment, discrimination or other misconduct, could result in significant liability for us and adversely affect our business. For example, negligent operations by employees could result in serious injury, death or property damage, and sexual harassment or racial, gender or age discrimination could result in legal claims and reputational harm.

Our Hedging Activities Limit Participation in Commodity Price Increases and Involve Other Risks

We enter into financial derivative instruments with respect to a portion of our production to manage our exposure to oil, gas and NGL price volatility. To the extent that we engage in price risk management activities to protect ourselves from commodity price declines, we will be prevented from fully realizing the benefits of commodity price increases above the prices established by our hedging contracts. In addition, our hedging arrangements may expose us to the risk of financial loss in certain circumstances,

including instances in which the contract counterparties fail to perform under the contracts. Moreover, many of our contract counterparties have become subject to increasing governmental oversight and regulations in recent years, which could adversely affect the cost and availability of our hedging arrangements.

We Have Limited Control Over Properties and Investments Operated by Others or through Joint Ventures

Certain of the properties and investments in which we have an interest are operated by other companies and may involve third-party working interest owners. We have limited influence and control over the operation or future development of such properties and investments, including compliance with EHS regulations or the amount and timing of required future capital expenditures. In addition, we conduct certain of our operations through joint ventures in which we may share control with third parties, and the other joint venture participants may have interests or goals that are inconsistent with those of the joint venture or us. These limitations and our dependence on such third parties could result in unexpected future costs or liabilities and unplanned changes in operations or future development, which could adversely affect our financial condition and results of operations. Moreover, any bankruptcy involving, or any misconduct or other improper activities committed by, our business partners or other counterparties could negatively impact the value of our investments, as well as our own business or reputation.

Midstream Capacity Constraints and Interruptions Impact Commodity Sales

We rely on midstream facilities and systems owned and operated by others to process our gas production and to gather and transport our oil, gas and NGL production to downstream markets. All or a portion of our production in one or more regions may be interrupted or shut in from time to time due to losing access to plants, pipelines or gathering systems. Such access could be lost due to a number of factors, including, but not limited to, weather conditions and natural disasters, terrorism or sabotage, cybersecurity incidents, accidents, field labor issues or strikes. Additionally, midstream operators have in the past been, and in the future may be, subject to constraints that limit their ability to construct, maintain or repair the facilities needed to gather, process and transport our production. Such interruptions or constraints could adversely impact our operations, including by requiring us to curtail our production or obtain alternative takeaway capacity on less favorable terms.

Competition for Assets, Materials, People and Capital Can Be Significant

Strong competition exists in all sectors of the oil and gas industry. We compete with major integrated and independent oil and gas companies for the acquisition of oil and gas leases and properties. We also compete for the equipment, materials, services and personnel required to explore, develop and operate properties, such as drilling rigs, well materials and oilfield services. The rising costs and scarcity caused by this competitive pressure will generally increase during periods of higher commodity prices and can be further exacerbated by higher inflation rates and supply chain disruptions in the broader economy, including as a result of tariffs or changes in trade policy. For example, we experienced some increase in operating costs throughout 2025 due to the economic uncertainty in global trade arising from geopolitical events and shifting trade policies. While we actively work to mitigate the impact of these potential risks through operational efficiencies gained from the scale of our operations as well as by leveraging long-standing relationships with our suppliers, the ultimate impacts remain uncertain. Competition is also prevalent in the marketing of oil, gas and NGLs. Certain of our competitors have resources substantially greater than ours and may have established superior strategic long-term positions and relationships. As a consequence, we may be at a competitive disadvantage in bidding for assets or services and accessing capital and downstream markets. In addition, many of our larger competitors may have a competitive advantage when responding to factors that affect demand for oil and gas production, such as changing worldwide price and production levels, the cost and availability of alternative energy sources and the application of government regulations.

Legal, Regulatory and Environmental Risks

We Are Subject to Extensive Governmental Regulation, Which Can Change and Could Adversely Impact Our Business

Our operations are subject to extensive federal, state, tribal and local laws and regulations, including with respect to environmental matters, worker health and safety, land and wildlife conservation, the gathering and transportation of oil, gas and NGLs, resource management and conservation policies, reporting obligations, royalty payments, unclaimed property and the imposition of taxes. Such regulations include requirements for permits to drill and to conduct other operations and for provision of financial assurances (such as surety bonds) covering drilling, completion and well operations and decommissioning obligations. If permits are delayed or not issued, or if unfavorable restrictions or conditions are imposed on our drilling or completion activities, we may not be able to conduct our operations as planned. Moreover, certain regulations require the plugging and abandonment of wells, removal of production facilities and other restorative actions by current and former operators, including corporate successors of former

operators, which means that we are exposed to the risk that owners or operators of assets acquired from us (or our predecessors) become unable to satisfy plugging or abandonment and other restorative obligations that attach to those assets. In that event, due to operation of law, we may be required to assume such obligations, which could be material. We have incurred and will continue to incur substantial capital, operating and remediation costs as a result of these and other laws, regulations, permits and orders to which we are subject.

Changes in public policy have affected, and in the future could further affect, our operations. For example, various policy makers have expressed support for, and have taken steps to implement, efforts to transition the economy away from fossil fuels and to promote stricter environmental regulations, and such proposals could impose new and more onerous burdens on our industry and business. The IRA, for instance, contains hundreds of billions of dollars in incentives for the development of renewable energy, clean fuels and carbon capture and sequestration, among other provisions, potentially further accelerating the transition toward lower-or zero-carbon emissions alternatives to fossil fuels. These and other regulatory and public policy developments could, among other things, restrict production levels, delay necessary permitting, impose price controls, change environmental protection requirements, impose restrictions on pipelines or other necessary infrastructure, raise taxes, royalties and other amounts payable to governments or governmental agencies and otherwise increase our operating costs. In addition, changes in public policy may indirectly impact our operations by, among other things, increasing the cost of supplies and equipment and fostering general economic uncertainty. While Congress and the current U.S. administration have taken various actions to slow or limit the availability of funding under the IRA, some of these efforts have been challenged and the ultimate effect of the IRA remains uncertain. For example, OBBB includes provisions that roll back certain aspects of the IRA, which could further restrict access to funding and incentives. Although we are unable to predict changes to existing laws and regulations, such changes could significantly impact our profitability, financial condition and liquidity, particularly changes related to the matters discussed in more detail below.

Federal Lands – Federal policy makers have from time to time expressed support for, and have taken steps to implement, additional regulation of oil and gas leasing, permitting and development on federal lands. For example, the Department of the Interior adopted a final rule in April 2024 revising various terms for future federal leases and wells, including by enhancing bonding requirements and increasing royalty rates, rental rates and minimum bids. Moreover, non-governmental organizations, trade groups and other private parties have filed lawsuits challenging leasing, permitting and other regulatory decisions relating to our and other industry participants’ oil and gas development on federal lands, which, if successful, could hinder or delay development activities or otherwise adversely impact operations. While it is not possible at this time to predict the ultimate impact of these actions or any other future regulatory changes, including any potential actions by the current U.S. administration, any additional restrictions or burdens on our ability to operate on federal lands could adversely impact our business in the Delaware and Powder River Basins, as well as other areas where we operate under federal leases.

Hydraulic Fracturing – Various federal agencies have asserted regulatory authority over certain aspects of the hydraulic fracturing process. For example, the EPA has issued regulations under the federal Clean Air Act establishing performance standards for oil and gas activities, including standards for the capture of air emissions released during hydraulic fracturing, and it previously finalized regulations that prohibit the discharge of wastewater from hydraulic fracturing operations to publicly owned wastewater treatment plants. Moreover, several state and local governments in areas in which we operate have adopted, or stated intentions to adopt, laws or regulations that mandate further restrictions on hydraulic fracturing, such as requiring disclosure of chemicals used in hydraulic fracturing, imposing more stringent permitting, disclosure and well-construction requirements on hydraulic fracturing operations and establishing standards for the capture of air emissions released during hydraulic fracturing. Beyond these regulatory efforts, various policy makers, regulatory agencies and political leaders at the federal, state and local levels have proposed implementing even further restrictions on hydraulic fracturing, including prohibiting the technology outright. Although it is not possible at this time to predict the outcome of these or other proposals, any new restrictions on hydraulic fracturing that may be imposed in areas in which we conduct business could potentially result in increased compliance costs, delays or cessation in development or other restrictions on our operations.

Environmental Laws Generally – In addition to regulatory efforts focused on hydraulic fracturing, we are subject to various other federal, state, tribal and local laws and regulations relating to discharge of materials into, and protection of, the environment. These laws and regulations may, among other things, impose liability on us for the cost of remediating pollution that results from our operations or prior operations on assets we have acquired. Environmental laws may impose strict, joint and several liability, and failure to comply with environmental laws and regulations can result in the imposition of administrative, civil or criminal fines and penalties, as well as injunctions limiting operations in affected areas. Any future environmental costs of fulfilling our commitments to the environment are uncertain and will be governed by several factors, including future changes to regulatory requirements. Any such changes could have a significant impact on our operations and profitability.

Water Disposal – Earthquakes in southeastern New Mexico, western Texas and elsewhere have prompted concerns about seismic activity and possible relationships with the oil and gas industry, particularly the disposal of wastewater in salt-water disposal wells. In addition, similar concerns have been raised about the potential connection between water disposal activities and certain surface uplift, subsidence and other ground movement in western Texas and other areas of industry activity. Increased regulation and attention given to water disposal activities could lead to greater efforts, including through litigation, to limit or prohibit oil and gas activities relying on injection wells for produced water disposal. For example, New Mexico implemented protocols requiring operators to take various actions with respect to salt-water disposal wells within a specified proximity of certain seismic activity, including a requirement to limit injection rates if the seismic event is of a certain magnitude. Separately, the Railroad Commission of Texas has shown increasing regulatory focus on seismicity and the oil and gas industry in recent years, including by suspending all disposal well permits that inject into deep strata within the Northern Culberson-Reeves area due to increasing seismicity concerns. These or similar actions directed at our operating areas could limit the takeaway capacity for produced water in the impacted area, which could increase our operating expenses, require us to curtail our development plans or otherwise adversely impact our operations.

Tax Matters – We are subject to U.S. federal income tax as well as income, capital and other taxes in various U.S. state and foreign jurisdictions, and our operating cash flow is sensitive to the amount of taxes we must pay. In the jurisdictions in which we or any of our subsidiaries operate or previously operated, income taxes are assessed on our earnings after consideration of all allowable deductions and credits. Changes in the types of earnings that are subject to income tax, the types of costs that are considered allowable deductions and the timing of such deductions, or the rates assessed on our taxable earnings could significantly increase our tax obligations, adversely impacting our financial condition, results of operations and cash flows. Additionally, more generally, a change in any U.S. federal, state or local or foreign tax law, treaty, policy, statute, rule, regulation or ordinance, or in the interpretation thereof, in any jurisdiction in which we or any of our subsidiaries operate, or in which we or any of our subsidiaries are organized, could result in us incurring a materially higher tax expense, which would also adversely impact our financial condition, results of operations and cash flows. For example, the IRA included a 15% CAMT on certain financial statement income. Any incremental taxes attributable to CAMT or any other tax law changes, or a change in our current interpretation thereof, could be significant and adversely impact our financial condition, results of operations and cash flows. Moreover, we are regularly audited by tax authorities. Although we believe our tax positions are reasonable and properly supported, if one or more of our tax positions are challenged by the IRS or other tax authorities (in a tax audit or otherwise), material cash payments or adjustments to tax expense may occur, which could adversely affect our financial condition, results of operations and cash flows.

Climate Change and Related Regulatory, Social and Market Actions May Adversely Affect Our Business

Continuing and increasing political and social attention to the issue of climate change has resulted in legislative, regulatory and other initiatives, including international agreements, to reduce GHG emissions, such as carbon dioxide and methane. Policy makers and regulators at both the U.S. federal and state levels have from time to time imposed, or stated intentions to impose, laws and regulations designed to quantify and limit the emission of GHG. For example, in December 2023, the EPA finalized more stringent methane rules for new, modified and reconstructed facilities, known as OOOOb, as well as standards for existing sources for the first time ever, known as OOOOc. The final rule includes, among other things, enhanced leak detection survey requirements using optical gas imaging and other advanced monitoring, zero-emission requirements for certain devices, and reduction of emissions by 95% through capture and control systems. The final rule also establishes a “super emitter” response program that allows third parties to make reports to the EPA of large methane emissions events, triggering certain investigation and repair requirements. Fines and penalties for violations of these rules can be substantial. The rules have been subject to legal challenge, although OOOOb is already in effect. Relatedly, the IRA imposed a new charge or fee with respect to excess methane emissions from certain petroleum and natural gas facilities starting in 2024 and annually increasing through 2026. Although the current U.S. administration delayed the imposition of the fee until 2034, we cannot predict whether this or any future administration may seek to revise or repeal this delay or the timing of any such actions. In addition to these federal efforts, the states where we operate have already imposed, or stated intentions to impose, laws or regulations designed to reduce methane emissions from oil and gas exploration and production activities, including by mandating new leak detection and retrofitting requirements.

Policy makers have also advocated for expanding existing, or creating new, reporting and disclosure requirements regarding GHG emissions and other climate-related matters. For example, the EPA adopted amendments in May 2024 to its GHG Reporting Program, which, among other things, added well blowouts and other abnormal events as new categories of sources for GHG emissions reporting. In addition, the SEC finalized rules in March 2024 that would have required public companies to include extensive climate-related disclosures in their SEC filings. In April 2024, the SEC stayed the effectiveness of these rules pending the completion of a judicial review of certain legal challenges, and the current U.S. administration has declined to defend the rules in the legal challenges, which has resulted in a stay of the challenges that will remain in effect until the rules are withdrawn or the government resumes its defense of the rules. Similarly, California enacted legislation in October 2023 requiring extensive climate-related disclosures for

companies deemed to be doing business in California, and other states are considering similar laws. The European Union has also adopted a set of policy initiatives, including the Corporate Sustainability Reporting Directive and the Corporate Sustainability Due Diligence Directive, which impose expansive sustainability reporting and due diligence requirements for both European Union and certain non-European Union companies. While we are still assessing the applicability of the European Union directives, we would expect to incur substantial additional compliance costs to the extent these or similar disclosure requirements apply to us. We further anticipate the costs and other risks associated with any such disclosure requirements to be particularly heightened, given that reporting frameworks on GHG emissions and other climate-related metrics are still maturing and often require the use of numerous assumptions and judgments.

With respect to more comprehensive regulation, policy makers and political leaders have made, or expressed support for, a variety of proposals, such as the development of cap-and-trade or carbon tax programs. At the international level, over 190 countries have signed the Paris Agreement, which requires member nations to submit non-binding GHG emissions reduction goals every five years. Subsequent United Nations climate conferences have called for additional action to transition away from fossil fuels or otherwise reduce GHG emissions. The current U.S. administration re-withdrew the United States from the Paris Agreement in January 2025, and, in January 2026, the current U.S. administration announced that the United States was withdrawing from the United Nations Framework Convention on Climate Change and the various climate-related programs under this Framework. As a result, the United States' participation in future United Nations climate-related efforts is unclear. At the state level, there have been attempts to introduce legislation whereby certain entities found responsible for contributing toward climate change over a period of time are required to pay into a fund used for climate-related projects. For example, in December 2024, New York passed its "Climate Superfund Law," which provides for the assessment of a fee for emitters that have a sufficient nexus to the state and are found to have released more than one billion tons of carbon dioxide during 2000 through 2018. Vermont passed a similar law in May 2024, and similar legislation has been proposed in California, Massachusetts and New Jersey. We have been identified by New York as a potentially responsible party under the law; however, to date, we have not received any cost recovery demand. These and other initiatives could negatively impact our business through restrictions or cancellations of oil and natural gas activities, a requirement to pay damages, greater costs of compliance or consumption (thereby reducing demand for our products) or an impairment in our ability to continue our operations in an economic manner.

In addition to regulatory risk, other market and social initiatives relating to climate change present risks for our business. For example, in an effort to promote a lower-carbon economy, there are various public and private initiatives subsidizing or otherwise encouraging the development and adoption of alternative energy sources and technologies, including by mandating the use of specific fuels or technologies. These initiatives may reduce the competitiveness of carbon-based fuels, such as oil and gas. Moreover, an increasing number of financial institutions, funds and other sources of capital have restricted or eliminated their investment in oil and natural gas activities due to their concern regarding climate change. Such restrictions in capital could decrease the value of our business and make it more difficult to fund our operations. In addition, governmental entities and other plaintiffs have brought, and may continue to bring, claims against us and other oil and gas companies for purported damages caused by the alleged effects of climate change. The increasing attention to climate change may result in further claims or investigations against us, and heightened societal or political pressures may increase the possibility that liability could be imposed on us in such matters without regard to our causation of, or contribution to, the asserted damage or violation, or to other mitigating factors.

Finally, climate change may also result in various enhanced physical risks, such as an increased frequency or intensity of extreme weather events or changes in meteorological and hydrological patterns, that may adversely impact our operations. Such physical risks may result in damage to our facilities or otherwise adversely impact our operations, such as if we are subject to water use curtailments in response to drought, or demand for our products, such as to the extent warmer winters reduce demand for energy for heating purposes. These and the other risks discussed above could result in additional costs, new restrictions on our operations and reputational harm to us, as well as reduce the actual and forecasted demand for our products. These effects in turn could impair or lower the value of our assets, including by resulting in uneconomic or "stranded" assets, and otherwise adversely impact our profitability, liquidity and financial condition.

Our Environmental Performance Targets and Other Sustainability Initiatives May Expose Us to Risks

We have developed, and may continue to develop, voluntary targets related to our sustainability initiatives, including our environmental performance targets and strategy. Any public statements related to these initiatives reflect our current plans and expectations and are not a guarantee the targets will be achieved or achieved on the currently anticipated timeline. Additionally, such statements are often based on assumptions or hypothetical scenarios which are necessarily uncertain. Our ability to achieve any targets is subject to numerous risks and uncertainties, many of which are beyond our control, including market factors, unanticipated changes in societal behavior, capital constraints, the pace of technological advancement and governmental policies or priorities. Moreover, as

emission measurement protocols mature and related technologies continue to develop, we may be required to revise our emissions estimates and reduction goals or otherwise revise the strategies outlined in our sustainability initiatives. If our sustainability initiatives do not meet our investors' or other stakeholders' evolving expectations and standards (including those in support of or in opposition to ESG principles), investment in us may be viewed as less attractive and our reputation and business may be adversely impacted.

Additionally, public statements with respect to environmental targets or other ESG-related goals are becoming increasingly subject to heightened scrutiny from public and governmental authorities, as well as other parties, with respect to the risk of potential "greenwashing," i.e., misleading information or false claims overstating potential ESG benefits. Certain regulators, such as the SEC and various state agencies, as well as non-governmental organizations and other private actors have filed lawsuits under various securities and consumer protection laws alleging that certain ESG statements were misleading, false or otherwise deceptive. Conversely, "anti-ESG" sentiment has gained momentum among some governmental and private actors, and various federal and state policy makers have enacted or proposed "anti-ESG" policies, legislation and other initiatives, including efforts targeting certain practices and programs related to diversity, equity and inclusion. As a result, we may also face heightened scrutiny, reputational risk, lawsuits or market access restrictions from these parties regarding our sustainability initiatives.

Claims, Litigation, Audits and Other Proceedings, Including Relating to Historic and Legacy Operations, May Adversely Impact Us

Devon is subject to claims, litigation, audits, investigations and other proceedings, including proceedings by governments, taxing authorities and other regulatory bodies, involving a wide range of issues, such as royalty underpayment claims, tax audits, alleged environmental law violations and claims for alleged environmental damages or remediation obligations. The outcomes of these matters are inherently unpredictable and subject to numerous uncertainties, and estimating associated reserves or loss exposure involves significant judgment that may not reflect the full range of possible results. Moreover, a number of these claims and proceedings relate to historic operations or the operations of predecessor entities, which can increase the difficulty in making reserve or loss determinations due to the age of the underlying matter, limited access to relevant information or other factors. Until the final resolution of such matters, Devon may be exposed to losses in excess of any liabilities recorded, and such amounts could be material. Should any of our estimates and assumptions change or prove to have been incorrect, it could have a material adverse effect on our business, financial position, results of operations and cash flows.

Price Controls, Export Restrictions and Other Governmental Interventions in Energy Markets May Adversely Impact Our Business

Domestic and foreign governmental bodies have from time to time intervened in energy markets by imposing price controls, restricting exports, limiting production or otherwise taking actions to impact the availability and price of oil, natural gas and NGLs. For instance, members of the European Union agreed to a price-cap framework in December 2022 for the trading of natural gas in response to rising energy costs in Europe. Similarly, during 2021 and 2022, former President Biden authorized several releases from the U.S. Strategic Petroleum Reserve in an effort to lower domestic energy prices. More recently, in May 2024, the European Union approved new regulations imposing fossil fuel import standards, which include disclosure, emission mitigation work practices and methane intensity threshold requirements, which could impact our ability to sell production in European markets. Governments may take similar actions in the future, particularly in the event of disruption in energy markets or national emergency. Any such interventions could adversely impact our business, including by depressing the price of our production and generally introducing greater uncertainty to our operations.

Risks Relating to the Merger

We May Fail to Realize the Anticipated Benefits of the Merger, and Any Failure to Successfully Integrate the Businesses and Operations of Devon and Coterra May Adversely Affect Our Future Results

The success of the Merger will depend on, among other things, the combined company's ability to realize anticipated synergies and benefits. If the combined company is not able to successfully achieve these synergies, or the cost to achieve these synergies is greater than expected, then the anticipated benefits of the Merger may not be realized fully or at all or may take longer to realize than expected. Moreover, if we do not realize such benefits or for any other reason, the board of directors of the combined company may not approve, or delay the approval of, the anticipated increases in our dividends and share repurchase authorization following the Merger, which could negatively impact our stock price.

We and Coterra have operated and, until the completion of the Merger, will continue to operate independently. There can be no assurances that our businesses can be integrated successfully. It is possible that the integration process could result in the loss of key Devon employees or key Coterra employees, the loss of customers, the disruption of our or Coterra's ongoing businesses, inconsistencies in standards, controls, procedures and policies, unexpected integration issues, higher than expected integration costs and an overall post-completion integration process that takes longer than originally anticipated. Devon and Coterra and certain of their respective subsidiaries also have contracts with various business partners, which contracts may grant the counterparties certain rights in connection with the Merger or which may require Devon or Coterra, as applicable, to obtain consents from these counterparties. If such rights are triggered or such consents cannot be obtained, the counterparties to these contracts may have the ability to terminate, reduce the scope of or otherwise seek to vary the terms of their relationships or the terms of such contracts with either or both parties, and the combined company may suffer a loss of potential future revenue, incur costs and lose rights that may be material to the business of the combined company. Furthermore, the combined company's board of directors and management team will consist of directors and employees from each of Devon and Coterra, as applicable. Combining the boards of directors and management teams of each company into a single board and a single management team could require the reconciliation of differing priorities and strategic philosophies, which may not be successful or take longer than anticipated.

We Are Subject to Certain Restrictions in the Merger Agreement That May Hinder Operations Pending the Consummation of the Merger, and We May Be the Target of Securities Class Action and Derivative Lawsuits as a Result of the Merger

Whether or not the Merger is completed, the pending Merger may disrupt our current plans and operations, which could adversely impact our business operations and financial results. During the pendency of the Merger, the Merger Agreement restricts us from engaging in specified types of actions, including, among other things, acquisition, divestiture and financing activities and unbudgeted capital expenditures, in each case subject to certain exceptions. These restrictions could be in place for an extended period of time if the consummation of the Merger is delayed, which may delay or prevent us from undertaking business opportunities that, absent the Merger Agreement, we might have pursued, or from effectively responding to competitive pressures or industry developments.

In addition, litigation is common in connection with mergers and acquisitions of public companies, regardless of any merits related to the claims. Defending against these claims can result in substantial costs and divert management time and resources. An adverse judgment could result in monetary damages. Moreover, if a plaintiff is successful in obtaining an injunction prohibiting completion of the Merger, the injunction may delay or prevent the Merger from being completed, which may adversely affect our business, results of operations and financial condition.

The Merger Agreement Could Be Terminated, Which Could Negatively Impact Us

The Merger is subject to a number of conditions that must be satisfied or waived (to the extent permissible) prior to the completion of the Merger. These conditions to the completion of the Merger, some of which are beyond our control, may not be satisfied or waived in a timely manner or at all, and, accordingly, the Merger may be delayed or not completed. The Merger Agreement also contains certain termination rights for both Devon and Coterra, including if the Merger is not consummated by August 1, 2026 (subject to certain extensions due to delay in antitrust approvals), and further provides that, upon termination of the Merger Agreement under certain circumstances, we may be required to pay Coterra a termination fee equal to \$865 million.

If the Merger is not completed, our ongoing business may be adversely affected and, without realizing any of the benefits of having completed the Merger, we may experience certain negative effects. Among others: (i) we may experience negative reactions from the financial markets and business partners; (ii) we will still be required to pay certain significant costs relating to the Merger, such as legal, accounting and other advisory fees and printing costs; and (iii) matters relating to the Merger (including integration planning) require substantial commitments of time and resources by our management, which may result in the distraction of our management from ongoing business operations and pursuing other opportunities that could have been beneficial to us.

General and Other Risks Facing Our Business

The Credit Risk of Our Counterparties Could Adversely Affect Us

We enter into a variety of transactions that expose us to counterparty credit risk. For example, we have exposure to financial institutions and insurance companies through our hedging arrangements, our Senior Credit Facility and our insurance policies. Disruptions in the financial markets or otherwise may impact these counterparties and affect their ability to fulfill their existing obligations and their willingness to enter into future transactions with us.

In addition, we are exposed to the risk of financial loss from trade, joint interest billing and other receivables. We sell our oil, gas and NGLs to a variety of purchasers, and, as an operator, we pay expenses and bill our non-operating partners for their respective share of costs. We also frequently look to buyers of oil and gas properties from us or our predecessors to perform certain obligations associated with the disposed assets, including the removal of production facilities and plugging and abandonment of wells. Certain of these counterparties or their successors may experience insolvency, liquidity problems or other issues and may not be able to meet their obligations and liabilities (including contingent liabilities) owed to, and assumed from, us, particularly during a depressed or volatile commodity price environment. Any such default may result in us being forced to cover the costs of those obligations and liabilities. Our business has been adversely impacted by counterparty defaults in the past, and we may experience similar defaults again in the future.

Our Debt May Limit Our Liquidity and Financial Flexibility, and Any Downgrade of Our Credit Rating Could Adversely Impact Us

As of December 31, 2025, we had total indebtedness of \$8.4 billion. Our indebtedness and other financial commitments have important consequences to our business, including, but not limited to:

- requiring us to dedicate a portion of our liquidity to debt service payments, thereby limiting our ability to fund working capital, capital expenditures, investments or acquisitions and other general corporate purposes;
- increasing our vulnerability to general adverse economic and industry conditions, including low commodity price environments; and
- limiting our ability to obtain additional financing due to higher costs and more restrictive covenants.

In addition, we receive credit ratings from rating agencies in the U.S. with respect to our debt. Factors that may impact our credit ratings include, among others, debt levels, planned asset sales and purchases, liquidity, size and scale of our production and commodity prices. Certain of our contractual obligations require us to provide letters of credit or other assurances. Any credit downgrades could adversely impact our ability to access financing and trade credit, require us to provide additional letters of credit or other assurances under contractual arrangements and increase our interest rate under the Senior Credit Facility and the Term Loan, as well as the cost of any other future debt.

Cybersecurity Incidents May Adversely Impact Our Operations

We rely heavily on information systems, operational technologies and other digital technologies to conduct our business, and we are expanding the use of and reliance on these systems and technologies, including through artificial intelligence, process automation and data analytics. Concurrent with the growing dependence on technology is a greater sensitivity to cyberattacks and other cyber-related incidents, which have increasingly targeted our industry. Perpetrators of cyberattacks often attempt to gain unauthorized access to digital systems for purposes of misappropriating confidential, proprietary or personal information, intellectual property or financial assets, corrupting data or causing operational disruptions, as well as preventing users from accessing systems or information for the purpose of demanding payment in order for users to regain access. A wide variety of individuals or groups may perpetuate cyberattacks, ranging from highly sophisticated criminal organizations and state-sponsored actors to disgruntled employees, and the nature of, and methods used in, cyberattacks are similarly diverse and constantly evolving, with examples including phishing attempts, distributed denial of service attacks or ransomware, which could be enhanced or facilitated by artificial intelligence. In addition, our vendors (including third-party cloud and IT service providers), midstream providers and other business partners may separately suffer disruptions or breaches from cyberattacks or other cyber-related incidents, which, in turn, could adversely impact our operations and compromise our information. Moreover, we and other upstream companies rely on extensive oil and gas infrastructure and distribution systems to deliver our production to market, which, in turn, depend upon digital technologies; we also rely on other critical infrastructure to operate our business, such as communication networks and power grids. Any cyberattack directed at such infrastructure or systems could adversely impact our business and operations, including by limiting our ability to transport and market our production. Furthermore, human error by our employees, contractors or third-party business partners may also cause or exacerbate a cybersecurity incident, and geopolitical instability may heighten the risk of cyberattacks against us or the infrastructure we rely upon.

