



# UBS Global Oil and Gas Conference

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NYSE: DVN  
devonenergy.com



# Permian Basin

## Overview



- **Industry leader in basin**
  - 1.2 million net surface acres with stacked pay
  - Q1 net production: 102 MBOED
  - Liquids 78% of production mix
- **Deep inventory of low-risk projects**
  - >5,000 locations in Delaware Basin
  - Significant upside from downspacing
- **2015 Outlook: Most active asset**
  - 2015 capital: ≈\$1.3 billion
  - Running 13 operated rigs in Delaware Basin

**Permian Oil Production Growth**  
*5-Year CAGR (As of Q1 2015)*

**24%**  
GROWTH

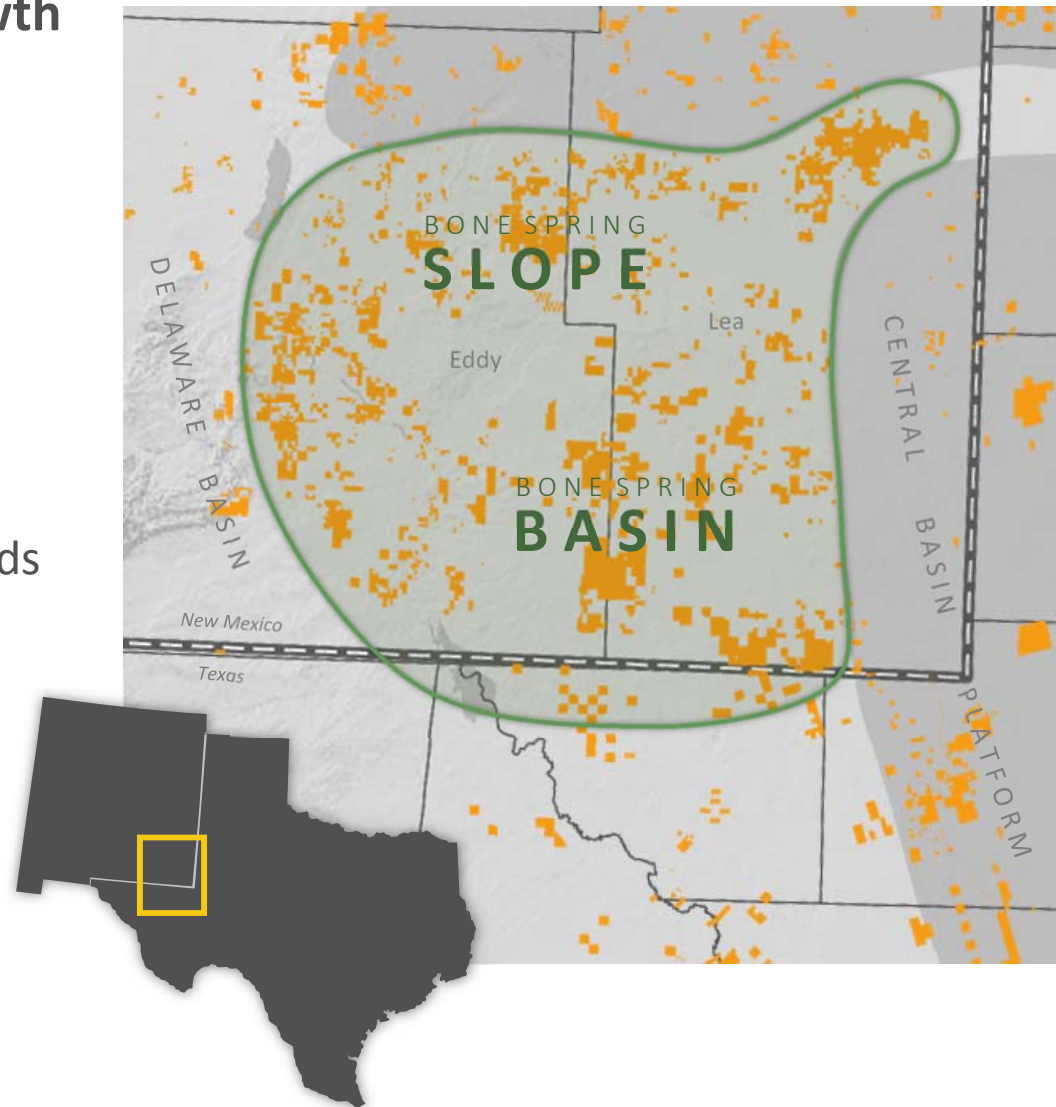


# Delaware Basin

## *Driving Results in Permian Basin*



- **Delaware Basin delivering prolific growth**
  - Q1 net production: 53 MBOED