As of the date of this report, though the Company and certain of our service providers have experienced certain cybersecurity incidents, we are not aware of any previous cybersecurity incidents that have materially affected, or are reasonably likely to materially affect, the Company. However, there is no assurance that such a breach has not already occurred and we are unaware of it, or that we will not suffer such a loss in the future. We devote significant resources to prevent cybersecurity incidents and protect our data, but

our systems and procedures for identifying and protecting against such attacks and mitigating such risks may prove to be insufficient due to system vulnerabilities, human error or malfeasance or other factors. Any such attacks could have an adverse impact on our business, operations or reputation and lead to remediation costs, litigation or regulatory actions. Moreover, as the sophistication and volume of cyberattacks continue to increase, we may be required to expend significant additional resources to further enhance our digital security or to remediate vulnerabilities, and we may face difficulties in fully anticipating or implementing adequate preventive measures or mitigating potential harm.

We Face Risks Associated with Artificial Intelligence and Other Emerging Technologies

We increasingly use artificial intelligence (“AI”) and other emerging technologies to improve our business processes, including through the integration of various AI tools into certain of our information systems. However, we may not properly implement these technologies into our business, and there can be no assurance that we will realize the anticipated efficiency gains or other benefits from their adoption. Failure to effectively integrate AI and other emerging technologies into our operations could put us at a competitive disadvantage to other oil and gas companies who have more successfully implemented such technologies. In addition, the use of AI presents certain risks, including, among other things: (i) the generation of and reliance upon inaccurate, misleading or otherwise flawed content in our business processes, (ii) the unauthorized use or disclosure of confidential or proprietary information and (iii) potential exposure to new or enhanced governmental or regulatory scrutiny, all of which could negatively impact our business.

Insurance Does Not Cover All Risks

As discussed above, our business is hazardous and is subject to all of the operating risks normally associated with the exploration, development and production of oil, gas and NGLs. To mitigate financial losses resulting from these operational hazards, we maintain comprehensive general liability insurance, as well as insurance coverage against certain losses resulting from physical damages, loss of well control, business interruption and pollution events that are considered sudden and accidental. We also maintain workers’ compensation and employer’s liability insurance. However, our insurance coverage does not provide 100% reimbursement of potential losses resulting from these operational hazards and, in the future, we may not be able to maintain or obtain insurance of the type and amount we desire at reasonable rates. Additionally, we have limited or no insurance coverage for a variety of other risks, including pollution events that are considered gradual, war and political risks and fines or penalties assessed by governmental authorities. The occurrence of a significant event against which we are not fully insured could have an adverse effect on our profitability, financial condition and liquidity.

Activist Shareholders Could Cause Us to Incur Significant Expense, Hinder Execution of our Business Strategy and Impact Our Stock Price

Publicly traded companies are increasingly subject to campaigns by activist shareholders advocating corporate actions, such as operational, governance or management changes, sales of assets or entire business units or business combination transactions. Activist shareholders could seek to engage in proxy solicitations, advance shareholder proposals or otherwise attempt to assert influence on our Board of Directors and management. These actions may be prompted or exacerbated by unfavorable recommendations or ratings from proxy advisory firms or other third parties. Such actions could adversely impact our business by distracting our Board of Directors and employees from our long-term strategy, requiring us to incur increased advisory fees and related costs, interfering with our ability to successfully execute on business operations and strategic transactions or plans and provoking perceived uncertainty about the future direction of our business. Such perceived uncertainty may, in turn, make it more difficult to retain employees and could result in significant fluctuation in the market price of our common stock.

Our Acquisition and Divestiture Activities Involve Substantial Risks

Our business depends, in part, on making acquisitions, including by merger and other similar transactions, that complement or expand our current business and successfully integrating any acquired assets or businesses. We cannot ensure that any acquisitions we attempt will be completed on the terms announced, or at all. If we are unable to make attractive acquisitions, our future growth could be limited. Furthermore, even if we do make acquisitions, they may not result in an increase in our cash flow from operations or otherwise result in the benefits anticipated due to various risks, including, but not limited to:

- mistaken estimates or assumptions about reserves, potential drilling locations, revenues and costs, including synergies and the overall costs of equity or debt;

- difficulties in integrating the operations, technologies, products and personnel of the acquired assets or business; and
- unknown and unforeseen liabilities or other issues related to any acquisition for which contractual protections prove inadequate, including environmental liabilities and title defects.

In addition, from time to time, we may sell or otherwise dispose of certain of our properties or businesses as a result of an evaluation of our asset portfolio and to help enhance our liquidity. These transactions also have inherent risks, including possible delays or failures in closing, the risk of lower-than-expected sales proceeds for the disposed assets or business and potential post-closing liabilities and claims for indemnification, as well as secondary liability for any obligations to third parties guaranteed by us. Moreover, volatility in commodity prices may result in fewer potential bidders, unsuccessful sales efforts and a higher risk that buyers may seek to terminate a transaction prior to closing.

Our Ability to Declare and Pay Dividends and Repurchase Shares Is Subject to Certain Considerations

Dividends, whether fixed or variable, and share repurchases are authorized and determined by our Board of Directors in its sole discretion and depend upon a number of factors, including the Company’s financial results, cash requirements and future prospects, as well as such other factors deemed relevant by our Board of Directors. We can provide no assurance that we will continue to pay dividends or execute share repurchases at the current rate or at all. Any elimination of, or downward revision in, our dividend payout or share repurchase program could have an adverse effect on the market price of our common stock.

Item 1B. *Unresolved Staff Comments*

Not applicable.

Item 1C. *Cybersecurity*

We maintain a corporate information security policy and program (the “Program”) designed to identify, assess and appropriately manage risk from cybersecurity threats to help maintain operational continuity and protect Devon’s networks, systems and other assets, as well as the significant amount of information we use to run our business. We employ a variety of tools designed to identify, assess and manage cybersecurity threats, including monitoring and detection programs, network security measures, firewall monitoring devices and encryption of critical data. The Program includes a cybersecurity incident response plan that provides the framework for categorizing and responding to cybersecurity incidents. As part of the Program, we perform cybersecurity risk assessments of certain third-party vendors of the Company, including technology vendors and key operational suppliers and service providers. These assessments are intended to identify potential risks to Devon associated with our use of third-party vendors and, where appropriate, to recommend and implement mitigating controls or solutions. In addition, Devon maintains disaster recovery plans related to cybersecurity incidents as part of our broader corporate emergency preparedness program, and our employees and contractors receive cybersecurity awareness training as part of both onboarding and through periodic training opportunities, including phishing simulations.

We have made efforts to align the Program with the National Institute of Standards and Technology Cybersecurity Framework for risk management, and we conduct regular assessments to identify areas for potential improvement and benchmark maturity relative to peers and other companies, as well as industry and other relevant standards. Moreover, we perform regular internal testing of our systems and processes, including disaster recovery exercises and tabletop exercises. We supplement these internal efforts by periodically engaging third-party organizations to separately review and stress-test the Program.

The Program is administered by our Digital Security team, which is led by our Manager of Digital Security. The Digital Security team meets at least weekly to discuss any cybersecurity incidents and related response actions, emerging cybersecurity threats facing the Company and preventative measures. It is important to Devon that members of our Digital Security team have the necessary expertise to oversee the Program and its related technologies, platforms and applications, whether through educational background, experience, technical certifications or other training. The Manager of Digital Security has over 15 years of cybersecurity experience, a degree in management information systems and multiple certifications relating to security, risk and information systems, including a security leadership certification.

Cybersecurity risk is an area of focus for our Board of Directors, and we include cybersecurity and related risks in our enterprise-wide risk-management framework that annually assesses risks to the Company. This year-round assessment of risk is guided by our Internal Audit team and involves our Board of Directors, management and certain internal subject matter experts. The Audit Committee of our Board of Directors has oversight of Devon’s risks from cybersecurity threats and reviews the steps management has taken to monitor and address such risks. Our management team provides quarterly updates to the Audit Committee on activities and other developments impacting Devon’s cybersecurity. These updates cover a variety of topics, including, among other things, (i) regular reviews of certain cybersecurity metrics for the Company, (ii) status reviews of our cybersecurity initiatives and the results of benchmarking or other assessments of the Program and (iii) briefings on current events or trends relating to cybersecurity. Our full Board of Directors also receives regular updates from our management team regarding the Program, as well as reports from the Audit Committee.

As of the date of this report, though the Company and certain of our service providers have experienced certain cybersecurity incidents, Devon is not aware of any previous cybersecurity threats that have materially affected or are reasonably likely to materially affect Devon. For information on the risks associated with cybersecurity threats, see “Item 1A. Risk Factors.”

Item 3. Legal Proceedings

We are involved in various legal proceedings incidental to our business. However, to our knowledge as of the date of this report and subject to the environmental matters noted below, there were no material pending legal proceedings to which we are a party or to which any of our property is subject. For more information on our legal contingencies, see Note 18 in “Item 8. Financial Statements and Supplementary Data” of this report.

Environmental Matters

Devon has elected to use a \$1 million threshold for disclosing certain proceedings arising under federal, state or local environmental laws when a governmental authority is a party. Devon believes proceedings under this threshold are not material to Devon’s business, financial condition and results of operations.

On April 7, 2020, WPX Energy, Inc., a wholly-owned subsidiary of the Company, received a notice of violation (“NOV”) from the EPA relating to specific historical air emission events occurring on the Fort Berthold Indian Reservation in North Dakota. On July 22, 2022, we received an updated NOV from the EPA relating to the same underlying events. On June 4, 2021, we received a NOV from the EPA relating to alleged air permit violations by WPX Energy Permian, LLC, a wholly-owned subsidiary of the Company, during 2020 in western Texas. On February 1, 2023, we received a NOV from the EPA relating to alleged air permit violations by WPX Energy Permian, LLC during 2020 in New Mexico. On June 1, 2023, we received a NOV from the EPA relating to alleged air permit violations by Devon Energy Production Company, L.P., a wholly-owned subsidiary of the Company, during 2020 and 2022 in New Mexico. On August 28, 2025, we received a NOV from the EPA relating to alleged air permit violations by Devon Energy Production Company, L.P. and WPX Energy Permian, LLC during 2024 in New Mexico and western Texas. The Company has been engaging with the EPA to resolve each of these matters, which remain ongoing, and management cannot predict their ultimate outcome; however, resolution of each of these matters may result in a fine or penalty in excess of \$1 million. For more information on the North Dakota NOV matter with the EPA, see Note 18 in “Item 8. Financial Statements and Supplementary Data” of this report.

Item 4. Mine Safety Disclosures

Not applicable.

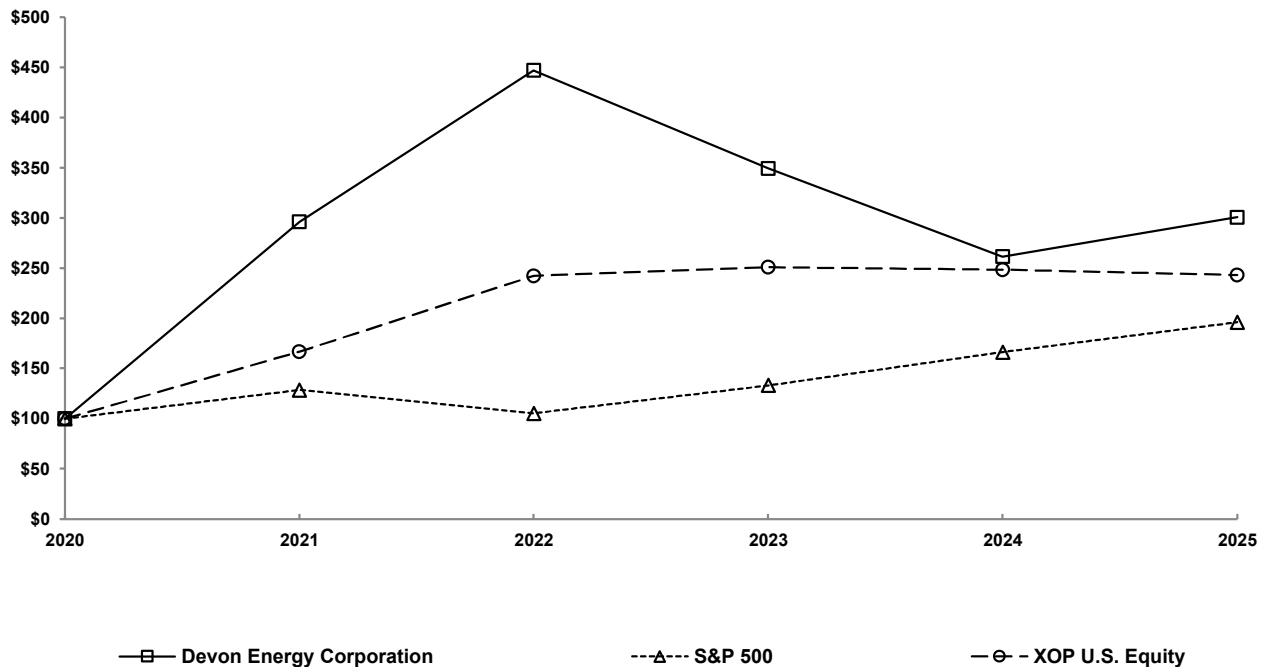
PART II

Item 5. Market for Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is traded on the NYSE under the “DVN” ticker symbol. On February 4, 2026, there were 10,200 holders of record of our common stock. We began paying regular quarterly cash dividends in the second quarter of 1993. Devon is committed to returning cash to shareholders through quarterly dividend payments and share repurchases, growing our per share value. The declaration and payment of any future dividend will remain at the full discretion of the Board of Directors and will depend on Devon’s financial results, cash requirements, future prospects and other factors deemed relevant by the Devon Board. In determining the amount of the quarterly fixed dividend, the Board expects to consider a number of factors, including Devon’s financial condition, the commodity price environment and a general target of paying out up to 10% of operating cash flow through the fixed dividend. Additional information on our dividends can be found in Note 17 in “Item 8. Financial Statements and Supplementary Data” of this report.

Performance Graph

The following graph compares the cumulative TSR over a five-year period on Devon’s common stock with the cumulative total returns of the S&P 500 Index and the SPDR Oil and Gas Exploration & Production ETF (“XOP U.S. Equity”). The graph was prepared assuming \$100 was invested on December 31, 2020 in Devon’s common stock, the S&P 500 Index and the XOP U.S. Equity Index and dividends have been reinvested subsequent to the initial investment.



The graph and related information should not be deemed “soliciting material” or to be “filed” with the SEC, nor should such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that we specifically incorporate such information by reference into such a filing. The graph and information are included for historical comparative purposes only and should not be considered indicative of future stock performance.

Issuer Purchases of Equity Securities

The following table provides information regarding purchases of our common stock that were made by us during the fourth quarter of 2025 (shares in thousands).

<u>Period</u>	<u>Total Number of Shares Purchased ⁽¹⁾</u>	<u>Average Price Paid per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽²⁾</u>	<u>Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs ⁽²⁾</u>
October 1 - October 31	2,266	\$ 33.22	2,263	\$ 782
November 1 - November 30	2,723	\$ 35.18	2,721	\$ 686
December 1 - December 31	2,142	\$ 37.07	2,135	\$ 607
Total	<u>7,131</u>	<u>\$ 35.12</u>	<u>7,119</u>	

- (1) In addition to shares purchased under the share repurchase program described below, these amounts also include approximately thirteen thousand shares received by us from employees for the payment of personal income tax withholding on vesting transactions.
- (2) On November 2, 2021, we announced a \$1.0 billion share repurchase program that would expire on December 31, 2022. Through subsequent approvals, including most recently in July 2024, Devon's Board of Directors expanded the share repurchase program authorization to \$5.0 billion, with a June 30, 2026 expiration date. In the fourth quarter of 2025, we repurchased 7.1 million common shares for \$250 million, or \$35.12 per share, under this share repurchase program. For additional information, see Note 17 in "Item 8. Financial Statements and Supplementary Data" of this report.

Item 6. *[Reserved]*

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Introduction

The following discussion and analysis presents management's perspective of our business, financial condition and overall performance. This information is intended to provide investors with an understanding of our past performance, current financial condition and outlook for the future and should be read in conjunction with "Item 8. Financial Statements and Supplementary Data" of this report.

The following discussion and analyses primarily focus on 2025 and 2024 items and year-to-year comparisons between 2025 and 2024. Discussions of 2023 items and year-to-year comparisons between 2024 and 2023 that are not included in this report can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our 2024 Annual Report on Form 10-K.

Executive Overview

We are a leading independent oil and natural gas exploration and production company whose operations are focused onshore in the United States. Our operations are currently focused in four core areas: the Delaware Basin, Rockies, Eagle Ford and Anadarko Basin. Our asset base is underpinned by premium acreage in the economic core of the Delaware Basin and our diverse, top-tier resource plays, providing a deep inventory of opportunities for years to come.

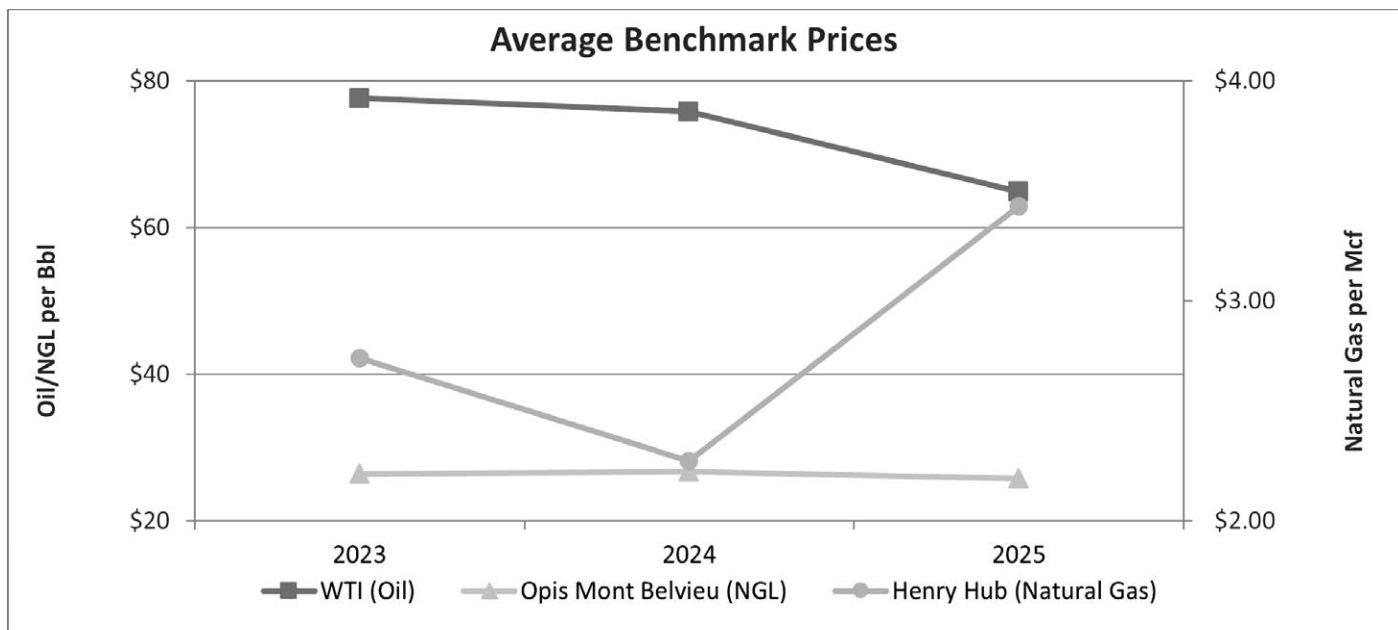
On September 27, 2024, we acquired the Williston Basin business of Grayson Mill for total consideration of approximately \$5.0 billion, consisting of \$3.5 billion of cash and approximately 37.3 million shares of Devon common stock, including purchase price adjustments. The acquisition has allowed us to efficiently expand our oil production and operating scale, creating immediate and long-term, sustainable value to shareholders.

On February 1, 2026, we entered into the Merger Agreement, providing for an all-stock merger of equals with Coterra. The Merger will create a leading large-cap shale operator with an asset base anchored by a premier position in the economic core of the Delaware Basin. The Merger is expected to unlock substantial value for shareholders by leveraging enhanced scale to improve margins, increase free cash flow and accelerate cash returns through the capture of \$1.0 billion in sustainable annual synergies. As a company, we remain focused on building economic value by executing on our strategic priorities of moderating production growth, emphasizing capital and operational efficiencies, optimizing reinvestment rates to maximize free cash flow, maintaining low leverage, delivering cash returns to our shareholders and pursuing operational excellence. Our recent performance highlights for these priorities include the following items for 2025:

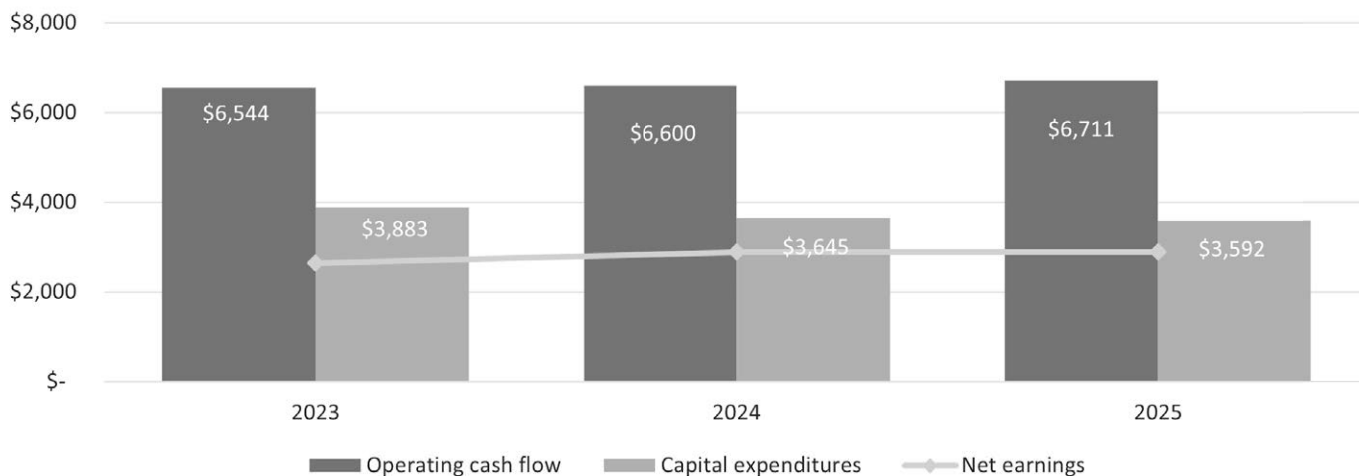
- Oil production totaled 389 MBbls/d, a 12% increase year over year.
- Through 2025, completed approximately 88% of our authorized \$5.0 billion share repurchase program, with approximately 100 million of our common shares repurchased for approximately \$4.4 billion, or \$44.02 per share, since inception of the plan.
- Retired \$485 million of senior notes.
- Exited with \$4.4 billion of liquidity, including \$1.4 billion of cash.
- Generated \$6.7 billion of operating cash flow.
- Paid dividends of \$619 million.
- Completed acquisition of outstanding noncontrolling interests in Cotton Draw Midstream for \$260 million.
- Received \$545 million of cash proceeds from the sale of property and investments, including \$409 million related to the sale of our investment in Matterhorn.
- Through 2025, achieved approximately 85% of our \$1.0 billion business optimization plan.
- Earnings attributable to Devon were \$2.6 billion, or \$4.17 per diluted share.
- Core earnings (Non-GAAP) were \$2.5 billion, or \$3.92 per diluted share.

To emphasize our commitment to maximizing free cash flow and creating value for shareholders, we have implemented a business optimization plan which is anticipated to improve our annual pre-tax cash flow by \$1.0 billion. The plan includes actions to achieve more efficient field-level operations and improvements in drilling and completion costs while improving operating margins and corporate costs. These savings are on track to be achieved by the end of 2026 with approximately \$850 million achieved through 2025.

Our net earnings and operating cash flow are highly dependent upon oil, gas and NGL prices, which can be volatile due to several varying factors. Commodity pricing remained stable through 2023 and 2024. During 2025, however, commodity prices have experienced heightened volatility and declines, driven primarily by economic uncertainty in global trade arising from geopolitical events and shifting trade policies, such as the imposition of tariffs by the U.S. and planned oil output increases by OPEC+. The graphs below show the trends in commodity prices over the past three years and their related impact on our net earnings, operating cash flow and capital investments.



Operating Cash Flow, Capital Expenditures and Net Earnings



As we dependably generate strong cash flow results as shown above, we will continue to prioritize delivering cash returns to shareholders through share repurchases and dividends while maintaining a strong liquidity position. Since the inception of our authorized \$5.0 billion share repurchase program, we have repurchased approximately 100 million common shares for approximately \$4.4 billion, or \$44.02 per share. We also returned value to shareholders by paying dividends of \$619 million during 2025. We exited 2025 with \$4.4 billion of liquidity, comprised of \$1.4 billion of cash and \$3.0 billion of available credit under our Senior Credit Facility. We currently have \$8.4 billion of debt outstanding, of which approximately \$1.0 billion is classified as short-term. Additionally, to help mitigate the volatility of commodity prices and protect ourselves from downside risk, we currently have approximately 30% of our anticipated 2026 oil and gas production hedged.

Business and Industry Outlook

In 2025, Devon marked its 54th anniversary in the oil and gas business and its 37th year as a public company. We generated \$6.7 billion of operating cash flow in 2025, demonstrating resilience despite lower oil prices through higher production volumes and lower taxes. In April 2025, we announced our business optimization plan targeting \$1.0 billion in annual pre-tax free cash flow improvements by the end of 2026 through enhanced capital efficiency, production optimization, commercial improvements and corporate cost reductions. We achieved approximately 85% of these improvements through 2025, with the remainder to be realized by year-end 2026.

We remain committed to industry-leading capital returns to shareholders, supported by capital discipline and a strategy designed to succeed through commodity cycles. In 2025, we returned approximately \$1.7 billion of cash to shareholders through cash dividends and share repurchases, and will continue to prioritize shareholder cash return in 2026.

In 2025, WTI oil prices averaged \$64.87 per Bbl versus \$75.79 per Bbl in 2024, an approximately 14% decline amid continued market volatility. Oil prices are expected to remain volatile in 2026 due to ongoing geopolitical supply risks, including developments in key producing regions, stronger forecasted non-OPEC production, and improving global demand. Henry Hub natural gas prices increased significantly in 2025, averaging \$3.43 per Mcf compared to \$2.27 per Mcf in 2024. Natural gas prices are expected to strengthen further in 2026 driven by increased LNG export capacity, strong power generation demand across multiple sectors, and continued producer discipline. Our 2026 cash flow is partly protected from commodity price volatility due to our current hedge position that covers approximately 30% of our anticipated oil and gas volumes. In order to further insulate our cash flow, we continue to examine and, when appropriate, execute attractive regional basis swap hedges to protect price realizations across our portfolio. With continued capital efficiency gains and operational improvements, we expect to generate material amounts of free cash flow at current commodity price levels.

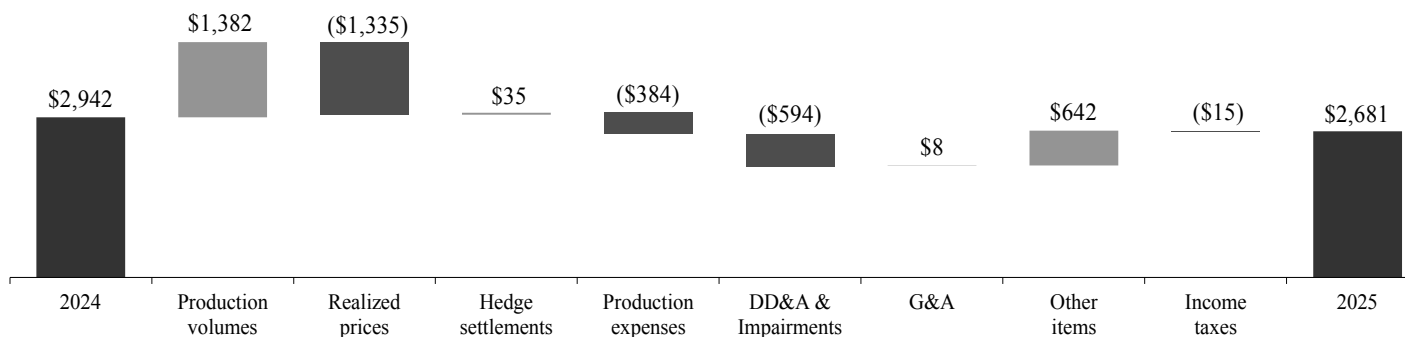
Our 2026 capital program reflects our continued commitment to capital discipline and efficiency. To maximize free cash flow generation, our 2026 capital is expected to be focused on our highest returning oil play, the Delaware Basin. The remainder of our 2026 capital will continue to be deployed to our other core areas of Rockies, Eagle Ford and Anadarko Basin. Our 2026 capital budget is expected to be approximately 4% lower than 2025, driven by continued capital efficiency gains and optimized activity levels. Our disciplined approach to capital allocation is expected to continue generating substantial free cash flow.

Results of Operations

The following graph, discussion and analysis are intended to provide an understanding of our results of operations and current financial condition. To facilitate the review, these numbers are being presented before consideration of earnings attributable to noncontrolling interests. Analysis of the change in net earnings is shown below.

Our 2025 net earnings were \$2.7 billion, compared to net earnings of \$2.9 billion for 2024. The graph below shows the change in net earnings from 2024 to 2025. The material changes are further discussed by category on the following pages.

Net Earnings



Production Volumes

	2025	% of Total	2024	Change
Oil (MBbls/d)				
Delaware Basin	225	58%	220	2%
Rockies	107	28%	65	64%
Eagle Ford	41	10%	46	-11%
Anadarko Basin	12	3%	13	-9%
Other	4	1%	3	N/M
Total	389	100%	347	12%

	2025	% of Total	2024	Change
Gas (MMcf/d)				
Delaware Basin	812	59%	732	11%
Rockies	235	17%	124	89%
Eagle Ford	76	5%	98	-23%
Anadarko Basin	258	19%	241	7%
Other	1	0%	1	N/M
Total	1,382	100%	1,196	16%

	2025	% of Total	2024	Change
NGLs (MBbls/d)				
Delaware Basin	133	60%	123	8%
Rockies	49	22%	21	130%
Eagle Ford	11	5%	17	-33%
Anadarko Basin	28	13%	29	-4%
Other	—	0%	1	N/M
Total	221	100%	191	16%

	2025	% of Total	2024	Change
Combined (MBoe/d)				
Delaware Basin	493	59%	465	6%
Rockies	195	23%	107	82%
Eagle Ford	65	8%	79	-18%
Anadarko Basin	83	10%	82	1%
Other	4	0%	4	N/M
Total	840	100%	737	14%

From 2024 to 2025, the change in volumes contributed to a \$1.4 billion increase in earnings. Volumes increased primarily due to the Grayson Mill acquisition in the Rockies, which closed in the third quarter of 2024, as well as new well activity in the Delaware Basin.

Production volumes for the first quarter of 2026 are expected to decrease by approximately 1%, or 10 MBoe/d, as a result of severe winter weather conditions.

Realized Prices

	2025	Realization	2024	Change
Oil (per Bbl)				
WTI index	\$ 64.87		\$ 75.79	-14%
Realized price, unhedged	\$ 62.77	97%	\$ 73.78	-15%
Cash settlements	\$ 1.14		\$ 0.35	
Realized price, with hedges	\$ 63.91	99%	\$ 74.13	-14%

	2025	Realization	2024	Change
Gas (per Mcf)				
Henry Hub index	\$ 3.43		\$ 2.27	51%
Realized price, unhedged	\$ 1.67	49%	\$ 0.91	84%
Cash settlements	\$ 0.12		\$ 0.35	
Realized price, with hedges	<u>\$ 1.79</u>	52%	<u>\$ 1.26</u>	42%

	2025	Realization	2024	Change
NGLs (per Bbl)				
WTI index	\$ 64.87		\$ 75.79	-14%
Realized price, unhedged	\$ 18.28	28%	\$ 20.20	-9%
Cash settlements	\$ 0.11		\$ 0.02	
Realized price, with hedges	<u>\$ 18.39</u>	28%	<u>\$ 20.22</u>	-9%

	2025		2024	Change
Combined (per Boe)				
Realized price, unhedged	\$ 36.60		\$ 41.44	-12%
Cash settlements	\$ 0.76		\$ 0.73	
Realized price, with hedges	<u>\$ 37.36</u>		<u>\$ 42.17</u>	-11%

From 2024 to 2025, realized prices contributed to an approximately \$1.3 billion decrease in earnings. This decrease was due to lower unhedged realized oil and NGL prices which decreased primarily due to lower WTI and Mont Belvieu index prices, respectively. This decrease was partially offset by an increase in unhedged realized gas prices which was primarily due to higher Henry Hub index prices. Realized prices were also positively impacted by oil, gas and NGL hedge cash settlements.

Hedge Settlements

	2025		2024	Change
Oil	\$ 162		\$ 44	268%
Natural gas	61		152	-60%
NGL	9		1	N/M
Total cash settlements ⁽¹⁾	<u>\$ 232</u>		<u>\$ 197</u>	18%

(1) Included as a component of oil, gas and NGL derivatives on the consolidated statements of comprehensive earnings.

Cash settlements as presented in the tables above represent realized gains or losses related to the instruments described in Note 3 in "Item 8. Financial Statements and Supplementary Data" of this report.

Production Expenses

	2025		2024	Change
LOE	\$ 1,922		\$ 1,574	22%
Gathering, processing & transportation	831		790	5%
Production taxes	748		748	0%
Property taxes	66		71	-7%
Total	<u>\$ 3,567</u>		<u>\$ 3,183</u>	12%
Per Boe:				
LOE	\$ 6.27		\$ 5.83	8%
Gathering, processing & transportation	\$ 2.71		\$ 2.93	-8%
Percent of oil, gas and NGL sales:				
Production taxes		6.7%	6.7%	0%

Production expenses increased in 2025 primarily due to increased activity in the Rockies related to the Grayson Mill acquisition in addition to new well activity in the Delaware Basin.

Field-Level Cash Margin

The table below presents the field-level cash margin for each of our operating areas. Field-level cash margin is computed as oil, gas and NGL revenues less production expenses and is not prepared in accordance with GAAP. A reconciliation to the comparable GAAP measures is found in “Non-GAAP Measures” in this Item 7. The changes in production volumes, realized prices and production expenses, shown above, had the following impacts on our field-level cash margins by asset.

	2025	\$ per BOE	2024	\$ per BOE
Field-level cash margin (Non-GAAP)				
Delaware Basin	\$ 4,636	\$ 25.74	\$ 5,197	\$ 30.56
Rockies	1,652	\$ 23.20	1,122	\$ 28.61
Eagle Ford	853	\$ 35.96	1,150	\$ 39.72
Anadarko Basin	468	\$ 15.54	464	\$ 15.50
Other	47	N/M	60	N/M
Total	<u>\$ 7,656</u>	<u>\$ 24.97</u>	<u>\$ 7,993</u>	<u>\$ 29.63</u>

DD&A and Asset Impairments

	2025	2024	Change
Oil and gas per Boe	\$ 11.35	\$ 11.70	-3%
Oil and gas	\$ 3,479	\$ 3,156	10%
Other property and equipment	116	99	17%
Total DD&A	<u>\$ 3,595</u>	<u>\$ 3,255</u>	10%
Asset impairments	\$ 254	\$ —	N/M

DD&A increased in 2025 primarily due to higher volumes driven by the Grayson Mill acquisition and new well activity in the Delaware Basin.

In the first quarter of 2025, Devon rationalized two headquarters-related real estate assets resulting in total asset impairments of \$254 million. See Note 5 in “Item 8. Financial Statements and Supplementary Data” of this report for further discussion.

General and Administrative Expense

	2025	2024	Change
G&A per Boe	\$ 1.60	\$ 1.85	-13%
Labor and benefits	\$ 259	\$ 285	-9%
Non-labor	233	215	8%
Total	<u>\$ 492</u>	<u>\$ 500</u>	-2%

G&A per BOE decreased in 2025 due to the Grayson Mill acquisition efficiently expanding our operating scale and production.

Other Items

	2025	2024	Change in earnings
Commodity hedge valuation changes ⁽¹⁾	\$ 170	\$ (176)	\$ 346
Marketing and midstream operations	(72)	(49)	(23)
Exploration expenses	43	28	(15)
Asset dispositions	(343)	11	354
Net financing costs	455	363	(92)
Other, net	24	96	72
			<u>\$ 642</u>

(1) Included as a component of oil, gas and NGL derivatives on the consolidated statements of comprehensive earnings.

We recognize fair value changes on our oil, gas and NGL derivative instruments in each reporting period. The changes in fair value resulted from new positions and settlements that occurred during each period, as well as the relationship between contract prices and the associated forward curves.

During 2025, Devon sold its investment in Matterhorn for \$409 million and recognized a pre-tax gain of \$342 million (\$266 million, net of tax), which was recorded to asset dispositions. The monetization of this investment did not change the terms or conditions of Devon's secured capacity on the pipeline. For additional information, see Note 12 in "Item 8. Financial Statements and Supplementary Data" in this report.

During the third quarter of 2024, we issued \$3.25 billion of debt to partially fund the Grayson Mill acquisition. Additionally, we retired \$472 million of debt in the third quarter of 2024. During the third quarter of 2025, Devon early redeemed the \$485 million of 5.85% senior notes due in December 2025 pursuant to the "par-call" rights set forth in the indenture document. For additional information, see Note 13 in "Item 8. Financial Statements and Supplementary Data" in this report.

Income Taxes

	2025	2024
Current expense	\$ 301	\$ 459
Deferred expense	484	311
Total expense	<u>\$ 785</u>	<u>\$ 770</u>
Current tax rate	9%	12%
Deferred tax rate	14%	9%
Effective income tax rate	<u>23%</u>	<u>21%</u>

For discussion on income taxes, see Note 6 in "Item 8. Financial Statements and Supplementary Data" of this report.

Capital Resources, Uses and Liquidity

Sources and Uses of Cash

The following table presents the major changes in cash and cash equivalents for the time periods presented below.

	Year Ended December 31,	
	2025	2024
Operating cash flow	\$ 6,711	\$ 6,600
Grayson Mill acquired cash	—	147
Capital expenditures	(3,592)	(3,645)
Acquisitions of property and equipment	(322)	(3,808)
Divestitures of property, equipment and investments	545	24
Investment activity, net	(24)	(50)
Debt activity, net	(485)	2,747
Repurchases of common stock	(1,050)	(1,057)
Common stock dividends	(619)	(937)
Noncontrolling interest activity, net	(269)	1
Repayment of finance leases	(282)	—
Other	(25)	(51)
Net change in cash, cash equivalents and restricted cash	\$ 588	\$ (29)
Cash, cash equivalents and restricted cash at end of period	\$ 1,434	\$ 846

Operating Cash Flow

As presented in the table above, net cash provided by operating activities continued to be a significant source of capital and liquidity. Operating cash flow funded our capital expenditures, and we continued to return value to our shareholders by utilizing cash flow and cash balances for dividends and share repurchases.

Capital Expenditures

The amounts in the table below reflect cash payments for capital expenditures, including cash paid for capital expenditures incurred in prior periods.

	Year Ended December 31,	
	2025	2024
Delaware Basin	\$ 1,834	\$ 2,049
Rockies	858	504
Eagle Ford	575	670
Anadarko Basin	150	225
Other	4	7
Total oil and gas	3,421	3,455
Midstream	118	101
Other	53	89
Total capital expenditures	\$ 3,592	\$ 3,645

Capital expenditures consist primarily of amounts related to our oil and gas exploration and development operations, midstream operations and other corporate activities. Our capital investment program is driven by a disciplined allocation process focused on moderating our production growth and maximizing our returns. As such, our capital expenditures for 2025 represent approximately 54% of our operating cash flow.

Acquisitions of Property and Equipment

During 2025, we completed acquisitions of property primarily related to state and federal land sales in the Delaware Basin.

During the third quarter of 2024, we acquired the Williston Basin business of Grayson Mill. The transaction consisted of \$3.5 billion of cash and approximately 37.3 million shares of Devon common stock. For additional information, please see Note 2 in “Part II. Item 8. Financial Statements and Supplementary Data” in this report.

Divestitures of Property and Equipment

During 2025, we generated additional cash flow of \$545 million by monetizing our investment in Matterhorn for \$409 million and divesting headquarters-related real estate assets for \$134 million as part of our real estate rationalization initiatives. These proceeds will be used to further strengthen our investment-grade financial position. For additional information regarding these divestitures, see Note 12 and Note 5, respectively, in “Part II. Item 8. Financial Statements and Supplementary Data” in this report.

During 2025 and 2024, we received contingent earnout payments related to assets previously sold. For additional information, please see Note 2 in “Part II. Item 8. Financial Statements and Supplementary Data” in this report.

Investment Activity

During 2025 and 2024, Devon received distributions from our investments of \$38 million and \$68 million, respectively. Devon contributed \$62 million and \$118 million to our investments during 2025 and 2024, respectively.

Debt Activity

In 2025, Devon early redeemed the \$485 million of 5.85% senior notes due in December 2025 pursuant to the “par-call” rights set forth in the indenture document.

In 2024, Devon issued \$1.25 billion of 5.20% senior notes due 2034 and \$1.0 billion of 5.75% senior notes due 2054. Additionally, in 2024, Devon borrowed \$1.0 billion from the Term Loan. These debt issuances helped fund the Grayson Mill acquisition. During 2024, we repaid \$472 million of senior notes at maturity.

Shareholder Distributions and Stock Activity

We repurchased 30.8 million shares of common stock for \$1.1 billion in 2025 and 24.2 million shares of common stock for \$1.1 billion in 2024 under the share repurchase program authorized by our Board of Directors. For additional information, see Note 17 in “Item 8. Financial Statements and Supplementary Data” in this report.

The following table summarizes our common stock dividends in 2025 and 2024. Devon most recently raised its fixed dividend by 9% from \$0.22 to \$0.24 per share in the first quarter of 2025.

	Dividends		Rate Per Share	
2025:				
First quarter	\$	163	\$	0.24
Second quarter		156	\$	0.24
Third quarter		151	\$	0.24
Fourth quarter		149	\$	0.24
Total year-to-date	\$	<u>619</u>		
2024:				
First quarter	\$	299	\$	0.44
Second quarter		223	\$	0.35
Third quarter		272	\$	0.44
Fourth quarter		143	\$	0.22
Total year-to-date ⁽¹⁾	\$	<u>937</u>		

(1) During 2024, Devon paid variable dividends totaling \$377 million in addition to its recurring fixed dividend.

Noncontrolling Interest Activity

On August 1, 2025, Devon completed the acquisition of all outstanding noncontrolling interests in CDM for \$260 million. Accordingly, all future net income and cash flows from CDM are fully attributable to Devon and there will be no further distributions to or contributions from noncontrolling interest holders.

During 2025 and 2024, we received \$14 million and \$52 million, respectively, of contributions from our noncontrolling interests in CDM. During 2025 and 2024, we distributed \$23 million and \$51 million, respectively, to our noncontrolling interests in CDM.

Repayment of Finance Leases

During 2025, we paid \$282 million in cash repayments of finance leases, primarily consisting of a \$274 million payment to extinguish a financing lease related to a headquarters-related real estate asset as part of our real estate rationalization initiatives. For additional information, see Note 14 in “Item 8. Financial Statements and Supplementary Data” in this report.

Liquidity

The business of exploring for, developing and producing oil and natural gas is capital intensive. Because oil, natural gas and NGL reserves are a depleting resource, we, like all upstream operators, must continually make capital investments to grow and even sustain production. Generally, our capital investments are focused on drilling and completing new wells and maintaining production from existing wells. At opportunistic times, we also acquire operations and properties from other operators or landowners to enhance our existing portfolio of assets.

To emphasize our commitment to maximizing free cash flow and creating value for shareholders, we have implemented a business optimization plan which is anticipated to improve our annual pre-tax cash flow by \$1.0 billion. These optimization initiatives will be primarily focused on capital efficiencies, production optimization, commercial opportunities and corporate cost reductions. These savings are on track to be achieved by the end of 2026 with approximately \$850 million achieved through 2025.

Historically, our primary sources of capital funding and liquidity have been our operating cash flow and cash on hand. Additionally, we maintain a commercial paper program, supported by our revolving line of credit, which can be accessed as needed to supplement operating cash flow and cash balances. If needed, we can also issue debt and equity securities, including through transactions under our shelf registration statement filed with the SEC. We estimate the combination of our sources of capital will continue to be adequate to fund our planned capital requirements, as discussed in this section, as well as execute our cash-return business model.

Operating Cash Flow

Key inputs into determining our planned capital investment is the amount of cash we hold and operating cash flow we expect to generate over the next one to three or more years. At the end of 2025, we held approximately \$1.4 billion of cash. Our operating cash flow forecasts are sensitive to many variables and include a measure of uncertainty as actual results may differ from our expectations.

Commodity Prices – The most uncertain and volatile variables for our operating cash flow are the prices of the oil, gas and NGLs we produce and sell. Prices are determined primarily by prevailing market conditions. Regional and worldwide economic activity, weather and other highly variable factors influence market conditions for these products. These factors, which are difficult to predict, create volatility in prices and are beyond our control.

To mitigate some of the risk inherent in prices, we utilize various derivative financial instruments to protect a portion of our production against downside price risk. The key terms to our oil, gas and NGL derivative financial instruments as of December 31, 2025 are presented in Note 3 in “Item 8. Financial Statements and Supplementary Data” of this report.

Further, when considering the current commodity price environment and our current hedge position, we expect to achieve our capital investment priorities. Additionally, we remain committed to capital discipline and focused on delivering the objectives that underpin our capital plan for 2026. However, if commodity prices decline further, we will adapt our plan by reducing activity in order to maximize free cash flow.

Operating Expenses – Commodity prices can also affect our operating cash flow through an indirect effect on operating expenses. Significant commodity price decreases can lead to a decrease in drilling and development activities. As a result, the demand and cost for people, services, equipment and materials may also decrease, causing a positive impact on our cash flow as the prices paid for services and equipment decline. However, the inverse is also generally true during periods of rising commodity prices.

Additionally, the economic uncertainty in global trade arising from geopolitical events and shifting trade policies, such as the imposition of tariffs by the U.S., may contribute to higher inflation rates and disrupt supply chains, negatively impacting our cash flow. While we actively work to mitigate the impact of these potential risks through operational efficiencies gained from the scale of our operations as well as by leveraging long-standing relationships with our suppliers, the ultimate impacts remain uncertain.

Credit Losses – Our operating cash flow is also exposed to credit risk in a variety of ways. This includes the credit risk related to customers who purchase our oil, gas and NGL production, the collection of receivables from joint interest owners for their proportionate share of expenditures made on projects we operate and counterparties to our derivative financial contracts. We utilize a variety of mechanisms to limit our exposure to the credit risks of our customers, joint interest owners and counterparties. Such mechanisms include, under certain conditions, requiring letters of credit, prepayments or collateral postings.

Credit Availability

We had approximately \$3.0 billion of available borrowing capacity under our Senior Credit Facility at December 31, 2025. In the first quarter of 2025, Devon exercised its option to extend the Senior Credit Facility maturity date from March 24, 2029 to March 24, 2030. Devon has the option to extend the March 24, 2030 maturity date by an additional year subject to lender consent. As of December 31, 2025, Devon had no outstanding borrowings under the Senior Credit Facility and had less than \$1.0 million in outstanding letters of credit under this facility. See Note 13 in “Item 8. Financial Statements and Supplementary Data” of this report for further discussion.

The Senior Credit Facility contains only one material financial covenant. This covenant requires us to maintain a ratio of total funded debt to total capitalization, as defined in the credit agreement, of no more than 65%. As of December 31, 2025, we were in compliance with this covenant with a 24.8% debt-to-capitalization ratio.

Our access to funds from the Senior Credit Facility is not subject to a specific funding condition requiring the absence of a “material adverse effect”. It is not uncommon for credit agreements to include such provisions. In general, these provisions can remove the obligation of the banks to fund the credit line if any condition or event would reasonably be expected to have a material

and adverse effect on the borrower's financial condition, operations, properties or business considered as a whole, the borrower's ability to make timely debt payments or the enforceability of material terms of the credit agreement. While our credit agreement includes provisions qualified by material adverse effect as well as a covenant that requires us to report a condition or event having a material adverse effect, the obligation of the banks to fund the Senior Credit Facility is not conditioned on the absence of a material adverse effect.

As market conditions warrant and subject to our contractual restrictions, liquidity position and other factors, we may from time to time seek to repurchase or retire our outstanding debt through cash purchases and/or exchanges for other debt or equity securities in open market transactions, privately negotiated transactions, by tender offer or otherwise. Any such cash repurchases by us may be funded by cash on hand or incurring new debt. The amounts involved in any such transactions, individually or in the aggregate, may be material. Furthermore, any such repurchases or exchanges may result in our acquiring and retiring a substantial amount of such indebtedness, which would impact the trading liquidity of such indebtedness.

Debt Ratings

We receive debt ratings from the major ratings agencies in the U.S. In determining our debt ratings, the agencies consider a number of qualitative and quantitative items including, but not limited to, commodity pricing levels, our liquidity, asset quality, reserve mix, debt levels, cost structure, planned asset sales and size and scale of our production. Our credit rating from Standard and Poor's Financial Services is BBB with a positive outlook. Our credit rating from Fitch is BBB+ with a positive outlook. Our credit rating from Moody's Investor Service is Baa2 with a positive outlook. Any rating downgrades may result in additional letters of credit or cash collateral being posted under certain contractual arrangements.

There are no "rating triggers" in any of our contractual debt obligations that would accelerate scheduled maturities should our debt rating fall below a specified level. However, a downgrade could adversely impact our interest rate on any credit facility borrowings and the ability to economically access debt markets in the future.

Cash Returns to Shareholders

We are committed to returning cash to shareholders through dividends and share repurchases. Our Board of Directors will consider a number of factors when setting the quarterly dividend, if any, including a general target of paying out approximately 10% of operating cash flow through the fixed dividend. In addition to the fixed quarterly dividend, we may pay a variable dividend or complete share repurchases. The declaration and payment of any future dividend, whether fixed or variable, will remain at the full discretion of our Board of Directors and will depend on our financial results, cash requirements, future prospects and other factors deemed relevant by the Board.

In February 2026, we announced a cash dividend of \$0.24 per share payable in the first quarter of 2026, which is expected to total approximately \$149 million.

Our Board of Directors has authorized a \$5.0 billion share repurchase program that expires on June 30, 2026. Through February 1, 2026, we had executed \$4.5 billion of the authorized program. Pursuant to the terms of the Merger Agreement, our share repurchase activity has been suspended and is expected to remain suspended through the completion of the Merger.

Capital Expenditures

Our 2026 capital expenditure budget is expected to be approximately \$3.5 billion to \$3.7 billion, which is approximately 4% lower than our 2025 capital expenditures, driven by continued capital efficiency gains and operational improvements.

Contractual Obligations

As of December 31, 2025, our material contractual obligations include debt, interest expense, asset retirement obligations, lease obligations, operational agreements, drilling and facility obligations, various tax obligations and retained obligations related to our divested Canadian business. As discussed above, we estimate the combination of our sources of capital will continue to be adequate to fund our short- and long-term contractual obligations. See Notes 6, 13, 14, 15 and 18 in "Item 8. Financial Statements and Supplementary Data" of this report for further discussion.

Tax Contingencies

As we are regularly audited by tax authorities, we have and will continue to have our tax positions challenged. Certain tax authorities require material cash deposits be made to further dispute and respond to any of our challenged tax positions.

Strategic Merger of Equals

On February 1, 2026, Devon and Coterra entered into the Merger Agreement to combine in an all-stock merger of equals transaction expected to close in the second quarter of 2026. The strategic combination is expected to unlock substantial value for shareholders by leveraging enhanced scale to improve margins, increase free cash flow and accelerate cash returns through the capture of \$1.0 billion in sustainable annual synergies. Following the Merger and subject to the approval of the board of directors of the combined company, we expect to enhance cash returns to shareholders through a planned quarterly dividend of \$0.315 per share and a new share repurchase authorization exceeding \$5 billion.

Contingencies and Legal Matters

For a detailed discussion of contingencies and legal matters, see Note 18 in “Item 8. Financial Statements and Supplementary Data” of this report.

Critical Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires us to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from these estimates, and changes in these estimates are recorded when known. We consider the following to be our most critical accounting estimates that involve judgment and have reviewed these critical accounting estimates with the Audit Committee of our Board of Directors.

Purchase Accounting

Periodically, we acquire assets and assume liabilities in transactions accounted for as business combinations, such as the acquisition of the Williston Basin business of Grayson Mill. In connection with the acquisition, we allocated the \$5.0 billion of purchase price consideration to the assets acquired and liabilities assumed based on estimated fair values as of the date of the acquisition.

We made a number of assumptions in estimating the fair value of assets acquired and liabilities assumed in the acquisition. The most significant assumptions relate to the estimated fair values of proved and unproved oil and gas properties. Since sufficient market data was not available regarding the fair values of proved and unproved oil and gas properties, we prepared estimates and engaged third-party valuation experts. Significant judgments and assumptions are inherent in these estimates and include, among other things, estimates of reserve quantities, estimates of future commodity prices, drilling plans, expected development costs, lease operating costs, reserve risk adjustment factors and an estimate of an applicable market participant discount rate that reflects the risk of the underlying cash flow estimates.

Estimated fair values ascribed to assets acquired can have a significant impact on future results of operations presented in our financial statements. A higher fair value ascribed to a property results in higher DD&A expense, which results in lower net earnings. Fair values are based on estimates of future commodity prices, reserve quantities, development costs and operating costs. In the event that future commodity prices or reserve quantities are lower than those used as inputs to determine estimates of acquisition date fair values, the likelihood increases that certain costs may be determined to not be recoverable.

Oil and Gas Assets Accounting, Classification, Reserves & Valuation

Successful Efforts Method of Accounting and Classification

We utilize the successful efforts method of accounting for our oil and natural gas exploration and development activities which requires management's assessment of the proper designation of wells and associated costs as developmental or exploratory. This classification assessment is dependent on the determination and existence of proved reserves, which is a critical estimate discussed in the section below. The classification of developmental and exploratory costs has a direct impact on the amount of costs we initially recognize as exploration expense or capitalize, then subject to DD&A calculations and impairment assessments and valuations.

Once a well is drilled, the determination that proved reserves have been discovered may take considerable time and requires both judgment and application of industry experience. Development wells are always capitalized. Costs associated with drilling an exploratory well are initially capitalized, or suspended, pending a determination as to whether proved reserves have been found. At the end of each quarter, management reviews the status of all suspended exploratory drilling costs to determine whether the costs should continue to remain capitalized or shall be expensed. When making this determination, management considers current activities, near-term plans for additional exploratory or appraisal drilling and the likelihood of reaching a development program. If management determines future development activities and the determination of proved reserves are unlikely to occur, the associated suspended exploratory well costs are recorded as dry hole expense and reported in exploration expense in the consolidated statements of comprehensive earnings. Otherwise, the costs of exploratory wells remain capitalized. At December 31, 2025, all material suspended well costs have been suspended for less than one year.

Similar to the evaluation of suspended exploratory well costs, costs for undeveloped leasehold, for which reserves have not been proven, must also be evaluated for continued capitalization or impairment. At the end of each quarter, management assesses undeveloped leasehold costs for impairment by considering future drilling plans, drilling activity results, commodity price outlooks, planned future sales or expiration of all or a portion of such projects. At December 31, 2025, Devon had approximately \$800 million of undeveloped leasehold costs. Of the remaining undeveloped leasehold costs at December 31, 2025, \$17 million is scheduled to expire in 2026.

Reserves

Our estimates of proved and proved developed reserves are a major component of DD&A calculations. Additionally, our proved reserves represent the element of these calculations that require the most subjective judgments. Estimates of reserves are forecasts based on engineering data, projected future rates of production and the timing of future expenditures. The process of estimating oil, gas and NGL reserves requires substantial judgment, resulting in imprecise determinations, particularly for new discoveries. Different reserve engineers may make different estimates of reserve quantities based on the same data. Our engineers prepare our reserve estimates. We then subject certain of our reserve estimates to audits performed by a third-party petroleum consulting firm. In 2025, 91% of our proved reserves were subjected to such an audit.

The passage of time provides additional information which may result in revisions to previous estimates to reflect updated information. In the past five years, annual revisions other than price to our proved reserve estimates, which have been both increases and decreases in individual years, have averaged approximately 4% of the previous year's estimate. However, there can be no assurance that more significant revisions will not be necessary in the future. For example, revisions may be driven broadly by economic factors such as significant changes in operating costs, or they may be more focused such as in a given area or reservoir. The data for a given reservoir may change substantially over time as a result of numerous factors, including, but not limited to, additional development activity, evolving production history and continual reassessment of the viability of production under varying economic conditions.

Valuation of Long-Lived Assets

Long-lived assets used in operations, including proved and unproved oil and gas properties, are depreciated and assessed for impairment annually or whenever changes in facts and circumstances indicate a possible significant deterioration in future cash flows is expected to be generated by an asset group. For DD&A calculations and impairment assessments, management groups individual assets based on a judgmental assessment of the lowest level ("common operating field") for which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. The determination of common operating fields is largely based on geological structural features or stratigraphic condition, which requires judgment. Management also considers the nature of production, common infrastructure, common sales points, common processing plants, common regulation and management oversight

to make common operating field determinations. These determinations impact the amount of DD&A recognized each period and could impact the determination and measurement of a potential asset impairment.