  - ≈250% growth since 2010
- **Activity focused on Bone Spring play**
  - Basin: high-pressured reservoir with contiguous sands
  - Slope: shallower with channelized sands
- **High-rate development wells in Q1**
  - 16 wells in Bone Spring basin
  - Avg. 30-day IP: 1,200 BOED
  - Results well above type curve



# Delaware Basin

## Bone Spring Results Continue to Improve



### ■ New completion design enhances results

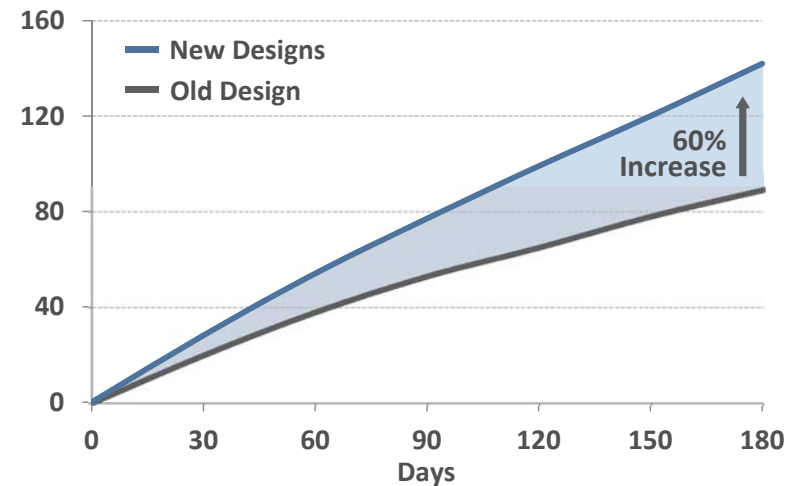
- Tested on >60 wells since mid-2014
- Activity focused in basin of SE NM
- Per well productivity enhanced 60%
- ≈3x more sand than historic design

### ■ Raising type curve expectations in basin

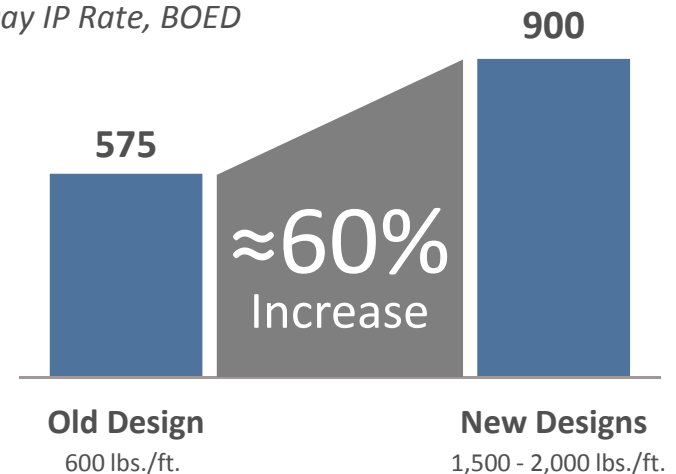
- IP expectations ≈60% higher
- EURs raised to 600 MBOE
- Productivity gains offsetting lower prices