Management evaluates assets for impairment through an established process in which changes to significant assumptions such as prices, volumes and future development plans are reviewed. If, upon review, the sum of the undiscounted pre-tax cash flows is less than the carrying value of the asset group, the carrying value is written down to estimated fair value. Because there usually is a lack of quoted market prices for long-lived assets, the fair value of impaired assets is typically determined based on the present values of expected future cash flows using discount rates believed to be consistent with those used by principal market participants. The expected future cash flows used for impairment reviews and related fair value calculations are typically based on judgmental assessments of future production volumes, commodity prices, operating costs and capital investment plans, considering all available information at the date of review. The expected future cash flows used for impairment reviews include future production volumes associated with proved producing and risk-adjusted proved undeveloped reserves, and when needed, probable and possible reserves.

Besides the risk-adjusted estimates of reserves and future production volumes, future commodity prices are the largest driver in the variability of undiscounted pre-tax cash flows. For our impairment determinations, we utilize NYMEX forward strip prices and incorporate internally generated price forecasts along with price forecasts published by reputable investment banks and reservoir engineering firms to estimate our future revenues.

We also estimate and escalate or de-escalate future capital and operating costs by using a method that correlates cost movements to price movements similar to recent history. To measure indicated impairments, we use a market-based weighted-average cost of capital to discount the future net cash flows. Changes to any of the reserves or market-based assumptions can significantly affect estimates of undiscounted and discounted pre-tax cash flows and impact the recognition and amount of impairments.

None of our oil and gas assets were at risk of impairment as of December 31, 2025.

Income Taxes

The amount of income taxes recorded requires interpretations of complex rules and regulations of federal, state, provincial and foreign tax jurisdictions. We recognize current tax expense based on estimated taxable income for the current period and the applicable statutory tax rates. We routinely assess potential uncertain tax positions and, if required, estimate and establish accruals for such amounts. We have recognized deferred tax assets and liabilities for temporary differences, operating losses and other tax carryforwards. We routinely assess our deferred tax assets and reduce such assets by a valuation allowance if we deem it is more likely than not that some portion or all of the deferred tax assets will not be realized.

On July 4, 2025, OBBB was signed into law. In addition to other provisions, OBBB includes permanent reinstatement of 100% bonus depreciation and the expensing of domestic research costs beginning in 2025 and allows for deduction of intangible drilling costs as part of the computation of the CAMT beginning in 2026. The Company continues to assess the impact of OBBB, including its impacts on the CAMT. Material incremental cash benefits are expected, the amount of which will depend on actual operating results as well as future U.S. Treasury guidance.

Further, in the event we were to undergo an “ownership change” (as defined in Section 382 of the Internal Revenue Code of 1986, as amended), our ability to use net operating losses and tax credits generated prior to the ownership change may be limited. Generally, an “ownership change” occurs if one or more shareholders, each of whom owns five percent or more in value of a corporation’s stock, increase their aggregate percentage ownership by more than 50 percent over the lowest percentage of stock owned by those shareholders at any time during the preceding three-year period. Based on currently available information, we do not believe an ownership change has occurred during 2025 for Devon.

Non-GAAP Measures

Core Earnings

We make reference to “core earnings attributable to Devon” and “core earnings per share attributable to Devon” in “Overview of 2025 Results” in this Item 7 that are not required by or presented in accordance with GAAP. These non-GAAP measures are not alternatives to GAAP measures and should not be considered in isolation or as a substitute for analysis of our results reported under GAAP. Core earnings attributable to Devon, as well as the per share amount, represent net earnings excluding certain noncash and other items that are typically excluded by securities analysts in their published estimates of our quarterly financial results. Our non-

GAAP measures are typically used as a quarterly performance measure. Amounts excluded for 2025 relate to asset dispositions, noncash asset impairments (including unproved asset impairments), change in tax legislation, fair value changes in derivative financial instruments and restructuring and transaction costs.

Amounts excluded for 2024 relate to asset dispositions, noncash asset impairments (including unproved asset impairments), fair value changes in derivative financial instruments and restructuring and transaction costs. Amounts excluded for 2023 relate to asset dispositions, noncash asset impairments (including unproved asset impairments), deferred tax asset valuation allowance and fair value changes in derivative financial instruments.

We believe these non-GAAP measures facilitate comparisons of our performance to earnings estimates published by securities analysts. We also believe these non-GAAP measures can facilitate comparisons of our performance between periods and to the performance of our peers.

Below are reconciliations of our core earnings and earnings per share to their comparable GAAP measures.

	Year Ended December 31,			Per Diluted Share
	Before Tax	After Tax	After NCI	
2025:				
Earnings attributable to Devon (GAAP)	\$ 3,466	\$ 2,681	\$ 2,642	\$ 4.17
Adjustments:				
Asset dispositions	(343)	(266)	(266)	(0.42)
Asset and exploration impairments	265	206	206	0.33
Change in tax legislation	—	5	5	0.01
Fair value changes in financial instruments	(172)	(134)	(134)	(0.21)
Restructuring and transaction costs	36	28	28	0.04
Core earnings attributable to Devon (Non-GAAP)	<u>\$ 3,252</u>	<u>\$ 2,520</u>	<u>\$ 2,481</u>	<u>\$ 3.92</u>
2024:				
Earnings attributable to Devon (GAAP)	\$ 3,712	\$ 2,942	\$ 2,891	\$ 4.56
Adjustments:				
Asset dispositions	11	9	9	0.01
Asset and exploration impairments	5	4	4	0.01
Fair value changes in financial instruments	182	143	143	0.23
Restructuring and transaction costs	9	7	7	0.01
Core earnings attributable to Devon (Non-GAAP)	<u>\$ 3,919</u>	<u>\$ 3,105</u>	<u>\$ 3,054</u>	<u>\$ 4.82</u>
2023:				
Earnings attributable to Devon (GAAP)	\$ 4,623	\$ 3,782	\$ 3,747	\$ 5.84
Adjustments:				
Asset dispositions	(30)	(24)	(24)	(0.04)
Asset and exploration impairments	5	3	3	—
Deferred tax asset valuation allowance	—	(1)	(1)	—
Fair value changes in financial instruments	(74)	(58)	(58)	(0.09)
Core earnings attributable to Devon (Non-GAAP)	<u>\$ 4,524</u>	<u>\$ 3,702</u>	<u>\$ 3,667</u>	<u>\$ 5.71</u>

EBITDAX and Field-Level Cash Margin

To assess the performance of our assets, we use EBITDAX and Field-Level Cash Margin. We compute EBITDAX as net earnings before income tax expense; financing costs, net; exploration expenses; DD&A; asset impairments; asset disposition gains and losses; non-cash share-based compensation; non-cash valuation changes for derivatives and financial instruments; accretion on discounted liabilities; and other items not related to our normal operations. Field-Level Cash Margin is computed as oil, gas and NGL revenues less production expenses. Production expenses consist of lease operating, gathering, processing and transportation expenses, as well as production and property taxes.

We exclude financing costs from EBITDAX to assess our operating results without regard to our financing methods or capital structure. Exploration expenses and asset disposition gains and losses are excluded from EBITDAX because they generally are not indicators of operating efficiency for a given reporting period. DD&A and impairments are excluded from EBITDAX because capital expenditures are evaluated at the time capital costs are incurred. We exclude share-based compensation, valuation changes, accretion on discounted liabilities and other items from EBITDAX because they are not considered a measure of asset operating performance.

We believe EBITDAX and Field-Level Cash Margin provide information useful in assessing our operating and financial performance across periods. EBITDAX and Field-Level Cash Margin as defined by Devon may not be comparable to similarly titled measures used by other companies and should be considered in conjunction with net earnings from operations.

Below are reconciliations of net earnings to EBITDAX and a further reconciliation to Field-Level Cash Margin.

	Year Ended December 31,		
	2025	2024	2023
Net earnings (GAAP)	\$ 2,681	\$ 2,942	\$ 3,782
Financing costs, net	455	363	308
Income tax expense	785	770	841
Exploration expenses	43	28	20
Depreciation, depletion and amortization	3,595	3,255	2,554
Asset impairments	254	—	—
Asset dispositions	(343)	11	(30)
Share-based compensation	89	98	92
Derivative and financial instrument non-cash valuation changes	(170)	176	(71)
Accretion on discounted liabilities and other	24	96	38
EBITDAX (Non-GAAP)	7,413	7,739	7,534
Marketing and midstream revenues and expenses, net	72	49	60
Commodity derivative cash settlements	(232)	(197)	(47)
General and administrative expenses, cash-based	403	402	316
Field-level cash margin (Non-GAAP)	\$ 7,656	\$ 7,993	\$ 7,863

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

The primary objective of the following information is to provide forward-looking quantitative and qualitative information about our potential exposure to market risks. The term “market risk” refers to our risk of loss arising from adverse changes in oil, gas and NGL prices, interest rates and foreign currency exchange rates. The following disclosures are not meant to be precise indicators of expected future losses but rather indicators of reasonably possible losses. This forward-looking information provides indicators of how we view and manage our ongoing market risk exposures. All of our market risk sensitive instruments were entered into for purposes other than speculative trading.

Commodity Price Risk

Our major market risk exposure is the pricing applicable to our oil, gas and NGL production. Realized pricing is primarily driven by the prevailing worldwide price for crude oil and spot market prices applicable to our gas and NGL production. Pricing for oil and gas production has been volatile and unpredictable as discussed in “Item 1A. Risk Factors” of this report. Consequently, we systematically hedge a portion of our production through various financial transactions. The key terms to our oil and gas derivative financial instruments as of December 31, 2025 are presented in Note 3 in “Item 8. Financial Statements and Supplementary Data” of this report.

The fair values of our commodity derivatives are largely determined by estimates of the forward curves of the relevant price indices. At December 31, 2025, a 10% change in the forward curves associated with our commodity derivative instruments would have changed our net positions by approximately \$150 million.

Interest Rate Risk

At December 31, 2025, we had total debt of \$8.4 billion. \$7.4 billion of this debt was comprised of debentures and notes that have fixed interest rates which average 5.7%. We also have a \$1.0 billion Term Loan which has a variable interest rate that is adjusted monthly. The interest rate on the Term Loan was 5.4% at December 31, 2025.

Item 8. Financial Statements and Supplementary Data

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AND CONSOLIDATED FINANCIAL STATEMENT SCHEDULES**

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All financial statement schedules are omitted as they are inapplicable or the required information has been included in the consolidated financial statements or notes thereto.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Devon Energy Corporation:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of Devon Energy Corporation and subsidiaries (the Company) as of December 31, 2025 and 2024, the related consolidated statements of comprehensive earnings, equity, and cash flows for each of the years in the three-year period ended December 31, 2025, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025 based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Estimate of proved oil and gas reserves used in the depletion of proved oil and gas properties

As discussed in Notes 1 and 11 to the consolidated financial statements, the Company calculates depletion for its proved oil and gas properties subject to amortization using a units-of-production method. The rates used to deplete the balance of oil and gas properties subject to amortization are set using the estimate of proved oil and gas reserves by common operating field. Under the units-of-production method, a rate is set annually using the beginning of year balance of oil and gas properties subject to amortization and estimated proved oil and gas reserves for each common operating field. That rate is then applied to production throughout the year to determine the amount of depletion expense to be recorded by common operating field. The Company also periodically evaluates whether changes in the estimated proved oil and gas reserves for each common operating field have occurred that would require a change in the rate of depletion to be applied to the production realized. The Company's internal reservoir engineers estimate proved oil and gas reserves, and the Company engages external reservoir engineers to perform an independent evaluation of a portion of the estimates of proved oil and gas reserves. The company recorded depletion expense of \$3.6 billion for the year ended December 31, 2025.

We identified the estimate of proved oil and gas reserves used in the depletion of proved oil and gas properties as a critical audit matter. There was a high degree of subjectivity in evaluating the Company's estimate of the proved oil and gas reserves used as an input to determine depletion for each common operating field.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's depletion expense process, including controls related to the estimate of proved oil and gas reserves. We analyzed and assessed the determination of depletion expense for compliance with industry and regulatory standards. To assess the Company's ability to accurately estimate proved oil and gas reserves, we compared the estimated future production quantities assumptions used by the Company in prior periods to the actual production amounts realized and the current year-end future production quantities forecasted. We compared the estimated future production quantities used by the Company in the current period to historical production trends and investigated differences. We evaluated (1) the professional qualifications of the Company's internal reservoir engineers as well as the external reservoir engineers and external engineering firm, (2) the knowledge, skills, and ability of the Company's internal and external reservoir engineers, and (3) the relationship of the external reservoir engineers and external engineering firm to the Company. We read and considered the report of the Company's external reservoir engineers in connection with our evaluation of the Company's reserve estimates.

/s/ KPMG, LLP

We have served as the Company's auditor since 1980.

Oklahoma City, Oklahoma
February 18, 2026

DEVON ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

	Year Ended December 31,		
	2025	2024	2023
	(Millions, except per share amounts)		
Oil, gas and NGL sales	\$ 11,223	\$ 11,176	\$ 10,791
Oil, gas and NGL derivatives	402	21	118
Marketing and midstream revenues	5,563	4,743	4,349
Total revenues	17,188	15,940	15,258
Production expenses	3,567	3,183	2,928
Exploration expenses	43	28	20
Marketing and midstream expenses	5,635	4,792	4,409
Depreciation, depletion and amortization	3,595	3,255	2,554
Asset impairments	254	—	—
Asset dispositions	(343)	11	(30)
General and administrative expenses	492	500	408
Financing costs, net	455	363	308
Other, net	24	96	38
Total expenses	13,722	12,228	10,635
Earnings before income taxes	3,466	3,712	4,623
Income tax expense	785	770	841
Net earnings	2,681	2,942	3,782
Net earnings attributable to noncontrolling interests	39	51	35
Net earnings attributable to Devon	<u>\$ 2,642</u>	<u>\$ 2,891</u>	<u>\$ 3,747</u>
Net earnings per share:			
Basic net earnings per share	\$ 4.18	\$ 4.58	\$ 5.86
Diluted net earnings per share	\$ 4.17	\$ 4.56	\$ 5.84
Comprehensive earnings (loss):			
Net earnings	\$ 2,681	\$ 2,942	\$ 3,782
Other comprehensive earnings (loss), net of tax:			
Pension and postretirement plans	—	2	(8)
Other comprehensive earnings (loss), net of tax	—	2	(8)
Comprehensive earnings:	\$ 2,681	\$ 2,944	\$ 3,774
Comprehensive earnings attributable to noncontrolling interests	39	51	35
Comprehensive earnings attributable to Devon	<u>\$ 2,642</u>	<u>\$ 2,893</u>	<u>\$ 3,739</u>

See accompanying notes to consolidated financial statements.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
ASSETS		
Current assets:		
Cash, cash equivalents and restricted cash	\$ 1,434	\$ 846
Accounts receivable	1,792	1,972
Inventory	336	294
Other current assets	444	315
Total current assets	4,006	3,427
Oil and gas property and equipment, based on successful efforts accounting, net	23,731	23,198
Other property and equipment, net	1,688	1,813
Total property and equipment, net	25,419	25,011
Goodwill	753	753
Right-of-use assets	299	303
Investments	727	727
Other long-term assets	395	268
Total assets	\$ 31,599	\$ 30,489
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 790	\$ 806
Revenues and royalties payable	1,491	1,432
Short-term debt	998	485
Other current liabilities	807	586
Total current liabilities	4,086	3,309
Long-term debt	7,391	8,398
Lease liabilities	197	320
Asset retirement obligations	863	770
Other long-term liabilities	907	840
Deferred income taxes	2,627	2,148
Stockholders' equity:		
Common stock, \$0.10 par value. Authorized 1.0 billion shares; issued 622 million and 651 million shares in 2025 and 2024, respectively	62	65
Additional paid-in capital	5,388	6,387
Retained earnings	10,200	8,166
Accumulated other comprehensive loss	(122)	(122)
Total stockholders' equity attributable to Devon	15,528	14,496
Noncontrolling interests	—	208
Total equity	15,528	14,704
Total liabilities and equity	\$ 31,599	\$ 30,489

See accompanying notes to consolidated financial statements.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2025	2024	2023
Cash flows from operating activities:			
Net earnings	\$ 2,681	\$ 2,942	\$ 3,782
Adjustments to reconcile net earnings to net cash from operating activities:			
Depreciation, depletion and amortization	3,595	3,255	2,554
Asset impairments	254	—	—
Leasehold impairments	11	5	5
Accretion (amortization) of liabilities	16	8	(16)
Total gains on commodity derivatives	(402)	(21)	(118)
Cash settlements on commodity derivatives	232	197	47
(Gains) losses on asset dispositions	(343)	11	(30)
Deferred income tax expense	484	311	376
Share-based compensation	99	99	93
Other	(67)	10	(5)
Changes in assets and liabilities, net	151	(217)	(144)
Net cash from operating activities	<u>6,711</u>	<u>6,600</u>	<u>6,544</u>
Cash flows from investing activities:			
Capital expenditures	(3,592)	(3,645)	(3,883)
Acquisitions of property and equipment	(322)	(3,808)	(64)
Divestitures of property, equipment and investments	545	24	26
Grayson Mill acquired cash	—	147	—
Distributions from investments	38	68	32
Contributions to investments and other	(62)	(118)	(53)
Net cash from investing activities	<u>(3,393)</u>	<u>(7,332)</u>	<u>(3,942)</u>
Cash flows from financing activities:			
Borrowings of long-term debt, net of issuance costs	—	3,219	—
Repayments of long-term debt	(485)	(472)	(242)
Repurchases of common stock	(1,050)	(1,057)	(979)
Dividends paid on common stock	(619)	(937)	(1,858)
Contributions from noncontrolling interests	14	52	37
Distributions to noncontrolling interests	(23)	(51)	(45)
Acquisition of noncontrolling interests	(260)	—	—
Repayment of finance leases	(282)	—	—
Shares exchanged for tax withholdings and other	(25)	(48)	(97)
Net cash from financing activities	<u>(2,730)</u>	<u>706</u>	<u>(3,184)</u>
Effect of exchange rate changes on cash	—	(3)	3
Net change in cash, cash equivalents and restricted cash	<u>588</u>	<u>(29)</u>	<u>(579)</u>
Cash, cash equivalents and restricted cash at beginning of period	846	875	1,454
Cash, cash equivalents and restricted cash at end of period	<u>\$ 1,434</u>	<u>\$ 846</u>	<u>\$ 875</u>
Reconciliation of cash, cash equivalents and restricted cash:			
Cash and cash equivalents	\$ 1,384	\$ 811	\$ 853
Restricted cash	50	35	22
Total cash, cash equivalents and restricted cash	<u>\$ 1,434</u>	<u>\$ 846</u>	<u>\$ 875</u>

See accompanying notes to consolidated financial statements.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY

	Common Stock		Additional Paid-In Capital	Retained Earnings	Other Comprehensive Earnings (Loss)	Treasury Stock	Noncontrolling Interests	Total Equity
	Shares	Amount						
Balance as of December 31, 2022	653	\$ 65	\$ 6,921	\$ 4,297	\$ (116)	\$ —	\$ 129	\$ 11,296
Net earnings	—	—	—	3,747	—	—	35	3,782
Other comprehensive loss, net of tax	—	—	—	—	(8)	—	—	(8)
Restricted stock grants, net of cancellations	2	—	—	—	—	—	—	—
Common stock repurchased	—	—	(8)	—	—	(1,081)	—	(1,089)
Common stock retired	(20)	(1)	(1,067)	—	—	1,068	—	—
Common stock dividends	—	—	—	(1,849)	—	—	—	(1,849)
Share-based compensation	1	—	93	—	—	—	—	93
Contributions from noncontrolling interests	—	—	—	—	—	—	37	37
Distributions to noncontrolling interests	—	—	—	—	—	—	(45)	(45)
Balance as of December 31, 2023	<u>636</u>	<u>\$ 64</u>	<u>\$ 5,939</u>	<u>\$ 6,195</u>	<u>\$ (124)</u>	<u>\$ (13)</u>	<u>\$ 156</u>	<u>\$ 12,217</u>
Net earnings	—	—	—	2,891	—	—	51	2,942
Other comprehensive earnings, net of tax	—	—	—	—	2	—	—	2
Restricted stock grants, net of cancellations	2	—	—	—	—	—	—	—
Common stock repurchased	—	—	—	—	—	(1,092)	—	(1,092)
Common stock retired	(25)	(2)	(1,103)	—	—	1,105	—	—
Common stock dividends	—	—	—	(920)	—	—	—	(920)
Common stock issued	37	3	1,452	—	—	—	—	1,455
Share-based compensation	1	—	99	—	—	—	—	99
Contributions from noncontrolling interests	—	—	—	—	—	—	52	52
Distributions to noncontrolling interests	—	—	—	—	—	—	(51)	(51)
Balance as of December 31, 2024	<u>651</u>	<u>\$ 65</u>	<u>\$ 6,387</u>	<u>\$ 8,166</u>	<u>\$ (122)</u>	<u>\$ —</u>	<u>\$ 208</u>	<u>\$ 14,704</u>
Net earnings	—	—	—	2,642	—	—	39	2,681
Other comprehensive earnings, net of tax	—	—	—	—	—	—	—	—
Restricted stock grants, net of cancellations	2	—	—	—	—	—	—	—
Common stock repurchased	—	—	(10)	—	—	(1,074)	—	(1,084)
Common stock retired	(31)	(3)	(1,071)	—	—	1,074	—	—
Common stock dividends	—	—	—	(608)	—	—	—	(608)
Share-based compensation	—	—	99	—	—	—	—	99
Contributions from noncontrolling interests	—	—	—	—	—	—	14	14
Distributions to noncontrolling interests	—	—	—	—	—	—	(23)	(23)
Acquisition of noncontrolling interests	—	—	(17)	—	—	—	(238)	(255)
Balance as of December 31, 2025	<u>622</u>	<u>\$ 62</u>	<u>\$ 5,388</u>	<u>\$ 10,200</u>	<u>\$ (122)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 15,528</u>

See accompanying notes to consolidated financial statements.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Devon is a leading independent energy company engaged primarily in the exploration, development and production of oil, natural gas and NGLs. Devon's operations are concentrated in various onshore areas in the U.S.

On September 27, 2024, Devon acquired the Williston Basin business of Grayson Mill for total consideration of approximately \$5.0 billion, consisting of \$3.5 billion of cash and approximately 37.3 million shares of Devon common stock, including purchase price adjustments. The transaction was accounted for using the acquisition method of accounting.

Accounting policies used by Devon and its subsidiaries conform to accounting principles generally accepted in the U.S. and reflect industry practices. The more significant of such policies are discussed below.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Devon, entities in which it holds a controlling interest and VIEs for which Devon was the primary beneficiary. All intercompany transactions have been eliminated. Undivided interests in oil and natural gas exploration and production joint ventures are consolidated on a proportionate basis. Investments in non-controlled entities, over which Devon has the ability to exercise significant influence over operating and financial policies, are accounted for using the equity method. In applying the equity method of accounting, the investments are initially recognized at cost and subsequently adjusted for Devon's proportionate share of earnings, losses, contributions and distributions. Investments in non-controlled entities over which Devon does not have the ability to exercise significant influence are initially recognized at cost and subsequently adjusted for contributions and distributions.

Variable Interest Entity

CDM was a joint venture entity formed by Devon and an affiliate of QL Capital Partners, LP ("QLCP"). Devon held a controlling interest in CDM and the portions of CDM's net earnings and equity not attributable to Devon's controlling interest were shown separately as noncontrolling interests in the accompanying consolidated statements of comprehensive earnings and consolidated balance sheets. CDM was considered a VIE to Devon.

As the primary beneficiary of CDM, Devon had the power to direct the activities that significantly affected the economic performance of CDM and the obligation to absorb losses or the right to receive benefits that could be significant to CDM; therefore, Devon consolidated CDM in its financial statements. CDM maintained its own capital structure that was separate from Devon. During 2025, 2024 and 2023, QLCP distributions from CDM were approximately \$23 million, \$51 million and \$45 million, respectively. During 2025, 2024 and 2023, QLCP contributions to CDM were approximately \$14 million, \$52 million and \$37 million, respectively.

On August 1, 2025, Devon completed the acquisition of all outstanding noncontrolling interests in CDM for \$260 million. As a result of this transaction, Devon owns 100% of the equity interests in CDM. The acquisition of the noncontrolling interests was accounted for as an equity transaction, resulting in a \$17 million, net of tax, reduction in Devon's additional paid-in capital within the consolidated balance sheet. This amount represents the difference between the carrying amount of the noncontrolling interests and the consideration paid.

Segment Information

Devon's oil and gas exploration and production activities are solely focused in the U.S. For financial reporting purposes, Devon aggregates its U.S. operating segments into one reporting segment due to the similar nature of these operations.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from these estimates, and changes in these estimates are recorded when known. Significant items subject to such estimates and assumptions include the following:

- proved reserves and related present value of future net revenues;
- evaluation of suspended well costs;
- the carrying and fair values of oil and gas properties, other property and equipment and product and equipment inventories;
- derivative financial instruments;
- the fair value of reporting units and related assessment of goodwill for impairment;
- income taxes;
- asset retirement obligations;
- obligations related to employee pension and postretirement benefits;
- purchase accounting estimates used for assets acquired and liabilities assumed;
- legal and environmental risks and exposures; and
- general credit risk associated with receivables and other assets.

Revenue Recognition

Upstream Revenues

Upstream revenues include the sale of oil, gas and NGL production. Oil, gas and NGL sales are recognized when production is sold to a purchaser at a fixed or determinable price, delivery has occurred, control has transferred and collectability of the revenue is probable. Devon's performance obligations are satisfied at a point in time. This occurs when control is transferred to the purchaser upon delivery of contract-specified production volumes at a specified point. The transaction price used to recognize revenue is a function of the contract billing terms. Revenue is invoiced, if required, by calendar month based on volumes at contractually based rates with payment typically received within 30 days of the end of the production month. Taxes assessed by governmental authorities on oil, gas and NGL sales are presented separately from such revenues in the accompanying consolidated statements of comprehensive earnings.

Devon acts as a principal in sales transactions when control of the product is retained prior to delivery to the ultimate third-party customer or acts as an agent when services are rendered on behalf of the principal in the transactions. A control-based assessment is performed to identify whether Devon is a principal or an agent in the transaction, which determines whether revenue and the related expenses are presented on a gross or net basis, respectively.

Oil sales

Devon's oil sales contracts are generally structured in one of two ways. First, production is sold at the wellhead at an agreed-upon index price, net of pricing differentials. In this scenario, revenue is recognized when control transfers to the purchaser at the wellhead at the net price received. Alternatively, production is delivered to the purchaser at a contractually agreed-upon delivery point where the purchaser takes custody, title and risk of loss of the product. Under this arrangement, a third party is paid to transport the product and Devon receives a specified index price from the purchaser with no transportation deduction. In this scenario, revenue is recognized when control transfers to the purchaser at the delivery point based on the price received from the purchaser. The third-

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

party costs are recorded as gathering, processing and transportation expense as a component of production expenses in the consolidated statements of comprehensive earnings.

Natural gas and NGL sales

Under Devon's natural gas processing contracts, natural gas is delivered to a midstream processing entity at the wellhead or the inlet of the midstream processing entity's system. The midstream processing entity gathers and processes the natural gas and remits proceeds for the resulting sales of NGLs and residue gas. In these scenarios, Devon evaluates whether it is the principal or the agent in the transaction. Devon has concluded it is the principal under these contracts and the ultimate third party is the customer. Revenue is recognized on a gross basis, with gathering, processing and transportation fees presented as a component of production expenses in the consolidated statements of comprehensive earnings.

In certain natural gas processing agreements, Devon may elect to take residue gas and/or NGLs in-kind at the tailgate of the midstream entity's processing plant and subsequently market the product. Through the marketing process, the product is delivered to the ultimate third-party purchaser at a contractually agreed-upon delivery point, and Devon receives a specified index price from the purchaser. In this scenario, revenue is recognized when control transfers to the purchaser at the delivery point based on the index price received from the purchaser. The gathering, processing and compression fees attributable to the gas processing contract, as well as any transportation fees incurred to deliver the product to the purchaser, are presented as gathering, processing and transportation expense as a component of production expenses in the consolidated statements of comprehensive earnings.

Marketing Revenues

Marketing revenues are generated primarily as a result of Devon selling commodities purchased from third parties. Marketing revenues are recognized when performance obligations are satisfied. This occurs at the time contract-specified products are sold to third parties at a contractually fixed or determinable price, delivery occurs at a specified point or performance has occurred, control has transferred and collectability of the revenue is probable. The transaction price used to recognize revenue and invoice customers is based on a contractually stated fee or on a third party published index price plus or minus a known differential. Devon typically receives payment for invoiced amounts within 30 days. Marketing revenues and expenses attributable to oil, gas and NGL purchases are reported on a gross basis when Devon takes control of the products and has risks and rewards of ownership.

Midstream Revenues

Midstream revenues are generated as a result of Devon providing gathering, transportation, compression and dehydration services for other producers' oil and natural gas production. Devon evaluates whether it is the principal or agent in these transactions. Under the terms of these gathering, transportation, compression and dehydration contracts, Devon has concluded it is the agent as title to the oil and gas production remains with the third-party producer. Revenue is recognized on a net basis since Devon is strictly providing a service. Costs to maintain Devon's assets are presented as marketing and midstream expenses in the consolidated statements of comprehensive earnings. Revenue is recognized for sales at the time the gathering, transportation, compression and dehydration service has been rendered or performed.

Satisfaction of Performance Obligations and Revenue Recognition

Because Devon has a right to consideration from its customers in amounts that correspond directly to the value that the customer receives from the performance completed on each contract, Devon recognizes revenue for sales at the time the crude oil, natural gas or NGLs are delivered at a fixed or determinable price.

Transaction Price Allocated to Remaining Performance Obligations

Most of Devon's contracts are short-term in nature with a contract term of one year or less. Devon applies the practical expedient exempting the disclosure of the transaction price allocated to remaining performance obligations if the performance obligation is part of a contract that has an original expected duration of one year or less. For contracts with terms greater than one year, Devon applies the practical expedient exempting the disclosure of the transaction price allocated to remaining performance

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

obligations if the variable consideration is allocated entirely to a wholly unsatisfied performance obligation. Under Devon’s contracts, each unit of product typically represents a separate performance obligation; therefore, future volumes are wholly unsatisfied and disclosure of the transaction price allocated to remaining performance obligations is not required.

Contract Balances

Cash received relating to future performance obligations is deferred and recognized when all revenue recognition criteria are met. Contract liabilities generated from such deferred revenue are not considered material as of December 31, 2025. Devon’s product sales and marketing contracts do not give rise to contract assets.

Disaggregation of Revenue

The following table presents revenue from contracts with customers that are disaggregated based on the type of good.

	Year Ended December 31,		
	2025	2024	2023
Oil	\$ 8,906	\$ 9,368	\$ 8,879
Gas	842	398	703
NGL	1,475	1,410	1,209
Oil, gas and NGL sales	<u>11,223</u>	<u>11,176</u>	<u>10,791</u>
Oil	3,580	3,405	3,018
Gas	1,010	517	572
NGL	973	821	759
Marketing and midstream revenues	<u>5,563</u>	<u>4,743</u>	<u>4,349</u>
Total revenues from contracts with customers	<u>\$ 16,786</u>	<u>\$ 15,919</u>	<u>\$ 15,140</u>

Customers

For the year ended December 31, 2025 and the year ended December 31, 2024, no customer accounted for more than 10% of Devon’s sales revenue. For the year ended December 31, 2023, sales to two customers accounted for approximately 14% and 10% of Devon’s sales revenue.

If any one of Devon’s major customers were to stop purchasing our production, the Company believes there are a number of other purchasers to whom the company could sell Devon’s production. If multiple significant customers were to discontinue purchasing Devon’s production abruptly, the Company believes it would have the resources needed to access alternative customers or markets and avoid or materially mitigate associated sales disruptions.

Derivative Financial Instruments

Devon is exposed to certain risks relating to its ongoing business operations, including risks related to commodity prices and interest rates. As discussed more fully below, Devon uses derivative instruments primarily to manage commodity price risk. Devon does not intend to issue or hold derivative financial instruments for speculative trading purposes.

Devon enters into derivative financial instruments with respect to a portion of its oil, gas and NGL production to hedge future prices received. Additionally, Devon periodically enters into derivative financial instruments with respect to a portion of its oil, gas and NGL marketing activities. These instruments are used to manage the inherent uncertainty of future revenues resulting from commodity price volatility. Devon’s derivative financial instruments typically include financial price swaps, basis swaps and costless price collars. Under the terms of the price swaps, Devon receives a fixed price for its production and pays a variable market price to the contract counterparty. For the basis swaps, Devon receives a fixed differential between two regional index prices and pays a variable differential on the same two index prices to the contract counterparty. For price collars, Devon utilizes two-way and three-way price collars. The two-way price collars set a floor and ceiling price for the hedged production. If the applicable monthly price

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

indices are outside of the ranges set by the floor and ceiling prices in the various collars, Devon will cash-settle the difference with the counterparty. The three-way price collars consist of a two-way collar with an additional short put option sold by Devon. These contracts cash-settle similarly to the two-way collars unless the market price falls below the additional short put, causing the company to receive the market price plus the long put to short put price differential.

All derivative financial instruments are recognized at their current fair value as either assets or liabilities on the consolidated balance sheets. Amounts related to contracts allowed to be netted upon payment subject to a master netting arrangement with the same counterparty are reported on a net basis in the balance sheets. Changes in the fair value of these derivative financial instruments are recorded in earnings unless specific hedge accounting criteria are met. For derivative financial instruments held during the three-year period ended December 31, 2025, Devon chose not to meet the necessary criteria to qualify its derivative financial instruments for hedge accounting treatment. Cash settlements with counterparties on Devon's derivative financial instruments are also recorded in earnings.

By using derivative financial instruments to hedge exposures to changes in commodity prices, Devon is exposed to credit risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. To mitigate this risk, the hedging instruments are placed with a number of counterparties whom Devon believes are acceptable credit risks. It is Devon's policy to enter into derivative contracts only with investment-grade rated counterparties deemed by management to be competent and competitive market makers. Additionally, Devon's derivative contracts generally require cash collateral to be posted if either its or the counterparty's credit rating falls below certain credit rating levels. As of December 31, 2025, Devon held no cash collateral of its counterparties nor posted collateral to its counterparties.

General and Administrative Expenses

G&A is reported net of amounts reimbursed by working interest owners of the oil and gas properties operated by Devon.

Share-Based Compensation

Devon grants share-based awards to members of its Board of Directors, management and employees. All such awards are measured at fair value on the date of grant and are generally recognized as a component of G&A in the accompanying consolidated statements of comprehensive earnings over the applicable requisite service periods.

Generally, Devon uses new shares from approved incentive programs to grant share-based awards and to issue shares upon stock option exercises. Shares repurchased under approved programs are generally available to be issued as part of Devon's share-based awards. However, Devon has historically canceled these shares upon repurchase.

Income Taxes

Devon is subject to current income taxes assessed by the federal and various state jurisdictions in the U.S. and by other foreign jurisdictions. In addition, Devon accounts for deferred income taxes related to these jurisdictions using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences and carryforwards are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Deferred tax assets are also recognized for the future tax benefits attributable to the expected utilization of existing tax net operating loss carryforwards and other types of carryforwards. If the future utilization of some portion of the deferred tax assets is determined to be unlikely, a valuation allowance is provided to reduce the recorded tax benefits from such assets. Devon periodically weighs the positive and negative evidence to determine if it is more likely than not that some or all of the deferred tax assets will be realized. Forming a conclusion that a valuation allowance is not required is difficult when there is significant negative evidence, such as cumulative losses in recent years.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Devon recognizes the financial statement effects of tax positions when it is more likely than not, based on the technical merits, that the position will be sustained upon examination by a taxing authority. Recognized tax positions are initially and subsequently measured as the largest amount of tax benefit that is more likely than not of being realized upon ultimate settlement with a taxing authority. Liabilities for unrecognized tax benefits related to such tax positions are included in other long-term liabilities unless the tax position is expected to be settled within the upcoming year, in which case the liabilities are included in other current liabilities. Interest and penalties related to unrecognized tax benefits are included in current income tax expense.

Devon estimates its annual effective income tax rate in recording its provision for income taxes in the various jurisdictions in which it operates. Statutory tax rate changes and other significant or unusual items are recognized as discrete items in the period in which they occur.

Net Earnings Per Share Attributable to Devon

Devon's basic earnings per share amounts have been computed based on the average number of shares of common stock outstanding for the period. Devon applies the two-class method to stock awards deemed to be participating securities. The two-class method requires allocating net earnings to both common shares and participating securities based on their respective rights to receive dividends. Diluted earnings per share is calculated using the treasury stock method to reflect the assumed issuance of common shares for all potentially dilutive securities. Such securities primarily consist of unvested restricted stock awards and unvested performance share units.

Cash, Cash Equivalents and Restricted Cash

Devon considers all highly liquid investments with original contractual maturities of three months or less to be cash equivalents. Devon also considers cash balances subject to legal and contractual restrictions as restricted cash.

Accounts Receivable

Devon's accounts receivable balance primarily consists of oil and gas sales receivables, marketing and midstream revenue receivables and joint interest receivables. Devon does not require collateral security for joint interest receivables.

Devon records an allowance for credit losses based on a forward-looking "expected loss" model. Credit risk is assessed by class of account type, which includes cash equivalents and oil and gas, marketing and midstream, joint interest and other accounts receivable. These classes are further evaluated using a probability-weighted scenario assessment based on historical losses and a probability of future default. This evaluation is supported by an assessment of risk factors such as the age of the receivable, current macro-economic conditions, credit rating of the counterparty and our historical loss rate.

Inventory

Devon's inventories primarily consist of oil and NGL inventory and equipment inventory. Oil and NGL inventory are recorded at weighted average cost and carried at the lower of cost or net realizable value. Equipment inventory is valued at weighted average cost and reviewed periodically for obsolescence or impairment when market conditions indicate.

Property and Equipment

Oil and Gas Property and Equipment

Devon follows the successful efforts method of accounting for its oil and gas properties. Exploration costs, such as exploratory geological and geophysical costs, and costs associated with nonproductive exploratory wells, delay rentals and exploration overhead are charged against earnings as incurred. Costs of drilling successful exploratory wells along with acquisition costs and the costs of drilling development wells, including those that are unsuccessful, are capitalized. Devon groups its oil and gas properties with a common geological structure or stratigraphic condition ("common operating field") for purposes of computing DD&A, assessing proved property impairments and accounting for asset dispositions.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Exploratory drilling costs and exploratory-type stratigraphic test wells are initially capitalized, or suspended, pending the determination of proved reserves. If proved reserves are found, drilling costs remain capitalized as proved properties. Costs of unsuccessful wells are charged to exploration expense. For exploratory wells that find reserves that cannot be classified as proved when drilling is completed, costs continue to be capitalized as suspended exploratory well costs if there have been sufficient reserves found to justify completion as a producing well and sufficient progress is being made in assessing the reserves and the economic and operating viability of the project. If management determines that future appraisal drilling or development activities are unlikely to occur, associated suspended exploratory well costs are expensed. In some instances, this determination may take longer than one year. Devon reviews the status of all suspended exploratory drilling costs quarterly.

Capitalized costs of proved oil and gas properties are depleted by an equivalent unit-of-production method, converting gas to oil at the ratio of six Mcf of gas to one Bbl of oil. Proved leasehold acquisition costs, less accumulated amortization, are depleted over total proved reserves, which includes proved undeveloped reserves. Capitalized costs of wells and related equipment and facilities, including estimated asset retirement costs, net of estimated salvage values and less accumulated amortization are depreciated over proved developed reserves associated with those capitalized costs. Depletion is calculated by applying the DD&A rate (amortizable base divided by beginning of period proved reserves) to current period production.

Costs associated with unproved properties are excluded from the depletion calculation until it is determined whether or not proved reserves can be assigned to such properties. Devon assesses its unproved properties for impairment annually, or more frequently if events or changes in circumstances dictate that the carrying value of those assets may not be recoverable. Significant unproved properties are assessed individually.

Proved properties are assessed for impairment when events or changes in circumstances dictate that the carrying value of those assets may not be recoverable. Individual assets are grouped for impairment purposes based on a common operating field. If there is an indication the carrying amount of an asset may not be recovered, the asset is assessed for potential impairment by management through an established process. If, upon review, the sum of the undiscounted pre-tax reserve cash flows is less than the carrying value of the asset, the carrying value is written down to estimated fair value. Because there is usually a lack of quoted market prices for long-lived assets, the fair value of impaired assets is typically determined based on the present values of expected future cash flows using discount rates believed to be consistent with those used by principal market participants or by comparable transactions. The expected future cash flows used for impairment reviews and related fair value calculations are typically based on judgmental assessments of future production volumes, commodity prices, operating costs, and capital investment plans, considering all available information at the date of review.

Gains or losses are recorded for sales or dispositions of oil and gas properties which constitute an entire common operating field or which result in a significant alteration of the common operating field's DD&A rate. These gains and losses are classified as asset dispositions in the accompanying statements of comprehensive earnings. Partial common operating field sales or dispositions deemed not to significantly alter the DD&A rates are generally accounted for as adjustments to capitalized costs with no gain or loss recognized.

Devon capitalizes interest costs incurred that are attributable to material unproved oil and gas properties and major development projects of oil and gas properties.

Other Property and Equipment

Costs for midstream assets that are in use are depreciated over the assets' estimated useful lives, using the straight-line method. Depreciation and amortization of other property and equipment, including corporate and leasehold improvements, are provided using the straight-line method based on estimated useful lives ranging from three to 60 years. Interest costs incurred and attributable to major corporate construction projects are also capitalized.

Asset Retirement Obligations

Devon recognizes liabilities for retirement obligations associated with tangible long-lived assets, such as producing well sites when there is a legal obligation associated with the retirement of such assets and the amount can be reasonably estimated. The initial measurement of an asset retirement obligation is recorded as a liability at its fair value, with an offsetting asset retirement cost recorded as an increase to the associated property and equipment on the consolidated balance sheet unless the associated asset has already been disposed. When the assumptions used to estimate a recorded asset retirement obligation change, a revision is recorded to

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

both the asset retirement obligation and the asset retirement cost. Devon's asset retirement obligations also include estimated environmental remediation costs which arise from normal operations and are associated with the retirement of such long-lived assets. The asset retirement cost is depreciated using a systematic and rational method similar to that used for the associated property and equipment.

Leases

Devon establishes right-of-use assets and lease liabilities on the consolidated balance sheet for all leases with a term longer than 12 months. Devon's right-of-use operating lease assets are for certain leases related to real estate, drilling rigs and other equipment related to the exploration, development and production of oil and gas. Devon's right-of-use financing lease assets primarily relate to real estate and equipment utilized in the exploration, development and production of oil and gas. Certain of Devon's lease agreements include variable payments based on usage or rental payments adjusted periodically for inflation.

Goodwill

Goodwill represents the excess of the purchase price of business combinations over the fair value of the net assets acquired and is tested for impairment annually, or more frequently if events or changes in circumstances dictate that the carrying value of goodwill may not be recoverable. Such test includes a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the qualitative assessment determines that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill, then a quantitative goodwill impairment test is performed. The quantitative goodwill impairment test requires the fair value of the reporting unit be compared to the carrying value of the reporting unit. If the fair value of the reporting unit is less than the carrying value, an impairment charge will be recognized for the amount by which the carrying amount exceeds the fair value. The fair value of the reporting unit is estimated based upon market capitalization, comparable transactions of similar companies and premiums paid.

Devon performed impairment tests of goodwill in the fourth quarters of 2025, 2024 and 2023. No impairment was required as a result of the annual tests in these time periods.

Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation or other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Liabilities for environmental remediation or restoration claims resulting from allegations of improper operation of assets are recorded when it is probable that obligations have been incurred and the amounts can be reasonably estimated. Expenditures related to such environmental matters are expensed or capitalized in accordance with Devon's accounting policy for property and equipment.

Fair Value Measurements

Certain of Devon's assets and liabilities are measured at fair value at each reporting date. Fair value represents the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants. This price is commonly referred to as the "exit price." Fair value measurements are classified according to a hierarchy that prioritizes the inputs underlying the valuation techniques. This hierarchy consists of three broad levels:

- Level 1 – Inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. When available, Devon measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.
- Level 2 – Inputs consist of quoted prices that are generally observable for the asset or liability. Common examples of Level 2 inputs include quoted prices for similar assets and liabilities in active markets or quoted prices for identical assets and liabilities in markets not considered to be active.
- Level 3 – Inputs are not observable from objective sources and have the lowest priority. The most common Level 3 fair value measurement is an internally developed cash flow model.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Noncontrolling Interests

Noncontrolling interests represent third-party ownership in the net assets of Devon’s consolidated subsidiaries and are presented as a component of equity. Changes in Devon’s ownership interests in subsidiaries that do not result in deconsolidation are recognized in equity.

Recently Adopted Accounting Standards

Beginning in this Annual Report on Form 10-K, Devon adopted ASU 2023-09, Improvements to Income Tax Disclosures. ASU 2023-09 provides investors with enhanced information about an entity’s income taxes by requiring disclosure of items such as disaggregation of the effective tax rate reconciliation as well as information regarding income taxes paid. See Note 6 for Devon's disclosure.

Recently Issued Accounting Standards Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, Disaggregation of Income Statement Expenses. ASU 2024-03 requires disclosures about specific types of expenses included in the expense captions presented on the face of the statement of operations as well as disclosures about selling expenses. This ASU will result in additional disclosures for Devon beginning with its 2027 annual reporting and interim periods beginning in 2028.

2. Acquisitions and Divestitures

Grayson Mill Acquisition

On September 27, 2024, Devon completed its acquisition of the Williston Basin business of Grayson Mill for total consideration of approximately \$5.0 billion, consisting of \$3.5 billion of cash and approximately 37.3 million shares of Devon common stock, including purchase price adjustments. Devon funded the cash portion of the purchase price through cash on hand and debt financing. For additional information regarding the debt financing, see Note 13.

Purchase Price Allocation

This transaction was accounted for using the acquisition method of accounting. Under the acquisition method of accounting, the assets and liabilities of Grayson Mill and its subsidiaries were recorded at their respective fair values as of the date of completion of the acquisition and added to Devon’s. Determining the fair value of the assets and liabilities of Grayson Mill required judgment and certain assumptions to be made, the most significant of these being related to the valuation of Grayson Mill’s oil and gas properties. The inputs and assumptions related to the oil and gas properties were categorized as level 3 in the fair value hierarchy.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The following table represents the final allocation of the total purchase price of Grayson Mill to the identifiable assets acquired and the liabilities assumed based on the fair values as of the acquisition date.

	Final Purchase Price Allocation	
Consideration:		
Devon common stock issued		37.3
Devon closing price on September 27, 2024	\$	38.96
Total common equity consideration	\$	1,455
Cash consideration		3,567
Total consideration	\$	5,022
Assets acquired:		
Cash, cash equivalents and restricted cash	\$	147
Accounts receivable		219
Inventory		44
Other current assets		9
Proved oil and gas property and equipment		3,056
Unproved oil and gas property and equipment		1,771
Other property and equipment, net		210
Right-of-use assets		29
Total assets acquired	\$	5,485
Liabilities assumed:		
Accounts payable	\$	145
Revenue and royalties payable		209
Other current liabilities		16
Asset retirement obligations		75
Lease liabilities		18
Total liabilities assumed		463
Net assets acquired	\$	5,022

Pro Forma Financial Information

The following unaudited pro forma financial information is based on our historical consolidated financial statements adjusted to reflect as if the Grayson Mill acquisition had occurred on January 1, 2023. The information below reflects pro forma adjustments to conform Grayson Mill's historical financial information to Devon's financial statement presentation. The unaudited pro forma financial information is not necessarily indicative of what would have occurred if the acquisition had been completed as of the beginning of the periods presented, nor is it indicative of future results.

	Year Ended December 31,			
	2024		2023	
	(Unaudited)			
Total revenues	\$	17,930	\$	17,483
Net earnings	\$	3,166	\$	4,083

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Asset Exchange

On April 1, 2025, Devon and BPX Energy dissolved their partnership and divided their acreage in the Eagle Ford Blackhawk field located in Texas' DeWitt County, resulting in increased operational flexibility for both parties. The assets exchanged were in close proximity and shared similar geological characteristics. The transaction was accounted for as an equal, non-monetary exchange, as it did not result in a significant change to the risks, expected future cash flows or the timing of those cash flows, and therefore was determined to lack commercial substance. As a result, the new acreage and underlying property costs were recorded at the historical cost of the assets exchanged.

Divestiture of Matterhorn Investment

During 2025, Devon sold its investment in Matterhorn for \$409 million and recognized a pre-tax gain of \$342 million (\$266 million, net of tax), which was recorded to asset dispositions on the accompanying consolidated statements of comprehensive earnings.

Contingent Earnout Payments

Devon was entitled to contingent earnout payments associated with the sale of its Barnett Shale assets in 2020 with upside participation beginning at a \$2.75 Henry Hub natural gas price or a \$50 WTI oil price. The contingent payment period commenced on January 1, 2021, and had a term of four years. Devon received \$20 million in contingent earnout payments related to this transaction in the first quarters of 2025 and 2024 and \$65 million in the first quarter of 2023.

Devon also received \$4 million in contingent earnout payments in the first quarter of 2023 related to the sale of non-core assets in the Rockies which occurred in 2021.

Pending Merger

On February 1, 2026, Devon, Coterra and Merger Sub entered into the Merger Agreement, providing for an all-stock merger of equals. Coterra is an oil and gas exploration and production company with assets in the Delaware Basin in Texas and New Mexico, Marcellus Shale in Pennsylvania and the Anadarko Basin in Oklahoma. On the closing date of the Merger, each share of Coterra common stock will be automatically converted into the right to receive 0.70 of a share of Devon common stock. No fractional shares of Devon's common stock will be issued in the Merger, and holders of shares of Coterra common stock will, instead, receive cash in lieu of fractional shares of Devon common stock, if any. The Merger has been unanimously approved by the boards of directors of Devon and Coterra and remains subject to the approval of Coterra shareholders, and the issuance of shares of Devon common stock in the Merger remains subject to the approval of Devon shareholders. The Merger is expected to close in the second quarter of 2026, subject to shareholder and regulatory approvals and other customary closing conditions.

3. Derivative Financial Instruments

Commodity Derivatives

As of December 31, 2025, Devon had the following open oil derivative positions. The first table presents Devon's oil derivatives that settle against the average of the prompt month NYMEX WTI futures price. The second table presents Devon's oil derivatives that settle against the respective indices noted within the table.

Period	Three-Way Price Collars			
	Volume (Bbls/d)	Weighted Average Floor Sold Price (\$/Bbl)	Weighted Average Floor Purchased Price (\$/Bbl)	Weighted Average Ceiling Price (\$/Bbl)
Q1-Q4 2026	103,529	\$ 49.73	\$ 59.85	\$ 71.54
Q1-Q4 2027	6,942	\$ 47.64	\$ 57.64	\$ 65.84

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Oil Basis Swaps				
Period	Index	Volume (Bbls/d)	Weighted Average Differential to WTI (\$/Bbl)	
Q1-Q4 2026	Midland Sweet	46,000	\$	1.10
Q1-Q4 2026	NYMEX Roll	23,803	\$	0.10
Q1-Q4 2027	Midland Sweet	16,000	\$	1.04

As of December 31, 2025, Devon had the following open natural gas derivative positions. The first table presents Devon's natural gas derivatives that settle against the Inside FERC first of the month Henry Hub index. The second table presents Devon's natural gas derivatives that settle against the respective indices noted within the table.

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-Q4 2026	247,500	\$ 3.80	220,000	\$ 3.24	\$ 4.92

Natural Gas Basis Swaps				
Period	Index	Volume (MMBtu/d)	Weighted Average Differential to Henry Hub (\$/MMBtu)	
Q1-Q4 2026	Houston Ship Channel	50,000	\$	(0.29)
Q1-Q4 2026	WAHA	150,000	\$	(1.79)

Financial Statement Presentation

All derivative financial instruments are recognized at their current fair value as either assets or liabilities on the consolidated balance sheets. Amounts related to contracts allowed to be netted upon payment subject to a master netting arrangement with the same counterparty are reported on a net basis on the consolidated balance sheets. The table below presents a summary of these positions as of December 31, 2025 and 2024.

	December 31, 2025			December 31, 2024			Balance Sheet Classification
	Gross Fair Value	Amounts Netted	Net Fair Value	Gross Fair Value	Amounts Netted	Net Fair Value	
Commodity derivatives:							
Short-term derivative asset	\$ 199	\$ (7)	\$ 192	\$ 78	\$ (23)	\$ 55	Other current assets
Long-term derivative asset	2	—	2	5	(4)	1	Other long-term assets
Short-term derivative liability	(8)	7	(1)	(37)	23	(14)	Other current liabilities
Long-term derivative liability	—	—	—	(23)	4	(19)	Other long-term liabilities
Total derivative asset	<u>\$ 193</u>	<u>\$ —</u>	<u>\$ 193</u>	<u>\$ 23</u>	<u>\$ —</u>	<u>\$ 23</u>	

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

4. Share-Based Compensation

In 2022, Devon's stockholders approved the 2022 Plan, which replaced the 2017 Plan. From the effective date of the 2022 Plan, no further awards may be made under the 2017 Plan; however, awards previously granted will continue to be governed by the terms of the respective award documents. The 2022 Plan authorizes the grant of nonqualified and incentive stock options, restricted stock awards or units and stock appreciation rights to eligible employees. Restricted stock awards or restricted stock units granted under the 2022 Plan may be subject to performance-based conditions. The 2022 Plan also authorizes the grant of nonqualified stock options, restricted stock awards or units and stock appreciation rights to non-employee directors. To calculate the number of shares that may be granted in awards under the 2022 Plan, options and stock appreciation rights represent one share and other awards represent 1.74 shares.

The table below presents the share-based compensation expense included in Devon's accompanying consolidated statements of comprehensive earnings.

	Year Ended December 31,		
	2025	2024	2023
G&A	\$ 89	\$ 98	\$ 92
Exploration expenses	1	1	1
Restructuring and transaction costs	9	—	—
Total	<u>\$ 99</u>	<u>\$ 99</u>	<u>\$ 93</u>
Related income tax benefit	\$ 16	\$ 25	\$ 34

The following table presents a summary of Devon's unvested restricted stock awards and units and performance share units granted under the plans.

	Restricted Stock Awards & Units		Performance Share Units	
	Awards/Units	Weighted Average Grant-Date Fair Value	Units	Weighted Average Grant-Date Fair Value
	(Thousands, except fair value data)			
Unvested at 12/31/24	4,107	\$ 45.31	1,179	\$ 67.38
Granted	2,679	\$ 34.11	510	\$ 45.92
Vested	(1,897)	\$ 41.21	(272)	\$ 68.68
Forfeited	(236)	\$ 40.22	(124)	\$ 65.47
Unvested at 12/31/25	<u>4,653</u>	<u>\$ 40.79</u>	<u>1,293</u> ⁽¹⁾	<u>\$ 58.82</u>

(1) A maximum of 2.6 million common shares could be awarded based upon Devon's final TSR ranking.

The following table presents the aggregate fair value of awards and units that vested during the indicated period.

	2025	2024	2023
Restricted Stock Awards and Units	\$ 62	\$ 82	\$ 172
Performance Share Units	\$ 9	\$ 52	\$ 66

The following table presents the unrecognized compensation cost and the related weighted average recognition period associated with unvested awards and units as of December 31, 2025.

	Restricted Stock Awards/Units	Performance Share Units
Unrecognized compensation cost	\$ 109	\$ 18
Weighted average period for recognition (years)	2.5	1.9

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Restricted Stock Awards and Units

Restricted stock awards and units are subject to the terms, conditions, restrictions and limitations, if any, that the Compensation Committee deems appropriate, including restrictions on continued employment. Generally, the service requirement for vesting ranges from one to four years. Dividends declared during the vesting period with respect to restricted stock awards and units will not be paid until the underlying award vests. Devon estimates the fair values of restricted stock awards and units as the closing price of Devon’s common stock on the grant date of the award, which is expensed over the applicable vesting period.

Performance Share Units

Performance share units are granted to certain members of Devon’s management and employees. Each unit that vests entitles the recipient to one share of Devon common stock. The vesting of these units is based on comparing Devon’s TSR to the TSR of a predetermined group of peer companies and certain indices over the specified three-year performance period. Subject to certain limits, the vesting of units may be between zero and 200% of the units granted depending on Devon’s TSR as compared to the peer group as of the end of the performance period.

At vesting, recipients receive dividend equivalents with respect to the number of units vested. The fair value of each performance share unit is estimated as of the date of grant using a Monte Carlo simulation with the following assumptions used for all grants made under the plan: (i) a risk-free interest rate based on U.S. Treasury rates as of the grant date; (ii) a volatility assumption based on the historical realized price volatility of Devon and the designated peer group; and (iii) an estimated ranking of Devon among the designated peer group. The fair value of the unit on the date of grant is expensed over the applicable vesting period. The following table presents the assumptions related to performance share units granted.