### ■ All 2015 activity will utilize new design

Cumulative Production – Bone Spring Basin  
MBOE



Type Well – Bone Spring Basin  
30-Day IP Rate, BOED

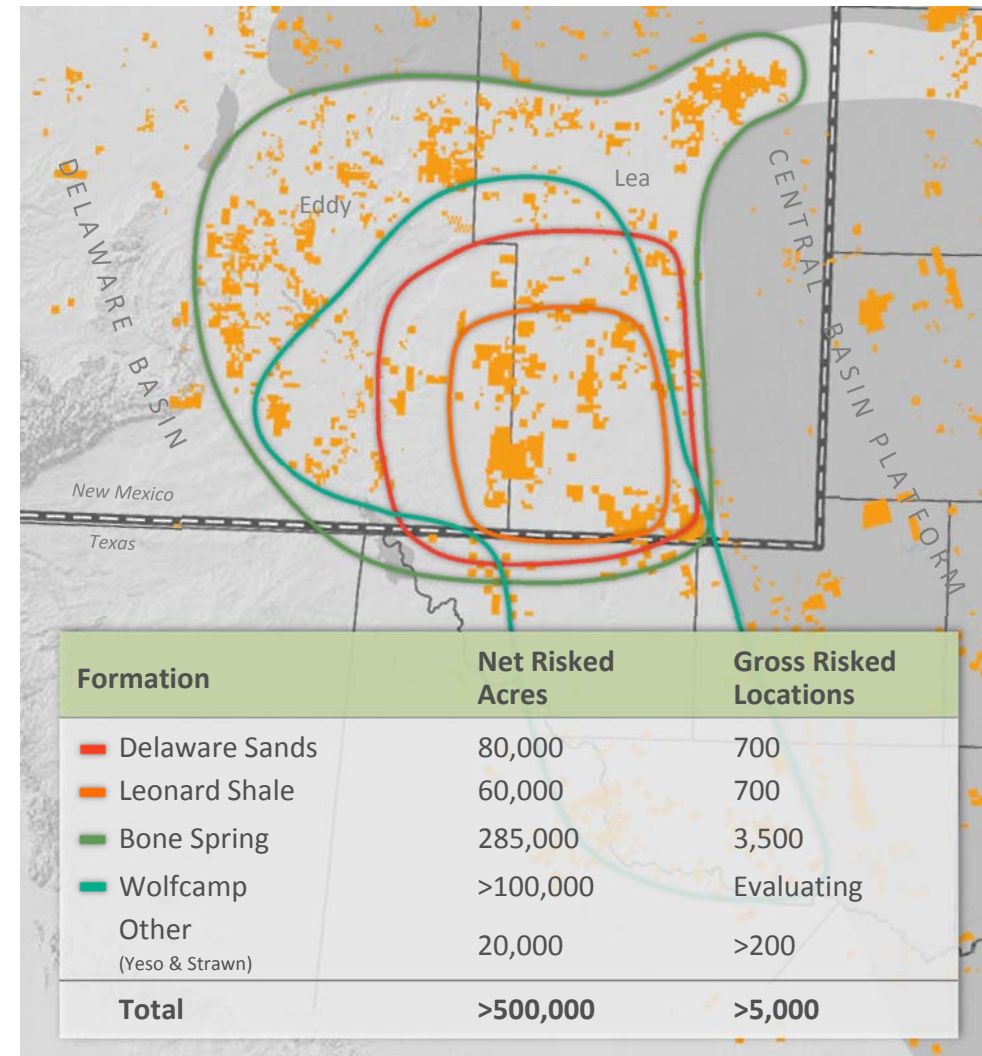


# Delaware Basin

*Significant & Growing Resource Opportunity*



- **Net risked acres: >500,000**
- **Identified >5,000 risked locations**
  - Assumes 4 - 5 wells per risked section
  - Bone Spring  $\approx$ 70% of inventory
- **Significant upside potential in Bone Spring**
  - Downspacing pilots underway
  - Testing up to 8 wells per section
  - Piloting staggered laterals between upper and lower intervals