	2025	2024	2023
Grant-date fair value	\$ 45.92	\$ 56.99	\$ 81.70
Risk-free interest rate	4.29%	4.28%	4.15%
Volatility factor	38.70%	46.03%	61.43%
Contractual term (years)	2.89	2.89	2.89

5. Asset Impairments

In the first quarter of 2025, Devon rationalized two headquarters-related real estate assets, triggering assets held for sale and recording asset impairments of \$254 million. Both transactions closed in the first quarter of 2025 and generated aggregate sales proceeds of \$120 million.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

6. Income Taxes

Income Tax Expense

The following table presents Devon's income tax expense.

	Year Ended December 31,		
	2025	2024	2023
Earnings (loss) before income taxes:			
U.S.	\$ 3,474	\$ 3,721	\$ 4,609
Canada	(8)	(9)	14
Total earnings before income taxes	<u>\$ 3,466</u>	<u>\$ 3,712</u>	<u>\$ 4,623</u>
Current income tax expense (benefit):			
U.S. federal	\$ 285	\$ 427	\$ 441
Various states	16	32	27
Canada	—	—	(3)
Total current income tax expense	<u>301</u>	<u>459</u>	<u>465</u>
Deferred income tax expense:			
U.S. federal	406	267	365
Various states	78	44	11
Total deferred income tax expense	<u>484</u>	<u>311</u>	<u>376</u>
Total income tax expense (benefit):			
U.S. federal	691	694	806
Various states	94	76	38
Canada	—	—	(3)
Total income tax expense	<u>\$ 785</u>	<u>\$ 770</u>	<u>\$ 841</u>

Total income tax expense differed from the amounts computed by applying the U.S. federal income tax rate to earnings before income taxes as a result of the following:

	Year Ended December 31,					
	2025		2024		2023	
U.S. federal statutory tax rate	\$ 728	21%	\$ 780	21%	\$ 971	21%
U.S. federal:						
Tax credits	(32)	(1%)	(85)	(2%)	(133)	(3%)
Nontaxable and nondeductible items	2	—	(13)	—	(15)	—
Effect of changes in tax laws or rates	8	—	—	—	—	—
Other	(3)	—	4	—	(17)	(1%)
U.S. state income taxes ⁽¹⁾	74	3%	60	2%	30	1%
Foreign tax effects	2	—	2	—	(6)	—
Changes in unrecognized tax benefits	6	—	22	—	11	—
Effective income tax rate	<u>\$ 785</u>	<u>23%</u>	<u>\$ 770</u>	<u>21%</u>	<u>\$ 841</u>	<u>18%</u>

(1) State taxes in North Dakota, New Mexico, and Texas made up the majority (greater than 50%) of the tax effect in this category.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

On July 4, 2025, OBBB was signed into law. In addition to other provisions, OBBB includes permanent reinstatement of 100% bonus depreciation and the expensing of domestic research costs beginning in 2025 and allows for the deduction of intangible drilling costs as part of the computation of the CAMT beginning in 2026. Accordingly, Devon's 2025 income tax expense included a current tax benefit of approximately \$215 million and a corresponding deferred tax expense associated with the deferral of income taxes resulting from the enactment of OBBB.

Income Taxes Paid

The following table presents the components of Devon's income taxes paid or refunded.

	Year Ended December 31,		
	2025	2024	2023
U.S. federal	\$ 149	\$ 439	\$ 350
Various states:			
New Mexico	5	20	28
Texas	22	11	23
North Dakota	10	12	1
Other	—	—	1
Subtotal	37	43	53
Canada	—	(2)	(3)
Total	<u>\$ 186</u>	<u>\$ 480</u>	<u>\$ 400</u>

Deferred Tax Assets and Liabilities

The following table presents the tax effects of temporary differences that gave rise to Devon's deferred tax assets and liabilities.

	December 31,	
	2025	2024
Deferred tax assets:		
Capital loss carryforwards	\$ 522	\$ 497
Net operating loss carryforwards	375	428
Accrued liabilities	219	191
Asset retirement obligations	206	181
CAMT credit	179	—
Other	18	28
Total deferred tax assets before valuation allowance	1,519	1,325
Less: valuation allowance	(829)	(794)
Net deferred tax assets	690	531
Deferred tax liabilities:		
Property and equipment	(3,251)	(2,669)
Other	(66)	(10)
Total deferred tax liabilities	(3,317)	(2,679)
Net deferred tax liability	<u>\$ (2,627)</u>	<u>\$ (2,148)</u>

At December 31, 2025, Devon has recognized \$375 million of deferred tax assets related to various net operating loss carryforwards available to offset future taxable income. Devon has \$38 million of U.S. federal net operating loss carryforwards which do not expire. Devon has \$14 million of Canadian net operating loss carryforwards, all of which are covered by a valuation allowance. Devon also has \$323 million of state net operating loss carryforwards, with \$145 million expiring between 2027 and 2040, \$178 million with no expiration, and \$288 million of which are covered by a valuation allowance.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Devon's \$38 million U.S. federal net operating losses were acquired through the merger with WPX. These net operating losses are subject to limitation pursuant to Section 382 of the Internal Revenue Code of 1986, which relates to limitations upon the 50% or greater change of ownership of an entity during any three-year period. The Company anticipates utilizing these net operating losses prior to their expiration.

Devon's remaining Canadian deferred tax assets of \$527 million, primarily made up of \$515 million of capital losses, are fully covered by a valuation allowance.

Unrecognized Tax Benefits

The following table presents changes in Devon's unrecognized tax benefits.

	December 31,	
	2025	2024
	(Millions)	
Balance at beginning of year	\$ 105	\$ 83
Tax positions taken in prior periods	10	22
Settlements	(4)	—
Balance at end of year	<u>\$ 111</u>	<u>\$ 105</u>

Devon's unrecognized tax benefit balance at December 31, 2025 and 2024 included \$18 million and \$12 million, respectively, of interest. At December 31, 2025 and 2024, there were \$111 million and \$105 million, respectively, of current unrecognized tax benefits that if recognized would affect the annual effective tax rate.

Included below is a summary of the tax years, by jurisdiction, that remain subject to examination by taxing authorities.

Jurisdiction	Tax Years Open
U.S. federal	2018-2025
Various U.S. states	2021-2025
Canada	2006-2025

Certain statute of limitation expirations are scheduled to occur in the next twelve months. Devon is currently in various stages of the audit and administrative review process for certain open tax years.

7. Net Earnings Per Share

The following table reconciles net earnings available to common shareholders and weighted-average common shares outstanding used in the calculations of basic and diluted net earnings per share.

	Year Ended December 31,		
	2025	2024	2023
Net earnings available to common shareholders - basic and diluted	\$ 2,642	\$ 2,891	\$ 3,747
Common shares:			
Average common shares outstanding - basic	632	632	639
Dilutive effect of potential common shares issuable	1	2	3
Average common shares outstanding - diluted	<u>633</u>	<u>634</u>	<u>642</u>
Net earnings per share available to common shareholders:			
Basic	\$ 4.18	\$ 4.58	\$ 5.86
Diluted	\$ 4.17	\$ 4.56	\$ 5.84

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

8. Other Comprehensive Earnings (Loss)

Components of other comprehensive earnings (loss) consist of the following:

	Year Ended December 31,		
	2025	2024	2023
Pension and postretirement benefit plans:			
Beginning accumulated pension and postretirement benefits	\$ (122)	\$ (124)	\$ (116)
Net actuarial gain (loss) and prior service cost arising in current year	(6)	(3)	(15)
Recognition of net actuarial loss and prior service cost in earnings ⁽¹⁾	6	6	5
Income tax benefit (expense)	—	(1)	2
Accumulated other comprehensive loss, net of tax	<u>\$ (122)</u>	<u>\$ (122)</u>	<u>\$ (124)</u>

(1) Recognition of net actuarial loss and prior service cost are included in the computation of net periodic benefit cost, which is a component of other, net in the accompanying consolidated statements of comprehensive earnings. See Note 16 for additional details.

9. Supplemental Information to Statements of Cash Flows

	Year Ended December 31,		
	2025	2024	2023
Changes in assets and liabilities, net:			
Accounts receivable	\$ 183	\$ (170)	\$ 191
Other current assets	(54)	(46)	95
Other long-term assets	(128)	12	(36)
Accounts payable and revenues and royalties payable	25	(32)	(335)
Other current liabilities	99	26	(50)
Other long-term liabilities	26	(7)	(9)
Total	<u>\$ 151</u>	<u>\$ (217)</u>	<u>\$ (144)</u>
Supplementary cash flow data:			
Interest paid	\$ 509	\$ 366	\$ 378
Income taxes paid	\$ 186	\$ 480	\$ 400

As of December 31, 2025 and 2024, Devon had approximately \$360 million and \$340 million, respectively, of accrued capital expenditures included in total property and equipment, net and accounts payable on the consolidated balance sheets.

10. Accounts Receivable

Components of accounts receivable include the following:

	December 31, 2025	December 31, 2024
Oil, gas and NGL sales	\$ 865	\$ 1,130
Joint interest billings	245	341
Marketing and midstream revenues	669	465
Other	20	42
Gross accounts receivable	1,799	1,978
Allowance for doubtful accounts	(7)	(6)
Net accounts receivable	<u>\$ 1,792</u>	<u>\$ 1,972</u>

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

11. Property and Equipment

Capitalized Costs

The following table presents the aggregate capitalized costs related to Devon’s oil and gas and non-oil and gas activities.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Property and equipment:		
Proved	\$ 58,573	\$ 53,647
Unproved and properties under development	1,910	2,814
Total oil and gas	60,483	56,461
Less accumulated DD&A	(36,752)	(33,263)
Oil and gas property and equipment, net	23,731	23,198
Other property and equipment	2,624	2,671
Less accumulated DD&A	(936)	(858)
Other property and equipment, net	1,688	1,813
Property and equipment, net	<u>\$ 25,419</u>	<u>\$ 25,011</u>

Suspended Exploratory Well Costs

The following summarizes the changes in suspended exploratory well costs for the three years ended December 31, 2025.

	<u>Year Ended December 31,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 293	\$ 136	\$ 126
Additions pending determination of proved reserves	555	674	522
Charges to exploration expense	(1)	(1)	(1)
Reclassifications to proved properties	(624)	(516)	(511)
Ending balance	<u>\$ 223</u>	<u>\$ 293</u>	<u>\$ 136</u>

Devon had no projects with material suspended exploratory well costs capitalized for a period greater than one year since the completion of drilling as of December 31, 2025, 2024 and 2023.

12. Investments

WaterBridge

In 2023, Devon made an investment in the Water JV, a joint venture entity formed with an affiliate of WaterBridge NDB LLC, for the purpose of providing increased capacity and flexibility in disposing of produced water in the Delaware Basin and Eagle Ford. Under terms of the arrangement, Devon contributed water infrastructure assets and committed to a water gathering and disposal dedication to the Water JV through 2038, in exchange for a 30% voting interest in the joint venture legal entity. WaterBridge NDB LLC contributed water infrastructure assets to the Water JV, in exchange for a 70% voting interest in the joint venture legal entity and was serving as the operator. In 2023, Devon recognized a \$64 million gain in asset dispositions in the consolidated statements of comprehensive earnings, which represented the excess of the estimated fair value of Devon's interest in the Water JV over the carrying value of the water infrastructure assets Devon contributed to the Water JV. Devon accounted for the investment in the Water JV as an equity method investment. Devon's investment in the Water JV is shown within investments on the consolidated balance sheets, and Devon's share of the Water JV earnings are reflected as a component of other, net in the accompanying consolidated statements of comprehensive earnings.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

In the third quarter of 2025, Devon and its joint venture partner in the Water JV combined the Water JV with certain other companies to form WaterBridge, a water infrastructure business focused in the Delaware Basin, which ultimately completed an initial public offering. Devon received approximately 14% of the equity interests in WaterBridge in connection with these transactions. Devon accounts for its investment in WaterBridge under the equity method. As a result of the WaterBridge equity issued to third parties in the combination transaction and related initial public offering which were accretive, Devon's investment increased by approximately \$45 million, which was recorded to other, net in the accompanying consolidated statements of comprehensive earnings.

Catalyst

Devon has an interest in Catalyst, which is a joint venture with an affiliate of Howard Energy Partners, LLC (“HEP”), to develop oil gathering and natural gas processing infrastructure in the Stateline area of the Delaware Basin. Under the terms of the arrangement, Devon and an affiliate of HEP each have a 50% voting interest in the joint venture legal entity, and HEP serves as the operator. Through 2038, Devon’s production from 50,000 net acres in the Stateline area of the Delaware Basin has been dedicated to Catalyst subject to fixed-fee oil gathering and natural gas processing agreements. Devon accounts for the investment in Catalyst as an equity method investment. Devon's investment in Catalyst is shown within investments on the consolidated balance sheets, and Devon's share of Catalyst earnings are reflected as a component of other, net in the accompanying consolidated statements of comprehensive earnings.

Fervo

In 2024, Devon invested approximately \$117 million in Fervo, a company that generates energy from geothermal wells. The investment allows Devon to exercise significant influence over Fervo, and the investment is accounted for under the equity method of accounting. Devon's investment in Fervo is shown within investments on the consolidated balance sheets, and Devon's share of Fervo earnings are reflected as a component of other, net in the accompanying consolidated statements of comprehensive earnings. In the fourth quarter of 2025, Devon invested an additional \$50 million in Fervo.

Matterhorn

Devon had an interest in Matterhorn, which was a joint venture in a natural gas pipeline. Devon's investment in Matterhorn did not give it the ability to exercise significant influence over Matterhorn. During 2025, Devon sold its investment in Matterhorn for \$409 million and recognized a pre-tax gain of \$342 million (\$266 million, net of tax), which was recorded to asset dispositions in the accompanying consolidated statements of comprehensive earnings.

Other

Devon has other investments largely focused on midstream, new technologies and other initiatives. Devon does not have the ability to exercise significant influence over these investments.

The following table presents Devon's investments that are shown on the consolidated balance sheet.

Investments	% Interest December 31, 2025	Carrying Amount	
		December 31, 2025	December 31, 2024
WaterBridge	14%	\$ 268	\$ 216
Catalyst	50%	247	273
Fervo	15%	162	115
Matterhorn	—	—	69
Other	Various	50	54
Total		\$ 727	\$ 727

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

As of December 31, 2025, Devon's investments in equity investees exceeded the underlying equity in net assets by approximately \$160 million. The basis differences primarily relate to intangible assets associated with Devon's acreage dedication to Catalyst, which are being amortized over the remaining term of 12 years.

Devon's investments provided certain gathering, processing and marketing services to Devon in the ordinary course of business. The impact from these services on Devon's consolidated statements of comprehensive earnings and consolidated balance sheets for the years ended and as of December 31, 2025, 2024 and 2023, respectively, relate primarily to Catalyst and are summarized below.

	Year ended December 31,		
	2025	2024	2023
Oil, gas and NGL sales	\$ 136	\$ 284	\$ 213
Production expenses	\$ 160	\$ 131	\$ 93
Accounts receivable	\$ —	\$ 18	\$ 11

13. Debt and Related Expenses

See below for a summary of debt instruments and balances. The notes, debentures and Term Loan reflected below are senior, unsecured obligations of Devon unless otherwise noted in the table below.

	December 31, 2025	December 31, 2024
5.85% due December 15, 2025	\$ —	\$ 485
7.50% due September 15, 2027 ⁽¹⁾	73	73
5.25% due October 15, 2027 ⁽²⁾	390	390
5.875% due June 15, 2028 ⁽²⁾	325	325
4.50% due January 15, 2030 ⁽²⁾	585	585
7.875% due September 30, 2031	675	675
7.95% due April 15, 2032	366	366
5.20% due September 15, 2034	1,250	1,250
5.60% due July 15, 2041	1,250	1,250
4.75% due May 15, 2042	750	750
5.00% due June 15, 2045	750	750
5.75% due September 15, 2054	1,000	1,000
Term Loan due September 25, 2026	1,000	1,000
Net premium on debentures and notes	23	37
Debt issuance costs	(48)	(53)
Total debt	\$ 8,389	\$ 8,883
Less amount classified as short-term debt	998	485
Total long-term debt	\$ 7,391	\$ 8,398

- (1) This instrument was assumed by Devon in April 2003 in conjunction with the merger with Ocean Energy. This instrument is the unsecured and unsubordinated obligation of Devon OEI Operating, L.L.C. and is guaranteed by Devon Energy Production Company, L.P. Each of these entities is a wholly-owned subsidiary of Devon.
- (2) These instruments were assumed by Devon in January 2021 in conjunction with the merger with WPX. Approximately \$27 million of these instruments remain the unsecured and unsubordinated obligation of WPX, a wholly-owned subsidiary of Devon.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Debt maturities as of December 31, 2025, excluding debt issuance costs, premiums and discounts, are as follows:

	Total
2026	\$ 1,000
2027	463
2028	325
2029	—
2030	585
Thereafter	6,041
Total	\$ 8,414

On or after the dates in the following schedule, Devon has the option to redeem the notes, in whole or in part, at the applicable redemption prices set forth in the indenture documents, plus accrued and unpaid interest thereon to the redemption date as more fully described in the indenture documents governing the notes to be redeemed. At any time prior to the dates in the following schedule, Devon has the option to redeem some or all of the notes at a specified “make whole” premium as described in such documents. Other than with respect to the notes identified in the schedule below, Devon's senior notes generally include more limited redemption provisions, such as “par call” rights near the maturity date or “make whole” redemption rights.

	Optional Redemption
5.25% due October 15, 2027	October 15, 2022
5.875% due June 15, 2028	June 15, 2023
4.50% due January 15, 2030	January 15, 2025

Credit Lines

Devon currently maintains a \$3.0 billion revolving Senior Credit Facility. In the first quarter of 2025, Devon exercised its option to extend the Senior Credit Facility maturity date from March 24, 2029 to March 24, 2030. Devon has the option to extend the March 24, 2030 maturity date by an additional year subject to lender consent. As of December 31, 2025, Devon had no outstanding borrowings under the Senior Credit Facility and had less than \$1.0 million in outstanding letters of credit under this facility. Interest rates on borrowings under the Senior Credit Facility are determined based on the applicable loan type elected by Devon and a pricing grid set forth in the credit agreement and vary according to the credit ratings of the Company. The Senior Credit Facility currently provides for an annual facility fee of approximately \$5 million.

The Senior Credit Facility contains only one material financial covenant. This covenant requires Devon's ratio of total funded debt to total capitalization, as defined in the credit agreement, to be no greater than 65%. Under the terms of the credit agreement, total capitalization is adjusted to add back non-cash financial write-downs such as impairments. As of December 31, 2025, Devon was in compliance with this covenant with a debt-to-capitalization ratio of 24.8%.

Commercial Paper

Devon's Senior Credit Facility supports its \$3.0 billion of short-term credit under its commercial paper program. Commercial paper debt generally has a maturity of between 1 and 90 days, although it can have a maturity of up to 365 days, and bears interest at rates agreed to at the time of the borrowing. As of December 31, 2025, Devon had no outstanding commercial paper borrowings.

Term Loan Credit Agreement

In August 2024, Devon entered into a delayed draw term loan credit agreement (the “Term Loan Credit Agreement”), providing for delayed draw term loans in an aggregate principal amount not to exceed \$2.0 billion, including a 364-day tranche of \$500 million and a two-year tranche of \$1.5 billion. On September 27, 2024, Devon borrowed \$1.0 billion on the two-year tranche (the “Term Loan”) to partially fund the closing of the Grayson Mill acquisition. In connection with the borrowing of the Term Loan, the undrawn commitments under the Term Loan Credit Agreement automatically terminated. The Term Loan bears interest at a rate based on term SOFR plus a spread adjustment that varies based on Devon's credit ratings. The interest rate on the Term Loan was 5.4% as of December 31, 2025.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The Term Loan Credit Agreement contains substantially the same financial covenant as the Senior Credit Facility. As of December 31, 2025, Devon was in compliance with this covenant with a debt-to-capitalization ratio of 24.8%.

Issuance of Senior Notes

In August 2024, Devon issued \$1.25 billion of 5.20% senior notes due 2034 and \$1.0 billion of 5.75% senior notes due 2054. Devon used the net proceeds to partially fund the Grayson Mill acquisition. For additional information, see Note 2.

Retirement of Senior Notes

On September 15, 2025, Devon early redeemed the \$485 million of 5.85% senior notes due in December 2025 pursuant to the "par call" rights set forth in the indenture document.

On September 15, 2024, Devon repaid the \$472 million of 5.25% senior notes at maturity.

Net Financing Costs

The following schedule includes the components of net financing costs.

	Year Ended December 31,		
	2025	2024	2023
Net financing costs:			
Interest based on debt outstanding	\$ 497	\$ 401	\$ 369
Interest income	(56)	(62)	(55)
Other	14	24	(6)
Total net financing costs	<u>\$ 455</u>	<u>\$ 363</u>	<u>\$ 308</u>

14. Leases

Devon's operating lease right-of-use assets relate to real estate, drilling rigs and other equipment related to the exploration, development and production of oil and gas. As of December 31, 2025, Devon's financing lease right-of-use assets primarily relate to equipment related to the exploration, development and production of oil and gas.

During the first quarter of 2025, Devon extinguished an approximately \$300 million real estate finance lease by making a cash payment of \$274 million and recognized a gain on early lease extinguishment in other, net related to the difference on the accompanying consolidated statement of comprehensive earnings.

The following table presents Devon's right-of-use assets and lease liabilities.

	December 31, 2025			December 31, 2024		
	Finance	Operating	Total	Finance	Operating	Total
Right-of-use assets	\$ 23	\$ 276	\$ 299	\$ 248	\$ 55	\$ 303
Lease liabilities:						
Current lease liabilities ⁽¹⁾	\$ 7	\$ 95	\$ 102	\$ 25	\$ 28	\$ 53
Long-term lease liabilities	16	181	197	293	27	320
Total lease liabilities ⁽²⁾	<u>\$ 23</u>	<u>\$ 276</u>	<u>\$ 299</u>	<u>\$ 318</u>	<u>\$ 55</u>	<u>\$ 373</u>

- (1) Current lease liabilities are included in other current liabilities on the consolidated balance sheets.
- (2) Devon has entered into certain leases of equipment related to the exploration, development and production of oil and gas that had terms not yet commenced as of December 31, 2025 and are therefore excluded from the amounts shown above.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The following table presents Devon’s total lease cost.

		Year Ended December 31,		
		2025	2024	2023
Operating lease cost	Property and equipment; LOE; G&A	\$ 85	\$ 28	\$ 13
Short-term lease cost ⁽¹⁾	Property and equipment; LOE; G&A	275	234	193
Financing lease cost:				
Amortization of right-of-use assets	DD&A	5	11	9
Interest on lease liabilities	Net financing costs	5	19	15
Variable lease cost	G&A	—	—	5
Lease income	G&A	(3)	(10)	(10)
Net lease cost		<u>\$ 367</u>	<u>\$ 282</u>	<u>\$ 225</u>

(1) Short-term lease cost excludes leases with terms of one month or less.

The following table presents Devon’s additional lease information.

	Year Ended December 31,			
	2025		2024	
	Finance	Operating	Finance	Operating
Cash outflows for lease liabilities:				
Operating cash flows	\$ 6	\$ 85	\$ 22	\$ 27
Investing cash flows	\$ —	\$ —	\$ —	\$ 1
Financing cash flows	\$ 282	\$ —	\$ —	\$ —
Right-of-use assets obtained in exchange for new lease liabilities				
	\$ 15	\$ 300	\$ 14	\$ 59
Weighted average remaining lease term (years)	2.6	3.6	8.2	2.1
Weighted average discount rate	4.8%	4.9%	6.2%	5.3%

The following table presents Devon’s maturity analysis as of December 31, 2025 for leases expiring in each of the next 5 years and thereafter.

	Finance	Operating	Total
2026	\$ 7	\$ 106	\$ 113
2027	7	66	73
2028	6	55	61
2029	3	49	52
2030	1	24	25
Thereafter	—	1	1
Total lease payments	<u>24</u>	<u>301</u>	<u>325</u>
Less: interest	(1)	(25)	(26)
Present value of lease liabilities	<u>\$ 23</u>	<u>\$ 276</u>	<u>\$ 299</u>

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

15. Asset Retirement Obligations

The following table presents the changes in asset retirement obligations.

	Year Ended December 31,	
	2025	2024
Asset retirement obligations as of beginning of period	\$ 807	\$ 665
Assumed Grayson Mill obligations	—	75
Liabilities incurred	58	30
Liabilities settled and divested	(65)	(37)
Revision and reclassification of estimated obligation	55	35
Accretion expense on discounted obligation	51	39
Asset retirement obligations as of end of period	906	807
Less current portion	43	37
Asset retirement obligations, long-term	<u>\$ 863</u>	<u>\$ 770</u>

During 2025 and 2024, Devon increased its asset retirement obligations by approximately \$55 million and \$35 million, respectively, primarily due to changes in current cost estimates and future retirement dates for its oil and gas assets.

16. Retirement Plans

Defined Contribution Plans

Devon sponsors defined contribution plans covering its employees. Such plans include its 401(k) plan and enhanced contribution plan. Devon makes matching contributions and additional retirement contributions, with the matching contributions being primarily based upon percentages of annual compensation and years of service. In addition, each plan is subject to regulatory limitations by the U.S. government. Devon contributed \$47 million, \$44 million and \$38 million to these plans in 2025, 2024 and 2023, respectively.

Defined Benefit Plans

Devon has various non-contributory defined benefit pension plans, including qualified plans and nonqualified plans covering eligible employees and former employees meeting certain age and service requirements. Benefits under the defined benefit plans have been closed to new employees and effective, as of December 31, 2020, Devon's benefits committee approved a freeze of all future benefit accruals under the plans.

Benefits are primarily funded from assets held in the plans' trusts.

Devon's investment objective for its plans' assets is to achieve stability of the funded status while providing long-term growth of invested capital and income to ensure benefit payments can be funded when required. Devon has established certain investment strategies, including target allocation percentages and permitted and prohibited investments, designed to mitigate risks inherent with investing. Devon's target allocations for its plan assets are 70% fixed income and 30% equity. See the following discussion for Devon's pension assets by asset class.

Fixed-income – Devon's fixed-income securities consist of U.S. Treasury obligations, bonds issued by investment-grade companies from diverse industries and asset-backed securities. These fixed-income securities do not consistently trade actively in an established market. The fair values of these Level 2 securities are estimated based upon rates available for securities with similar terms and maturity when active trading is not available and were \$301 million and \$286 million at December 31, 2025 and 2024, respectively.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Equity – Devon’s equity securities include commingled global equity funds that invest in large, mid and small capitalization stocks across the world’s developed and emerging markets and international large cap equity securities. These equity securities can be sold on demand but are not actively traded. The fair values of these securities are based upon the net asset values provided by the investment managers and were \$99 million and \$97 million at December 31, 2025 and 2024, respectively.

Other – Devon’s other securities include short-term investment funds that invest both long and short term using a variety of investment strategies. The fair value of these securities is based upon the net asset values provided by investment managers and were \$44 million and \$64 million at December 31, 2025 and 2024, respectively.

Defined Postretirement Plans

Devon also has defined benefit postretirement plans that provide benefits for substantially all qualifying retirees. Benefit obligations for such plans are estimated based on Devon’s future cost-sharing intentions. Devon’s funding policy for the plans is to fund the benefits as they become payable with available cash and cash equivalents.

Benefit Obligations and Funded Status

The following table summarizes the benefit obligations, assets, funded status and balance sheet impacts associated with Devon’s defined pension and postretirement plans. Devon’s benefit obligations and plan assets are measured each year as of December 31. The accumulated benefit obligation for pension plans approximated the projected benefit obligation at December 31, 2025 and 2024.

	<u>Pension Benefits</u>		<u>Postretirement Benefits</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Change in benefit obligation:				
Benefit obligation at beginning of year	\$ 620	\$ 655	\$ 7	\$ 7
Interest cost	30	31	—	—
Actuarial loss (gain)	17	(14)	—	—
Participant contributions	—	—	1	1
Benefits paid	(54)	(52)	(1)	(1)
Benefit obligation at end of year	<u>613</u>	<u>620</u>	<u>7</u>	<u>7</u>
Change in plan assets:				
Fair value of plan assets at beginning of year	447	476	—	—
Actual return on plan assets	38	9	—	—
Employer contributions	13	14	1	1
Participant contributions	—	—	—	1
Benefits paid	(54)	(52)	(1)	(2)
Fair value of plan assets at end of year	<u>444</u>	<u>447</u>	<u>—</u>	<u>—</u>
Funded status at end of year	<u>\$ (169)</u>	<u>\$ (173)</u>	<u>\$ (7)</u>	<u>\$ (7)</u>
Amounts recognized in balance sheet:				
Other current liabilities	\$ (14)	\$ (13)	\$ (1)	\$ (1)
Other long-term liabilities	(155)	(160)	(6)	(6)
Net amount	<u>\$ (169)</u>	<u>\$ (173)</u>	<u>\$ (7)</u>	<u>\$ (7)</u>
Amounts recognized in accumulated other comprehensive earnings:				
Net actuarial loss (gain)	\$ 194	\$ 195	\$ (12)	\$ (13)
Prior service cost	—	—	1	1
Total	<u>\$ 194</u>	<u>\$ 195</u>	<u>\$ (11)</u>	<u>\$ (12)</u>

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Certain of Devon’s pension plans have a combined projected benefit obligation or accumulated benefit obligation in excess of plan assets at December 31, 2025, and December 31, 2024, as presented in the table below.

	December 31,	
	2025	2024
Projected and accumulated benefit obligation	\$ 613	\$ 620
Fair value of plan assets	\$ 444	\$ 447

The following table presents the components of net periodic benefit cost and other comprehensive earnings.

	Pension Benefits			Postretirement Benefits		
	2025	2024	2023	2025	2024	2023
Net periodic benefit cost:						
Interest cost	\$ 30	\$ 31	\$ 34	\$ —	\$ —	\$ —
Expected return on plan assets	(27)	(27)	(27)	—	—	—
Recognition of net actuarial loss (gain) ⁽¹⁾	7	7	6	(1)	(1)	(1)
Total net periodic benefit cost ⁽²⁾	10	11	13	(1)	(1)	(1)
Other comprehensive loss (earnings):						
Actuarial loss (gain) arising in current year	6	4	16	—	—	—
Recognition of net actuarial (loss) gain, including settlement expense, in net periodic benefit cost	(7)	(7)	(6)	1	1	1
Total other comprehensive loss (earnings)	(1)	(3)	10	1	1	1
Total	<u>\$ 9</u>	<u>\$ 8</u>	<u>\$ 23</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

- (1) These net periodic benefit costs were reclassified out of other comprehensive earnings in the current period.
- (2) The service cost component of net periodic benefit cost is included in G&A expense and the remaining components of net periodic benefit costs are included in other, net in the accompanying consolidated statements of comprehensive earnings.

Assumptions

	Pension Benefits			Postretirement Benefits		
	2025	2024	2023	2025	2024	2023
Assumptions to determine benefit obligations:						
Discount rate	5.10%	5.27%	5.01%	4.99%	5.18%	4.96%
Assumptions to determine net periodic benefit cost:						
Discount rate - service cost	N/A	N/A	N/A	5.36%	5.01%	5.81%
Discount rate - interest cost	5.05%	4.95%	5.61%	4.99%	4.94%	5.49%
Expected return on plan assets	6.20%	5.80%	6.21%	N/A	N/A	N/A

Discount rate – Future pension and post-retirement obligations are discounted based on the rate at which obligations could be effectively settled, considering the timing of expected future cash flows related to the plans. This rate is based on high-quality bond yields, after allowing for call and default risk.

Expected return on plan assets – This was determined by evaluating input from external consultants and economists, as well as long-term inflation assumptions and consideration of target allocation of investment types.

Mortality rate – Devon utilized the Society of Actuaries produced mortality tables.

Other assumptions – For measurement of the December 31, 2025 benefit obligation for the other postretirement medical plans, a 7% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2026. The rate was assumed to decrease annually to an ultimate rate of 5% in the year 2036 and remain at that level thereafter.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Expected Cash Flows

Devon expects benefit plan payments to average approximately \$52 million a year for the next five years and \$236 million total for the five years thereafter. Of these payments to be paid in 2026, \$14 million is expected to be funded from Devon’s available cash, cash equivalents and other assets.

17. Stockholders’ Equity

The authorized capital stock of Devon consists of 1.0 billion shares of common stock, par value \$0.10 per share, and 4.5 million shares of preferred stock, par value \$1.00 per share. The preferred stock may be issued in one or more series, and the terms and rights of such stock will be determined by the Board of Directors.

Share Issuance

On September 27, 2024, Devon completed its acquisition of the Williston Basin business of Grayson Mill for total consideration of approximately \$5.0 billion. The transaction consisted of \$3.5 billion of cash and approximately 37.3 million shares of Devon common stock at \$38.96 per share for total equity consideration of approximately \$1.5 billion, including purchase price adjustments.

Share Repurchase Program

Devon's Board of Directors has authorized a \$5.0 billion share repurchase program with a June 30, 2026 expiration date. The table below provides information regarding purchases of Devon’s common stock under the \$5.0 billion share repurchase program (shares in thousands).

	<u>Total Number of Shares Purchased</u>	<u>Dollar Value of Shares Purchased</u>	<u>Average Price Paid per Share</u>
\$5.0 Billion Plan			
2021	13,983	\$ 589	\$ 42.15
2022	11,708	718	\$ 61.36
2023	19,350	992	\$ 51.23
2024	23,944	1,044	\$ 43.61
2025	30,813	1,050	\$ 34.07
Total plan	<u>99,798</u>	<u>\$ 4,393</u>	<u>\$ 44.02</u>

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Dividends

Devon pays a quarterly dividend which can be comprised of a fixed dividend and a variable dividend. The variable dividend is dependent on quarterly cash flows, among other factors. Devon has raised its fixed dividend multiple times over the past three calendar years with it most recently being raised from \$0.22 to \$0.24 per share beginning in the first quarter of 2025. The following table summarizes the dividends Devon has paid on its common stock in 2025, 2024 and 2023, respectively.

	<u>Dividends</u>	<u>Rate Per Share</u>
2025:		
First quarter	\$ 163	\$ 0.24
Second quarter	156	\$ 0.24
Third quarter	151	\$ 0.24
Fourth quarter	149	\$ 0.24
Total year-to-date	<u>\$ 619</u>	
2024:		
First quarter	\$ 299	\$ 0.44
Second quarter	223	\$ 0.35
Third quarter	272	\$ 0.44
Fourth quarter	143	\$ 0.22
Total year-to-date ⁽¹⁾	<u>\$ 937</u>	
2023:		
First quarter	\$ 596	\$ 0.89
Second quarter	462	\$ 0.72
Third quarter	312	\$ 0.49
Fourth quarter	488	\$ 0.77
Total year-to-date ⁽¹⁾	<u>\$ 1,858</u>	

(1) During 2024 and 2023, Devon paid variable dividends totaling \$377 million and \$1.3 billion, respectively, in addition to its recurring fixed dividend.

In February 2026, Devon announced a fixed cash dividend in the amount of \$0.24 per share for approximately \$149 million payable in the first quarter of 2026.

Noncontrolling Interests

On August 1st, 2025, Devon completed the acquisition of all outstanding noncontrolling interests in CDM for \$260 million. As a result of this transaction, Devon owns 100% of the equity interests in CDM. Prior to the acquisition, the noncontrolling interests' share of CDM's net earnings and the contributions from and distributions to the noncontrolling interests are presented as components of equity. For additional information, see Note 1.

18. Commitments and Contingencies

Devon is party to various legal actions arising in connection with its business. Matters that are probable of unfavorable outcome to Devon and which can be reasonably estimated are accrued. Such accruals are based on information known about the matters, Devon's estimates of the outcomes of such matters and its experience in contesting, litigating and settling similar matters. None of the actions are believed by management to likely involve future amounts that would be material to Devon's financial position or results of operations after consideration of recorded accruals. Actual amounts could differ materially from management's estimates.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Royalty Matters

Numerous oil and natural gas producers and related parties, including Devon, have been named in various lawsuits alleging royalty underpayments. Devon is currently named as a defendant in a number of such lawsuits, including some lawsuits in which the plaintiffs seek to certify classes of similarly situated plaintiffs. Among the allegations typically asserted in these suits are claims that Devon used below-market prices, made improper deductions, paid royalty proceeds in an untimely manner without including required interest, used improper measurement techniques and entered into gas purchase and processing arrangements with affiliates that resulted in underpayment of royalties in connection with oil, natural gas and NGLs produced and sold. Devon is also involved in governmental agency proceedings and royalty audits and is subject to related contracts and regulatory controls in the ordinary course of business, some that may lead to additional royalty claims. As of December 31, 2025, Devon has accrued approximately \$60 million in other current liabilities pertaining to such royalty matters.

Environmental and Climate Change Matters

Devon's business is subject to numerous federal, state, tribal and local laws and regulations governing the discharge of materials into the environment or otherwise relating to environmental protection. Failure to comply with these laws and regulations may result in the assessment of administrative, civil and criminal fines and penalties, as well as remediation costs. Although Devon believes that it is in substantial compliance with applicable environmental laws and regulations and that continued compliance with existing requirements will not have a material adverse impact on its business, there can be no assurance that this will continue in the future.

The Company has previously received separate NOVs from the EPA alleging emissions and permitting violations relating to certain of our historic operations in North Dakota, western Texas and New Mexico, respectively. The Company has been engaging with the EPA to resolve each of these matters, and Devon is actively negotiating a draft consent decree with the EPA and the Department of Justice with respect to the North Dakota NOV matter. If finalized, the consent decree may include monetary sanctions and obligations to complete mitigation projects and implement specific injunctive relief. Given that negotiations of the draft consent decree are ongoing and the uncertainty as to the ultimate result of the North Dakota NOV matter, we are currently unable to provide an estimate of potential loss; however, the costs associated with the resolution of the North Dakota NOV matter or any of the other NOV matters could be significant in amount and may include monetary penalties.

Beginning in 2013, various parishes in Louisiana filed suit against numerous oil and gas companies, including Devon, alleging that the companies' operations and activities in certain fields violated the State and Local Coastal Resource Management Act of 1978, as amended, and caused substantial environmental contamination, subsidence and other environmental damages to land and water bodies located in the coastal zone of Louisiana. The plaintiffs' claims against Devon relate primarily to the operations of several of Devon's corporate predecessors. The plaintiffs seek, among other things, payment of the costs necessary to clear, re-vegetate and otherwise restore the allegedly impacted areas. Although Devon cannot predict the ultimate outcome of these matters, Devon denies the allegations in these lawsuits and intends to vigorously defend against these claims.

The State of Delaware has filed legal proceedings against numerous oil and gas companies, including Devon, seeking relief to abate alleged impacts of climate change. These proceedings include far-reaching claims for monetary damages and injunctive relief. Although Devon cannot predict the ultimate outcome of this matter, Devon denies the allegations asserted in this lawsuit and intends to vigorously defend against these claims.

Other Indemnifications and Legacy Matters

Pursuant to various sale agreements relating to divested businesses and assets, Devon has indemnified various purchasers against liabilities that they may incur with respect to the businesses and assets acquired from Devon. Additionally, federal, state and other laws in areas of former operations may require previous operators (including corporate successors of previous operators) to perform or make payments in certain circumstances where the current operator may no longer be able to satisfy the applicable obligation. Such obligations may include plugging and abandoning wells, removing production facilities, undertaking other restorative actions or performing requirements under surface agreements in existence at the time of disposition. For example, a predecessor entity of a Devon subsidiary previously sold certain private, state and federal oil and gas leases covering properties in shallow waters off the coast of Louisiana in the Gulf of America. These assets are generally referred to as the East Bay Field. The current operator of the East

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Bay Field has filed for protection under Chapter 11 of the U.S. Bankruptcy Code and will likely be unable to satisfy the eventual decommissioning obligations associated with the East Bay Field. Other companies in the chain of title of the East Bay Field have also sought bankruptcy protection and will also likely be unable to satisfy the eventual decommissioning obligations associated with the East Bay Field.

In March 2025, Devon received an order from the Department of the Interior, Bureau of Safety and Environmental Enforcement to decommission assets located on certain federal leases in the East Bay Field (the “Federal Assets”). As a result, during the first quarter of 2025, Devon recorded a contingent liability of \$125 million within other liabilities in the consolidated balance sheet, reflecting the estimated costs of decommissioning the Federal Assets. The Company expects to be able to access funds available under certain bonds and a cash security account as and when Devon performs and pays these decommissioning obligations. Devon believes the funds will likely cover approximately \$100 million of the estimated decommissioning costs for the Federal Assets. Accordingly, during the first quarter of 2025, Devon recorded an approximately \$100 million receivable related to these sources of funds within other assets in the consolidated balance sheet. The remaining \$25 million difference of the recorded decommissioning obligation and such sources of funds was recognized in the first quarter of 2025 in other, net on the consolidated statement of comprehensive earnings. Devon may also be required to perform or fund decommissioning obligations associated with the East Bay Field under state and federal regulations applicable to predecessor operators beyond amounts accrued. Factors impacting this contingency include, among others: (i) the ultimate outcome of the ongoing bankruptcy proceedings, including with respect to state lease assets included in the East Bay Field, (ii) the actual costs to decommission the Federal Assets relative to the estimates, which are subject to numerous assumptions and uncertainties and (iii) Devon's ability to successfully access funds under decommissioning bonds and other sources.

As of December 31, 2025, Devon has accrued approximately \$190 million of contingent liabilities related to such decommissioning legacy matters, including liabilities associated with the East Bay Field.

Commitments

The following table presents Devon’s commitments that have initial or remaining noncancelable terms in excess of one year as of December 31, 2025.

Year Ending December 31,	Drilling and Facility Obligations ⁽¹⁾	Operational Agreements ⁽¹⁾	Equipment Leases and Other
2026	\$ 103	\$ 563	\$ 122
2027	23	523	140
2028	36	516	150
2029	4	495	113
2030	—	390	70
Thereafter	—	1,194	91
Total	\$ 166	\$ 3,681	\$ 686

(1) Total costs incurred under take-or-pay and throughput obligations were approximately \$700 million, \$800 million and \$750 million in 2025, 2024 and 2023, respectively.

Devon has certain drilling and facility obligations under contractual agreements with third-party service providers to procure drilling rigs and other related services for developmental and exploratory drilling and facilities construction. The value of the drilling obligations reported is based on gross contractual value.

Devon has certain operational agreements whereby Devon has committed to transport or process certain volumes of oil, gas and NGLs for a fixed fee. Devon has entered into these agreements to aid the movement of its production to downstream markets.

Devon leases certain equipment under financing and operating lease arrangements.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

19. Fair Value Measurements

The following table provides carrying value and fair value measurement information for certain of Devon’s financial assets and liabilities. The carrying values of cash, restricted cash, accounts receivable, other current receivables, accounts payable, other current payables, accrued expenses and lease liabilities included in the accompanying consolidated balance sheets approximated fair value at December 31, 2025 and December 31, 2024, as applicable. Therefore, such financial assets and liabilities are not presented in the following table.

	Carrying Amount	Total Fair Value	Fair Value Measurements Using:		
			Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
December 31, 2025 assets (liabilities):					
Cash equivalents	\$ 764	\$ 764	\$ 764	\$ —	\$ —
Commodity derivatives	\$ 194	\$ 194	\$ —	\$ 194	\$ —
Commodity derivatives	\$ (1)	\$ (1)	\$ —	\$ (1)	\$ —
Debt	\$ (8,389)	\$ (8,290)	\$ —	\$ (8,290)	\$ —
December 31, 2024 assets (liabilities):					
Cash equivalents	\$ 319	\$ 319	\$ 319	\$ —	\$ —
Commodity derivatives	\$ 56	\$ 56	\$ —	\$ 56	\$ —
Commodity derivatives	\$ (33)	\$ (33)	\$ —	\$ (33)	\$ —
Debt	\$ (8,883)	\$ (8,520)	\$ —	\$ (8,520)	\$ —
Contingent earnout payments	\$ 20	\$ 20	\$ —	\$ —	\$ 20

The following methods and assumptions were used to estimate the fair values in the table above.

Level 1 Fair Value Measurements

Cash equivalents – Amounts consist primarily of money market investments and the fair value approximates the carrying value.

Level 2 Fair Value Measurements

Commodity derivatives – The fair value of commodity derivatives is estimated using internal discounted cash flow calculations based upon forward curves and data obtained from independent third parties for contracts with similar terms or data obtained from counterparties to the agreements.

Debt – Devon’s debt instruments do not consistently trade actively in an established market. The fair values of its debt are estimated based on rates available for debt with similar terms and maturity when active trading is not available. Our variable rate debt is non-public and consists of our Term Loan. The fair value of our variable rate debt approximates the carrying value as the underlying SOFR resets every month based on the prevailing market rate.

Level 3 Fair Value Measurements

Contingent Earnout Payments – Devon had the right to receive contingent consideration related to the Barnett asset divestiture based on future oil and gas prices. 2024 was the last performance period related to this contingent consideration. These values were derived using a Monte Carlo valuation model and qualify as a level 3 fair value measurement. For additional information, see Note 2.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

20. Reportable Segments

Devon is a leading independent energy company engaged primarily in the exploration, development and production of oil, natural gas and NGLs. Devon’s oil and gas exploration and production activities are solely focused in the U.S. For financial reporting purposes, Devon aggregates its U.S. operating segments into one reporting segment due to the similar nature of these operations.

Devon’s chief operating decision maker is the executive committee, which includes the chief executive officer, chief operating officers and chief financial officer. To assess the performance of our assets, we use net earnings. We believe net earnings provides information useful in assessing our operating and financial performance across periods.

The following table reflects Devon's net earnings, assets and capital expenditures for the time periods presented below.

	Year Ended December 31,		
	2025	2024	2023
Total revenues	\$ 17,188	\$ 15,940	\$ 15,258
LOE	1,922	1,574	1,428
Gathering, processing & transportation	831	790	702
Production and property taxes	814	819	798
Total significant expenses	3,567	3,183	2,928
Marketing and midstream expenses	5,635	4,792	4,409
DD&A	3,595	3,255	2,554
G&A	492	500	408
Financing costs, net	455	363	308
Income tax expense	785	770	841
Other segment items ⁽¹⁾	(22)	135	28
Total expenses	14,507	12,998	11,476
Net earnings	<u>\$ 2,681</u>	<u>\$ 2,942</u>	<u>\$ 3,782</u>
Total assets	\$ 31,599	\$ 30,489	\$ 24,490
Capital expenditures, including acquisitions	\$ 4,000	\$ 8,919	\$ 3,907

(1) Other segment items included in segment net earnings are exploration expenses, asset impairments, asset dispositions and other, net.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

21. Supplemental Information on Oil and Gas Operations (Unaudited)

Supplemental unaudited information regarding Devon’s oil and gas activities is presented in this note. All of Devon’s reserves are located within the U.S.

Costs Incurred

The following table reflects the costs incurred in oil and gas property acquisition, exploration and development activities.

	Year Ended December 31,		
	2025	2024	2023
Property acquisition costs:			
Proved properties	\$ 138	\$ 3,058	\$ 2
Unproved properties	224	1,949	63
Exploration costs	581	690	534
Development costs	3,057	2,856	3,160
Costs incurred	<u>\$ 4,000</u>	<u>\$ 8,553</u>	<u>\$ 3,759</u>

Acquisition costs for 2025 in the table primarily reflect acreage acquisitions in the Delaware Basin. Acquisition costs for 2024 primarily relate to the Grayson Mill acquisition which closed in the third quarter of 2024. Development costs in the table above includes additions and revisions to Devon’s asset retirement obligations.

Results of Operations

The following table includes revenues and expenses associated with Devon’s oil and gas producing activities. It does not include any allocation of Devon’s interest costs or general corporate overhead and, therefore, is not necessarily indicative of the contribution to net earnings of Devon’s oil and gas operations. Income tax expense has been calculated using statutory income tax rates, and then giving effect to permanent differences associated with oil and gas producing activities.

	Year Ended December 31,		
	2025	2024	2023
Oil, gas and NGL sales	\$ 11,223	\$ 11,176	\$ 10,791
Production expenses	(3,567)	(3,183)	(2,928)
Exploration expenses	(43)	(28)	(20)
Depreciation, depletion and amortization	(3,479)	(3,156)	(2,464)
Asset dispositions	—	(15)	(33)
Accretion of asset retirement obligations	(49)	(39)	(29)
Income tax expense	(888)	(972)	(1,044)
Results of operations	<u>\$ 3,197</u>	<u>\$ 3,783</u>	<u>\$ 4,273</u>
Depreciation, depletion and amortization per Boe	<u>\$ 11.35</u>	<u>\$ 11.70</u>	<u>\$ 10.27</u>

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Proved Reserves

The following table presents Devon’s estimated proved reserves by product.

	<u>Oil (MMBbls)</u>	<u>Gas (Bcf) ⁽¹⁾</u>	<u>NGL (MMBbls)</u>	<u>Combined (MMBoe)</u>
Proved developed and undeveloped reserves:				
December 31, 2022	793	3,175	493	1,815
Revisions due to prices	(25)	(189)	(22)	(78)
Revisions other than price	(12)	58	1	(1)
Extensions and discoveries	147	525	87	322
Production	(117)	(385)	(59)	(240)
Sale of reserves	—	(2)	—	(1)
December 31, 2023	<u>786</u>	<u>3,182</u>	<u>500</u>	<u>1,817</u>
Revisions due to prices	(9)	(187)	(14)	(54)
Revisions other than price	3	245	31	75
Extensions and discoveries	129	646	104	340
Purchase of reserves	120	328	73	247
Production	(127)	(438)	(70)	(270)
December 31, 2024	<u>902</u>	<u>3,776</u>	<u>624</u>	<u>2,155</u>
Revisions due to prices	(25)	91	(6)	(16)
Revisions other than price	36	353	55	150
Extensions and discoveries	185	778	129	443
Purchase of reserves	23	59	10	43
Production	(142)	(505)	(81)	(307)
Sale of reserves	(18)	(70)	(11)	(40)
December 31, 2025	<u>961</u>	<u>4,482</u>	<u>720</u>	<u>2,428</u>
Proved developed reserves:				
December 31, 2022	596	2,595	391	1,419
December 31, 2023	603	2,560	395	1,425
December 31, 2024	706	3,057	500	1,715
December 31, 2025	714	3,476	551	1,844
Proved undeveloped reserves:				
December 31, 2022	197	580	102	396
December 31, 2023	183	622	105	392
December 31, 2024	196	719	124	440
December 31, 2025	247	1,006	169	584

(1) Gas reserves are converted to Boe at the rate of six Mcf per Bbl of oil, based upon the approximate relative energy content of gas and oil. NGL reserves are converted to Boe on a one-to-one basis with oil. The conversion rates are not necessarily indicative of the relationship of oil, natural gas and NGL prices.

Price Revisions

Reserves decreased 16 MMBoe in 2025 primarily due to price decreases in the trailing 12-month average for oil and NGLs partially offset by price increases in the trailing 12-month average for gas.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Reserves decreased 54 MMBoe in 2024 primarily due to price decreases in the trailing 12-month averages for oil, gas and NGLs.

Reserves decreased 78 MMBoe in 2023 primarily due to price decreases in the trailing 12-month averages for oil, gas and NGLs.

Revisions Other Than Price

2025 – Total revisions other than price (150 MMBoe) are the result of upward revisions due to well performance exceeding previous estimates on proved developed reserves (163 MMBoe) and downward revisions to proved undeveloped reserves (-13 MMBoe) as noted below. In total, the most significant changes were located in the Rockies (125 MMBoe) and the Delaware Basin (25 MMBoe).

2024 – Total revisions other than price (75 MMBoe) are the result of upward revisions due to well performance exceeding previous estimates on proved developed reserves (81 MMBoe) and downward revisions to proved undeveloped reserves (-6 MMBoe) as noted below. In total, each of the operating areas recorded modest upward revisions with the most significant changes being located in the Delaware Basin (55 MMBoe), Anadarko Basin (7 MMBoe) and Powder River Basin (6 MMBoe).

2023 – Total revisions other than price (-1 MMBoe) are the result of upward revisions due to well performance exceeding previous estimates on developed properties (11 MMBoe), which were offset by downward revisions to proved undeveloped reserves (-12 MMBoe) as noted below. In total, we recorded modest upward revisions in the Delaware Basin (7 MMBoe), Eagle Ford (5 MMBoe), Anadarko Basin (4 MMBoe) and Powder River Basin (2 MMBoe) which were offset by downward revisions in the Williston Basin (-19 MMBoe) due to reduced well performance compared to previous estimates.

Extensions and Discoveries

Each year, Devon's proved reserves extensions and discoveries consist of adding proved undeveloped reserves to locations classified as undeveloped at year-end and adding proved developed reserves from successful development wells drilled on locations outside the areas classified as proved at the previous year-end. Therefore, it is not uncommon for Devon's total proved extensions and discoveries to differ from the extensions and discoveries for Devon's proved undeveloped reserves. Furthermore, because annual additions are classified according to reserve determinations made at the previous year-end and because Devon operates a multi-basin portfolio with assets at varying stages of maturity, extensions and discoveries for proved developed and proved undeveloped reserves can differ significantly in any particular year.

2025 – Of the 443 MMBoe of additions from extensions and discoveries, 278 MMBoe were in the Delaware Basin, 81 MMBoe were in the Rockies, 51 MMBoe were in Eagle Ford and 33 MMBoe were in the Anadarko Basin.

2024 – Of the 340 MMBoe of additions from extensions and discoveries, 252 MMBoe were in the Delaware Basin, 36 MMBoe were in the Williston Basin, 30 MMBoe were in the Anadarko Basin, 16 MMBoe were in Eagle Ford and 6 MMBoe were in the Powder River Basin.

2023 – Of the 322 MMBoe of additions from extensions and discoveries, 212 MMBoe were in the Delaware Basin, 33 MMBoe were in the Anadarko Basin, 32 MMBoe were in Eagle Ford, 26 MMBoe were in the Powder River Basin and 19 MMBoe were in the Williston Basin.

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Purchase and Sale of Reserves

During 2025, Devon had purchases and sales of reserves of 43 MMBoe and 40 MMBoe, respectively, which were primarily related to the asset exchange in the Eagle Ford. For additional information on the asset exchange, see Note 2.

During 2024, Devon had reserve additions due to the acquisition of 247 MMBoe in the Williston Basin. For additional information on these asset additions, see Note 2.

Proved Undeveloped Reserves

The following table presents the changes in Devon's total proved undeveloped reserves during 2025 (MMBoe).

	Total
Proved undeveloped reserves as of December 31, 2024	440
Extensions and discoveries	322
Revisions due to prices	1
Revisions other than price	(13)
Purchase of reserves	19
Sale of reserves	(10)
Conversion to proved developed reserves	(175)
Proved undeveloped reserves as of December 31, 2025	<u>584</u>

Total proved undeveloped reserves increased 33% from 2024 to 2025 with the year-end 2025 balance representing 24% of total proved reserves. Approximately 57% of the 322 MMBoe in extensions and discoveries were the result of Devon's drilling and development activities in the Delaware Basin, followed by the Rockies (23%), Eagle Ford (12%), and the Anadarko Basin (8%). Purchases and sales (9 MMBoe) primarily were the result of Devon's asset exchange discussed in Note 2. Conversions to proved developed reserves of 175 MMBoe were driven by development in the Delaware Basin (74%) and the Rockies (20%). Costs incurred in 2025 to develop and convert Devon's proved undeveloped reserves were approximately \$1.1 billion. Proved undeveloped reserves revisions other than price (-13 MMBoe) were due to changes in previously adopted development plans (-45 MMBoe) primarily in the Delaware Basin (-33 MMBoe) and Rockies (-10 MMBoe), combined with upward revisions (32 MMBoe) related to continued evaluation of well performance primarily in the Delaware Basin and Rockies.

Standardized Measure

The following tables reflect Devon's standardized measure of discounted future net cash flows from its proved reserves.

	Year Ended December 31,		
	2025	2024	2023
Future cash inflows	\$ 81,155	\$ 82,422	\$ 75,734
Future costs:			
Development	(6,035)	(6,099)	(5,241)
Production	(38,022)	(38,326)	(31,648)
Future income tax expense	(5,653)	(5,528)	(6,644)
Future net cash flow	<u>31,445</u>	<u>32,469</u>	<u>32,201</u>
10% discount to reflect timing of cash flows	(12,680)	(12,699)	(12,888)
Standardized measure of discounted future net cash flows	<u>\$ 18,765</u>	<u>\$ 19,770</u>	<u>\$ 19,313</u>

DEVON ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Future cash inflows, development costs and production costs were computed using the same assumptions for prices and costs that were used to estimate Devon’s proved oil and gas reserves at the end of each year. For 2025 estimates, Devon’s future realized prices were assumed to be \$62.67 per Bbl of oil, \$1.32 per Mcf of gas and \$20.85 per Bbl of NGLs. Of the \$6.0 billion of future development costs as of the end of 2025, \$1.8 billion, \$1.3 billion and \$1.0 billion are estimated to be spent in 2026, 2027 and 2028, respectively.

Future development costs include not only development costs but also future asset retirement costs. Included as part of the \$6.0 billion of future development costs are \$1.5 billion of future asset retirement costs. The future income tax expenses have been computed using statutory tax rates, giving effect to allowable tax deductions and tax credits under current laws.

The principal changes in Devon’s standardized measure of discounted future net cash flows are as follows:

	Year Ended December 31,		
	2025	2024	2023
Beginning balance	\$ 19,770	\$ 19,313	\$ 31,314
Net changes in prices and production costs	(3,027)	(3,202)	(16,797)
Oil, gas and NGL sales, net of production costs	(7,656)	(7,993)	(7,863)
Changes in estimated future development costs	582	806	218
Extensions and discoveries, net of future development costs	4,367	3,951	5,222
Purchase of reserves	791	3,123	—
Sales of reserves in place	(744)	—	(9)
Revisions of quantity estimates	1,430	427	(747)
Previously estimated development costs incurred during the period	1,792	1,269	1,567
Accretion of discount	1,623	1,730	2,972
Net change in income taxes and other	(163)	346	3,436
Ending balance	<u>\$ 18,765</u>	<u>\$ 19,770</u>	<u>\$ 19,313</u>

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

We have established disclosure controls and procedures to ensure that material information relating to Devon, including its consolidated subsidiaries, is made known to the officers who certify Devon’s financial reports and to other members of senior management and the Board of Directors.