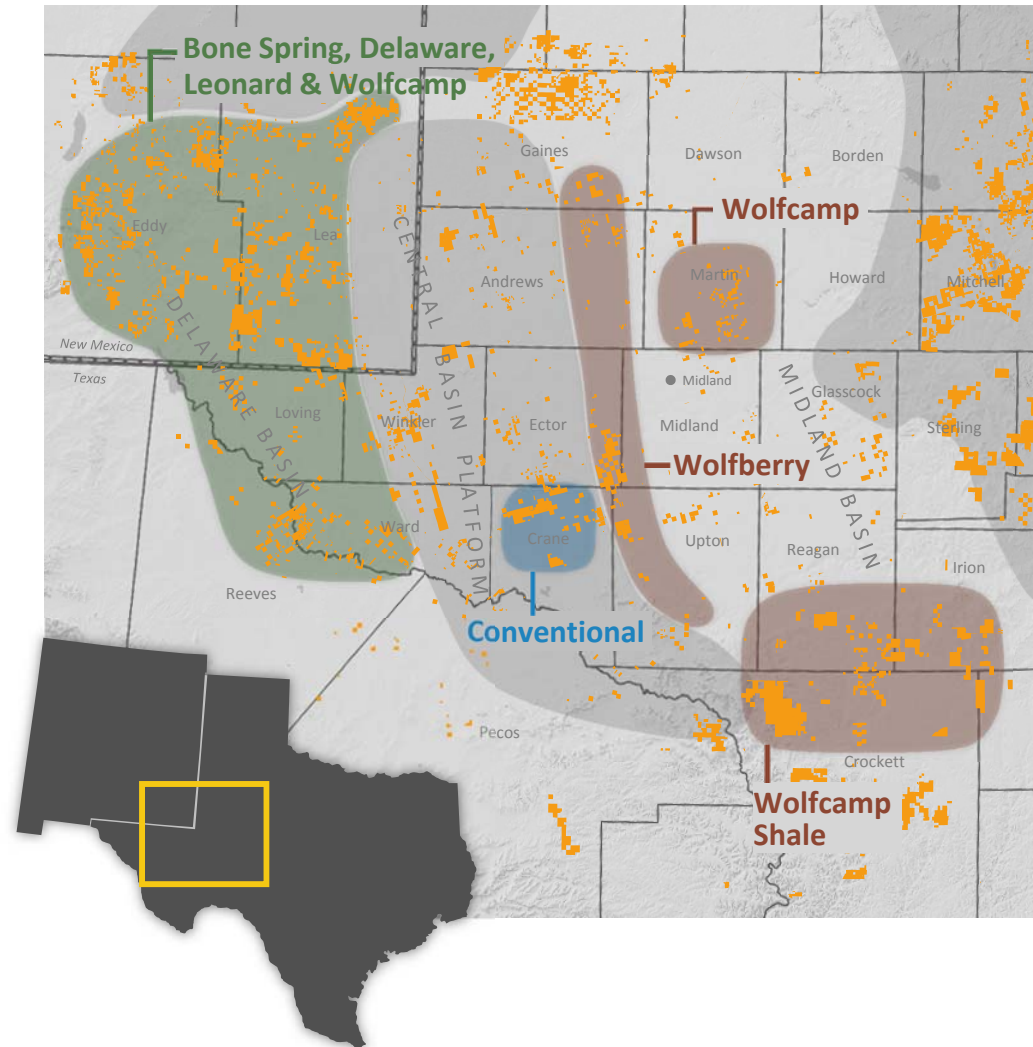


# Permian Basin

## Overview



- **Industry leader in basin**
  - 1.2 million net surface acres with stacked pay
  - Q1 net production: 102 MBOED
  - Light oil nearly 60% of production mix
- **Deep inventory of low-risk projects**
  - >5,000 locations in Delaware Basin
  - Significant upside from downspacing
- **2015 Outlook: Most active asset**
  - 2015 capital: ≈\$1.3 billion
  - Running 13 operated rigs in Delaware Basin



# Key Modeling Statistics



## Bone Spring Basin (Delaware Basin)

Working interest / royalty:	71% / 21%
30-day IP rate:	900 BOED
EUR:	600 MBOE
Oil / NGLs as % of production:	65% / 20%

## Bone Spring Slope (Delaware Basin)

Working interest / royalty:	71% / 21%
30-day IP rate:	500 BOED
EUR:	450 MBOE
Oil / NGLs as % of production:	65% / 12%