Based on their evaluation, our principal executive and principal financial officers have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) were effective as of December 31, 2025, to ensure that the information required to be disclosed by Devon in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms.

Management’s Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for Devon, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Under the supervision and with the participation of Devon’s management, including our principal executive and principal financial officers, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control – Integrated Framework* issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission (the “2013 COSO Framework”). Based on this evaluation under the 2013 COSO Framework, which was completed on February 18, 2026, management concluded that its internal control over financial reporting was effective as of December 31, 2025.

The effectiveness of our internal control over financial reporting as of December 31, 2025 has been audited by KPMG LLP, an independent registered public accounting firm who audited our consolidated financial statements as of and for the year ended December 31, 2025, as stated in their report, which is included under “Item 8. Financial Statements and Supplementary Data” of this report.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting during the fourth quarter of 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Not applicable.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance*

The information called for by this Item 10 is incorporated herein by reference to the definitive Proxy Statement to be filed by Devon pursuant to Regulation 14A of the General Rules and applicable information in Regulations under the Securities Exchange Act of 1934 no later than 120 days following the fiscal year ended December 31, 2025.

Item 11. *Executive Compensation*

The information called for by this Item 11 is incorporated herein by reference to the definitive Proxy Statement to be filed by Devon pursuant to Regulation 14A of the General Rules and applicable information in Regulations under the Securities Exchange Act of 1934 no later than 120 days following the fiscal year ended December 31, 2025.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

The information called for by this Item 12 is incorporated herein by reference to the definitive Proxy Statement to be filed by Devon pursuant to Regulation 14A of the General Rules and applicable information in Regulations under the Securities Exchange Act of 1934 no later than 120 days following the fiscal year ended December 31, 2025.

Item 13. *Certain Relationships and Related Transactions, and Director Independence*

The information called for by this Item 13 is incorporated herein by reference to the definitive Proxy Statement to be filed by Devon pursuant to Regulation 14A of the General Rules and applicable information in Regulations under the Securities Exchange Act of 1934 no later than 120 days following the fiscal year ended December 31, 2025.

Item 14. *Principal Accountant Fees and Services*

The information called for by this Item 14 is incorporated herein by reference to the definitive Proxy Statement to be filed by Devon pursuant to Regulation 14A of the General Rules and applicable information in Regulations under the Securities Exchange Act of 1934 no later than 120 days following the fiscal year ended December 31, 2025.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) The following documents are included as part of this report:

1. Consolidated Financial Statements

Reference is made to the Index to Consolidated Financial Statements and Consolidated Financial Statement Schedules appearing at “Item 8. Financial Statements and Supplementary Data” in this report.

2. Consolidated Financial Statement Schedules

All financial statement schedules are omitted as they are inapplicable, or the required information has been included in the consolidated financial statements or notes thereto.

3. Exhibits

<u>Exhibit No.</u>	<u>Description</u>
2.1	Securities Purchase Agreement, dated July 8, 2024, by and among Grayson Mill Holdings II, LLC, Grayson Mill Holdings III, LLC, Grayson Mill Intermediate HoldCo II, LLC, Grayson Mill Intermediate HoldCo III, LLC, WPX Energy Williston, LLC and Registrant (incorporated by reference to Exhibit 2.1 to Registrant’s Form 8-K filed July 8, 2024; File No. 001-32318).
2.2	Amendment to Securities Purchase Agreement, dated September 27, 2024, by and among Grayson Mill Holdings II, LLC, Grayson Mill Holdings III, LLC, Grayson Mill Intermediate HoldCo II, LLC, Grayson Mill Intermediate HoldCo III, LLC, WPX Energy Williston, LLC and Registrant (incorporated by reference to Exhibit 2.2 to Registrant’s Form 10-Q filed November 6, 2024; File No. 001-32318).
2.3	Agreement and Plan of Merger, dated as of February 1, 2026, by and among Devon Energy Corporation, Cubs Merger Sub, Inc., and Coterra Energy, Inc. (incorporated by reference to Exhibit 2.1 to Registrant’s Current Report on Form 8-K, filed February 2, 2026; File No. 001-32318).
3.1	Registrant’s Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to Registrant’s Form 8-K filed June 12, 2023; File No. 001-32318).
3.2	Registrant’s Bylaws (incorporated by reference to Exhibit 3.2 to Registrant’s Form 8-K filed June 12, 2023; File No. 001-32318).
4.1	Indenture, dated as of July 12, 2011, between Registrant and UMB Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.1 to Registrant’s Form 8-K filed July 12, 2011; File No. 001-32318).
4.2	Supplemental Indenture No. 1, dated as of July 12, 2011, to Indenture dated as of July 12, 2011, between Registrant and UMB Bank, National Association, as Trustee, relating to the 5.60% Senior Notes due 2041 (incorporated by reference to Exhibit 4.2 to Registrant’s Form 8-K filed July 12, 2011; File No. 001-32318).
4.3	Supplemental Indenture No. 2, dated as of May 14, 2012, to Indenture dated as of July 12, 2011, between Registrant and UMB Bank, National Association, as Trustee, relating to the 4.750% Senior Notes due 2042 (incorporated by reference to Exhibit 4.1 to Registrant’s Form 8-K filed May 14, 2012; File No. 001-32318).
4.4	Supplemental Indenture No. 4, dated as of June 16, 2015, to Indenture dated as of July 12, 2011, between Registrant and UMB Bank, National Association, as Trustee, relating to the 5.000% Senior Notes due 2045 (incorporated by reference to Exhibit 4.1 to Registrant’s Form 8-K filed June 16, 2015; File No. 001-32318).
4.5	Supplemental Indenture No. 7, dated as of June 9, 2021, between Registrant and UMB Bank, National Association, as Trustee, relating to the 5.250% Senior Notes due 2027, 5.875% Senior Notes due 2028 and 4.500% Senior Notes due 2030 (incorporated by reference to Exhibit 4.3 to Registrant’s Form 8-K filed June 9, 2021; File No. 001-32318).

- 4.6 Indenture, dated as of March 1, 2002, between Registrant and The Bank of New York Mellon Trust Company, N.A. (as successor to The Bank of New York), as Trustee (incorporated by reference to Exhibit 4.1 of Registrant's Form 8-K filed April 9, 2002; File No. 000-30176).
- 4.7 Supplemental Indenture No. 1, dated as of March 25, 2002, to Indenture dated as of March 1, 2002, between Registrant and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to the 7.95% Senior Debentures due 2032 (incorporated by reference to Exhibit 4.2 to Registrant's Form 8-K filed April 9, 2002; File No. 000-30176).
- 4.8 Supplemental Indenture No. 4, dated as of March 22, 2018, to Indenture dated as of March 1, 2002, between Registrant and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to the 7.95% Senior Notes due 2032 (incorporated by reference to Exhibit 4.1 to Registrant's Form 8-K filed March 22, 2018; File No. 000-32318).
- 4.9 Indenture, dated as of October 3, 2001, among Devon Financing Company, L.L.C. (f/k/a Devon Financing Corporation, U.L.C.), as Issuer, Registrant, as Guarantor, and The Bank of New York Mellon Trust Company, N.A., originally The Chase Manhattan Bank, as Trustee, relating to the 7.875% Debentures due 2031 (incorporated by reference to Exhibit 4.7 to Registrant's Registration Statement on Form S-4 filed October 31, 2001; File No. 333-68694).
- 4.10 Assignment and Assumption Agreement, dated as of June 19, 2019, by and between Devon Financing Company, L.L.C. and Registrant, relating to that certain Indenture, dated as of October 3, 2001, by and among Devon Financing Company, L.L.C. (f/k/a Devon Financing Company, U.L.C.), as Issuer, Devon Energy Corporation, as Guarantor, and The Bank of New York Mellon Trust Company, N.A., as successor to The Chase Manhattan Bank, as Trustee, and the 7.875% Debentures due 2031 issued thereunder (incorporated by reference to Exhibit 4.1 to Registrant's Form 10-Q filed August 7, 2019; File No. 001-32318).
- 4.11 Senior Indenture, dated as of September 1, 1997, between Devon OEI Operating, L.L.C. (as successor to Seagull Energy Corporation) and The Bank of New York Mellon Trust Company, N.A. (as successor to The Bank of New York), as Trustee, and related Specimen of 7.50% Senior Notes due 2027 (incorporated by reference to Exhibit 4.4 to Ocean Energy Inc.'s Form 10-K filed March 23, 1998; File No. 001-08094).
- 4.12 First Supplemental Indenture, dated as of March 30, 1999, to Senior Indenture dated as of September 1, 1997, by and among Devon OEI Operating, L.L.C., its Subsidiary Guarantor, and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to the 7.50% Senior Notes due 2027 (incorporated by reference to Exhibit 4.10 to Ocean Energy, Inc.'s Form 10-Q filed May 17, 1999; File No. 001-08094).
- 4.13 Second Supplemental Indenture, dated as of May 9, 2001, to Senior Indenture dated as of September 1, 1997, by and among Devon OEI Operating, L.L.C., its Subsidiary Guarantor, and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to the 7.50% Senior Notes due 2027 (incorporated by reference to Exhibit 99.4 to Ocean Energy, Inc.'s Form 8-K filed May 14, 2001; File No. 033-06444).
- 4.14 Third Supplemental Indenture, dated as of December 31, 2005, to Senior Indenture dated as of September 1, 1997, by and among Devon OEI Operating, L.L.C., as Issuer, Devon Energy Production Company, L.P., as Successor Guarantor, and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to the 7.50% Senior Notes due 2027 (incorporated by reference to Exhibit 4.27 of Registrant's Form 10-K filed March 3, 2006; File No. 001-32318).
- 4.15 Indenture, dated as of September 8, 2014, between WPX Energy, Inc. and The Bank of New York Mellon Trust Company, N.A., as Trustee (incorporated herein by reference to Exhibit 4.1 to WPX Energy, Inc.'s Form 8-K filed September 8, 2014; File No. 001-35322).
- 4.16 Fourth Supplemental Indenture, dated as of September 24, 2019, between WPX Energy, Inc. and The Bank of New York Mellon Trust Company, N.A. as Trustee, relating to the 5.250% Senior Notes due 2027 (incorporated herein by reference to Exhibit 4.1 to WPX Energy, Inc.'s Form 8-K filed on September 24, 2019; File No. 001-35322).
- 4.17 Fifth Supplemental Indenture, dated as of January 10, 2020, between WPX Energy, Inc. and The Bank of New York Mellon Trust Company, N.A. as Trustee, relating to the 4.500% Senior Notes due 2030 (incorporated herein by reference to Exhibit 4.1 to WPX Energy, Inc.'s Form 8-K filed January 10, 2020; File No. 001-35322).
- 4.18 Sixth Supplemental Indenture, dated as of June 17, 2020, between WPX Energy, Inc. and the Bank of New York Mellon Trust Company, N.A. as Trustee, relating to the 5.875% Senior Notes due 2028 (incorporated herein by reference to Exhibit 4.1 to WPX Energy, Inc.'s Form 8-K filed June 17, 2020; File No. 001-35322).
- 4.19 Supplemental Indenture No. 7, dated as of June 9, 2021, between WPX Energy, Inc. and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to the 5.250% Senior Notes due 2027, the 5.875% Senior Notes due 2028 and

the 4.500% Senior Notes due 2030 (incorporated by reference to Exhibit 4.5 to Registrant's Form 8-K filed June 9, 2021; File No. 001-32318).

- 4.20 Indenture, dated as of August 28, 2024, by and between Registrant and U.S. Bank Trust Company, National Association (incorporated by reference to Exhibit 4.1 to Registrant's Form 8-K filed August 28, 2024; File No. 001-32318).
- 4.21 Supplemental Indenture No. 1, dated as of August 28, 2024, by and between Registrant and U.S. Bank Trust Company, National Association, relating to the 5.200% Senior Notes due 2034 (incorporated by reference to Exhibit 4.2 to Registrant's Form 8-K filed August 28, 2024; File No. 001-32318).
- 4.22 Supplemental Indenture No. 2, dated as of August 28, 2024, by and between Registrant and U.S. Bank Trust Company, National Association, relating to the 5.750% Senior Notes due 2054 (incorporated by reference to Exhibit 4.3 to Registrant's Form 8-K filed August 28, 2024; File No. 001-32318).
- 4.23 Registration Rights Agreement, dated as of September 27, 2024, by and among Registrant and the stockholders from time to time party thereto (incorporated by reference to Exhibit 4.4 to Registrant's Form 10-Q filed November 6, 2024; File No. 001-32318).
- 4.24 Description of Securities Registered under Section 12 of the Securities Exchange Act of 1934.
- 10.1 Amended and Restated Credit Agreement, dated as of March 24, 2023, among Registrant, as Borrower, Bank of America, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer, and each Lender and L/C Issuer from time to time party thereto (incorporated by reference to Exhibit 10.1 to Registrant's Form 8-K filed March 28, 2023; File No. 001-32318).
- 10.2 Extension Agreement, dated as of March 25, 2024, to the Amended and Restated Credit Agreement, dated as of March 24, 2023, among Registrant, as Borrower, Bank of America, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer, and each Lender and L/C Issuer from time to time party thereto, with respect to Borrower's extension of the maturity date from March 24, 2028 to March 24, 2029 (incorporated by reference to Exhibit 10.1 to Registrant's Form 10-Q filed May 2, 2024; File No. 001-32318).
- 10.3 Extension Agreement, dated as of March 24, 2025, to the Amended and Restated Credit Agreement, dated as of March 24, 2023, among Registrant, as Borrower, Bank of America, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer, and each Lender and L/C Issuer from time to time party thereto, with respect to Borrower's extension of the maturity date from March 24, 2029 to March 24, 2030 (incorporated by reference to Exhibit 10.1 to Registrant's Form 10-Q filed May 7, 2025; File No. 001-32318).
- 10.4 Delayed Draw Term Loan Credit Agreement, dated August 12, 2024, by and among Registrant, as Borrower, each lender from time to time party thereto, and Bank of America, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.1 to Registrant's Form 8-K filed August 12, 2024; File No. 001-32318).
- 10.5 Devon Energy Corporation 2022 Long-Term Incentive Plan (amended and restated effective as of November 19, 2025).*
- 10.6 Devon Energy Corporation 2017 Long-Term Incentive Plan (incorporated by reference to Exhibit 99.1 to Registrant's Form S-8 filed June 7, 2017; File No. 333-218561).*
- 10.7 2021 Amendment (effective as of January 7, 2021) to the Devon Energy Corporation 2017 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.7 to the Company's Form 10-K filed February 17, 2021; File No. 001-32318).*
- 10.8 WPX Energy, Inc. 2013 Incentive Plan, and amendments No. 1 and No. 2 thereto (incorporated by reference to Exhibit 10.1 to WPX Energy, Inc.'s Form 8-K filed on February 19, 2018; File No. 001-35322).*
- 10.9 Amendment No. 3 to the WPX Energy, Inc. 2013 Incentive Plan (incorporated by reference to Appendix A to WPX Energy, Inc.'s definitive proxy statement on Schedule 14A filed March 29, 2018; File No. 001-35322).*
- 10.10 Amendment No. 4 to the WPX Energy, Inc. 2013 Incentive Plan and Global Amendment to Restricted Stock Unit Agreements effective December 1, 2021 (incorporated by reference to Exhibit 10.7 of Registrant's Form 10-K filed February 16, 2022; File No. 001-32318).*
- 10.11 Devon Energy Corporation Non-Qualified Deferred Compensation Plan (amended and restated effective as of January 1, 2021) (incorporated by reference to Exhibit 10.9 of Registrant's Form 10-K filed February 16, 2022; File No. 001-32318).*

- 10.12 Amendment No. 1, effective November 29, 2023, to the Devon Energy Corporation Non-Qualified Deferred Compensation Plan (incorporated by reference to Exhibit 10.9 of Registrant’s Form 10-K filed February 28, 2024; File No. 001-32318).*
- 10.13 Devon Energy Corporation Benefit Restoration Plan (amended and restated effective January 1, 2012) (incorporated by reference to Exhibit 10.15 to Registrant’s Form 10-K filed February 24, 2012; File No. 001-32318).*
- 10.14 Amendment 2014-1, executed March 7, 2014, to the Devon Energy Corporation Benefit Restoration Plan (incorporated by reference to Exhibit 10.6 to Registrant’s Form 10-Q filed May 9, 2014; File No. 001-32318).*
- 10.15 Amendment 2015-1, executed April 15, 2015, to the Devon Energy Corporation Benefit Restoration Plan (incorporated by reference to Exhibit 10.1 to Registrant’s Form 10-Q filed May 6, 2015; File No. 001-32318).*
- 10.16 Amendment 2016-1, executed October 20, 2016, to the Devon Energy Corporation Benefit Restoration Plan (incorporated by reference to Exhibit 10.17 to Registrant’s Form 10-K filed February 15, 2017; File No. 001-32318).*
- 10.17 Amendment 2020-1, executed December 23, 2020, to the Devon Energy Corporation Benefit Restoration Plan (incorporated by reference to Exhibit 10.20 to the Company’s Form 10-K filed February 17, 2021; File No. 001-32318).*
- 10.18 Devon Energy Corporation Defined Contribution Restoration Plan (amended and restated effective as of January 1, 2021) (incorporated by reference to Exhibit 10.15 of Registrant’s Form 10-K filed February 16, 2022; File No. 001-32318).*
- 10.19 Amendment No. 1, effective November 29, 2023, to the Devon Energy Corporation Defined Contribution Restoration Plan (incorporated by reference to Exhibit 10.16 of Registrant’s Form 10-K filed February 28, 2024; File No. 001-32318).*
- 10.20 Devon Energy Corporation Supplemental Contribution Plan (amended and restated effective as of January 1, 2021) (incorporated by reference to Exhibit 10.16 of Registrant’s Form 10-K filed February 16, 2022; File No. 001-32318).*
- 10.21 Amendment No. 1, effective November 29, 2023, to the Devon Energy Corporation Supplemental Contribution Plan (incorporated by reference to Exhibit 10.18 of Registrant’s Form 10-K filed February 28, 2024; File No. 001-32318).*
- 10.22 Devon Energy Corporation Supplemental Retirement Income Plan (amended and restated effective January 1, 2012) (incorporated by reference to Exhibit 10.19 to Registrant’s Form 10-K filed February 24, 2012; File No. 001-32318).*
- 10.23 Amendment 2014-1, executed March 7, 2014, to the Devon Energy Corporation Supplemental Retirement Income Plan (incorporated by reference to Exhibit 10.9 to Registrant’s Form 10-Q filed May 9, 2014; File No. 001-32318).*
- 10.24 Amendment 2016-1, executed October 20, 2016, to the Devon Energy Corporation Supplemental Retirement Income Plan (incorporated by reference to Exhibit 10.28 to Registrant’s Form 10-K filed February 15, 2017; File No. 001-32318).*
- 10.25 Amendment 2019-1, effective September 10, 2019, to the Devon Energy Corporation Supplemental Retirement Income Plan (incorporated by reference to Exhibit 10.2 to Registrant’s Form 10-Q filed November 6, 2019; File No. 001-32318).*
- 10.26 Amendment 2020-1, executed December 23, 2020, to the Devon Energy Corporation Supplemental Retirement Income Plan (incorporated by reference to Exhibit 10.40 to the Company’s Form 10-K filed February 17, 2021; File No. 001-32318).*
- 10.27 Form of Amended & Restated Employment Agreement by and between Registrant and certain executive officers (incorporated by reference to Exhibit 10.33 to Registrant’s Form 10-K filed February 19, 2025; File No. 001-32318).*
- 10.28 Form of Severance Agreement by and between Registrant and certain executive officers (incorporated by reference to Exhibit 10.34 to Registrant’s Form 10-K filed February 19, 2025; File No. 001-32318).*
- 10.29 WPX Energy Nonqualified Deferred Compensation Plan, effective January 1, 2013 (incorporated herein by reference to Exhibit 10.16 to WPX Energy, Inc.’s Form 10-K filed February 28, 2013; File No. 001-35322).*
- 10.30 First Amendment to the WPX Energy Nonqualified Deferred Compensation Plan, executed January 4, 2021 (incorporated by reference to Exhibit 10.37 of Registrant’s Form 10-K filed February 16, 2022; File No. 001-32318).*
- 10.31 Second Amendment to the WPX Energy Nonqualified Deferred Compensation Plan, executed December 15, 2021 (incorporated by reference to Exhibit 10.38 of Registrant’s Form 10-K filed February 16, 2022; File No. 001-32318).*
- 10.32 WPX Energy Board of Directors Nonqualified Deferred Compensation Plan, effective January 1, 2013 (incorporated herein by reference to Exhibit 10.17 to WPX Energy, Inc.’s Form 10-K filed February 28, 2013; File No. 001-35322).*

- 10.33 First Amendment to the WPX Energy Board of Directors Nonqualified Deferred Compensation Plan, executed December 9, 2021 (incorporated by reference to Exhibit 10.40 of Registrant’s Form 10-K filed February 16, 2022; File No. 001-32318).*
- 10.34 WPX Energy Nonqualified Restoration Plan, effective January 1, 2015 (incorporated by reference to Exhibit 10.41 of Registrant’s Form 10-K filed February 16, 2022; File No. 001-32318).*
- 10.35 First Amendment to the WPX Energy Nonqualified Restoration Plan, executed January 4, 2021 (incorporated by reference to Exhibit 10.42 of Registrant’s Form 10-K filed February 16, 2022; File No. 001-32318).*
- 10.36 Second Amendment to the WPX Energy Nonqualified Restoration Plan, executed December 15, 2021 (incorporated by reference to Exhibit 10.43 of Registrant’s Form 10-K filed February 16, 2022; File No. 001-32318).*
- 10.37 Form of Indemnity Agreement between Registrant and non-management directors (incorporated by reference to Exhibit 10.40 to Registrant’s Form 10-K filed February 19, 2020; File No. 001-32318).*
- 10.38 2022 Form of Notice of Grant of Restricted Stock Award and Award Agreement under the 2017 Long-Term Incentive Plan between Devon Energy Corporation and certain officers for restricted stock awarded (incorporated by reference to Exhibit 10.1 of Registrant’s Form 10-Q filed May 3, 2022; File No. 001-32318).*
- 10.39 2023 Form of Notice of Grant of Restricted Stock Award and Award Agreement under the 2022 Long-Term Incentive Plan between Devon Energy Corporation and certain officers for restricted stock awarded (incorporated by reference to Exhibit 10.2 of Registrant’s Form 10-Q filed May 9, 2023; File No. 001-32318).*
- 10.40 2024 Form of Notice of Grant of Restricted Stock Award and Award Agreement under the 2022 Long-Term Incentive Plan between Devon Energy Corporation and certain officers for restricted stock awarded (incorporated by reference to Exhibit 10.2 of Registrant’s Form 10-Q filed May 2, 2024; File No. 001-32318).*
- 10.41 2025 Form of Notice of Grant of Restricted Stock Award and Award Agreement under the 2022 Long-Term Incentive Plan between Devon Energy Corporation and certain officers for restricted stock awarded (EVP form) (incorporated by reference to Exhibit 10.2 of Registrant’s Form 10-Q filed May 7, 2025; File No. 001-32318).*
- 10.42 2025 Form of Notice of Grant of Restricted Stock Award and Award Agreement under the 2022 Long-Term Incentive Plan between Devon Energy Corporation and certain officers for restricted stock awarded (SVP form) (incorporated by reference to Exhibit 10.3 of Registrant’s Form 10-Q filed May 7, 2025; File No. 001-32318).*
- 10.43 2023 Form of Notice of Grant of Performance Share Unit Award and Award Agreement under the 2022 Long-Term Incentive Plan between Devon Energy Corporation and certain officers for performance based restricted share units awarded (incorporated by reference to Exhibit 10.3 to Registrant’s Form 10-Q filed May 9, 2023; File No. 001-32318).*
- 10.44 2024 Form of Notice of Grant of Performance Share Unit Award and Award Agreement under the 2022 Long-Term Incentive Plan between Devon Energy Corporation and certain officers for performance based restricted share units awarded (incorporated by reference to Exhibit 10.3 to Registrant’s Form 10-Q filed May 2, 2024; File No. 001-32318).*
- 10.45 2025 Form of Notice of Grant of Performance Share Unit Award and Award Agreement under the 2022 Long-Term Incentive Plan between Devon Energy Corporation and certain officers for performance based restricted share units awarded (EVP form) (incorporated by reference to Exhibit 10.4 to Registrant’s Form 10-Q filed May 7, 2025; File No. 001-32318).*
- 10.46 2025 Form of Notice of Grant of Performance Share Unit Award and Award Agreement under the 2022 Long-Term Incentive Plan between Devon Energy Corporation and certain officers for performance based restricted share units awarded (SVP form) (incorporated by reference to Exhibit 10.5 to Registrant’s Form 10-Q filed May 7, 2025; File No. 001-32318).*
- 10.47 2025 Form of Notice of Grant of Restricted Stock Award and Award Agreement under the 2022 Long-Term Incentive Plan between the Company and non-management directors for restricted stock awarded (incorporated by reference to Exhibit 10.1 to Registrant’s Form 10-Q filed August 6, 2025; File No. 001-32318).*
- 10.48 2025 Form of Notice of Grant of Restricted Stock Unit Award and Award Agreement under the 2022 Long-Term Incentive Plan between the Company and non-management directors for restricted stock units awarded (incorporated by reference to Exhibit 10.2 to Registrant’s Form 10-Q filed August 6, 2025; File No. 001-32318).*

- 10.49 Form of Restricted Stock Unit Award Agreement between WPX Energy, Inc. and non-employee directors (incorporated herein by reference to Exhibit 10.1 to WPX Energy, Inc.'s Form 8-K filed September 3, 2014; File No. 001-35322).*
- 10.50 Form of Amended and Restated Restricted Stock Unit Award Agreement between WPX Energy, Inc. and non-employee directors (incorporated herein by reference to Exhibit 10.38 to WPX Energy, Inc.'s Form 10-Q filed August 6, 2019; File No. 001-35322).*
- 19 Insider Trading Policy.
- 21 List of Subsidiaries.
- 23.1 Consent of KPMG LLP.
- 23.2 Consent of DeGolyer and MacNaughton.
- 31.1 Certification of principal executive officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certification of principal executive officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 Certification of principal financial officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 97 Devon Energy Corporation Clawback Policy, adopted on November 29, 2023 (incorporated by reference to Exhibit 97 to Registrant's Form 10-K filed February 28, 2024; File No. 001-32318).
- 99 Report of DeGolyer and MacNaughton.
- 101.INS Inline XBRL Instance Document – the XBRL Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
- 101.SCH Inline XBRL Taxonomy Extension Schema with Embedded Linkbases Document.
- 104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Indicates management contract or compensatory plan or arrangement.

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DEVON ENERGY CORPORATION

By: /s/ JEFFREY L. RITENOUR
Jeffrey L. Ritenour
*Executive Vice President and
Chief Financial Officer*

February 18, 2026

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<u> /s/ CLAY M. GASPAR </u> Clay M. Gaspar	President, Chief Executive Officer and Director (Principal executive officer)	February 18, 2026
<u> /s/ JEFFREY L. RITENOUR </u> Jeffrey L. Ritenour	Executive Vice President and Chief Financial Officer (Principal financial officer)	February 18, 2026
<u> /s/ JOHN B. SHERRER </u> John B. Sherrer	Vice President, Accounting and Controller (Principal accounting officer)	February 18, 2026
<u> /s/ JOHN E. BETHANCOURT </u> John E. Bethancourt	Chair and Director	February 18, 2026
<u> /s/ BARBARA M. BAUMANN </u> Barbara M. Baumann	Director	February 18, 2026
<u> /s/ ANN G. FOX </u> Ann G. Fox	Director	February 18, 2026
<u> /s/ GENNIFER F. KELLY </u> Gennifer F. Kelly	Director	February 18, 2026
<u> /s/ KELT KINDICK </u> Kelt Kindick	Director	February 18, 2026
<u> /s/ KARL F. KURZ </u> Karl F. Kurz	Director	February 18, 2026
<u> /s/ MICHAEL N. MEARS </u> Michael N. Mears	Director	February 18, 2026
<u> /s/ ROBERT A. MOSBACHER, JR. </u> Robert A. Mosbacher, Jr.	Director	February 18, 2026
<u> /s/ BRENT J. SMOLIK </u> Brent J. Smolik	Director	February 18, 2026
<u> /s/ VALERIE M. WILLIAMS </u> Valerie M. Williams	Director	February 18, 2026

