Devon Energy
Cana Woodford Shale
AADE Symposium
January 20, 2010
Mark Williamson
Cana Field Location

- 40 miles west of OKC
- Canadian, Blaine, Caddo Co.
History of Cana Field

- October 2006 - obtained Woodford whole core
- March 2007 - recompleted an existing vertical well to prove gas production from Woodford Shale
- Tested Woodford horizontal concept with 3 wells in Q4 2007
- Initiated field development drilling program 18 months after concept was presented
- Expanded field with 16 Devon operated Woodford horizontal wells drilled in 2008
- Devon Energy spud 33 Woodford horizontal wells in 2009
Cana Woodford vs. Haynesville

**Cana**
- 11500’ to 14500’ TVD
- 16700’ to >19000’ MD
- 4000’ to 5000’ lateral length
- 13 to 15 ppg TD mud weight
- 250°F BHST

**Haynesville**
- 11000’ to 12000’ TVD
- 15500’ to 16500’ MD
- Approximately 4000’ lateral length
- Approximately 17 ppg TD mud weight
- 275°F to 320°F BHST

*Cana is the world’s deepest commercial horizontal shale play*
Asset Summary
Cana Woodford

Net risked resource: 5.9 TCFE
Risked locations: 3,100

Net acreage: 109,000

Q3 ’09 net production: ≈ 53 MMCFED

Drilled 46 operated wells thru end of ‘09

2010 Plans: Drill ≈ 80 wells
Strategic Midstream Presence

Cana Woodford

- Building gas gathering system

- Constructing gas processing plant
  - 100% ownership
  - Initial phase: 200 MMCFD
  - Expandable to 600 MMCFD
  - Expected startup: early 2011
Current Rig Fleet
Cana Woodford

- 7 rigs currently operating for Devon in the Cana field
- All are H&P Flex III rigs
- 6 rigs were new builds with term contracts
Typical Wellbore
Cana Woodford
Cana Drilling Performance
Average Measured Depth by Year

- 2007 (3 wells): 16,093 ft
- 2008 (16 wells): 17,343 ft
- 2009 (27 wells): 17,950 ft
Cana Drilling Performance
Dry Hole Ft/Day by Year

- 2007 (3 wells): 295 ft/day
- 2008 (16 wells): 320 ft/day
- 2009 (27 wells): 392 ft/day
Cana Drilling Performance
Dry Hole Cost/Ft Drilled by Year

- 2007 (3 wells): $274
- 2008 (16 wells): $268
- 2009 (27 wells): $212
Devon Production Summary

Current production (Q3 2009): \( \approx 673 \text{ MBOED} \)

Production mix (Q3 2009):
- 65% gas
- 35% liquids

Production profile (Q3 2009): 94% North America

Reserves / production ratio: \( \approx 10 \text{ years} \)
Recent Announcement

November 16, 2009

Devon announces plan to strategically reposition company as high-growth, onshore North American exploration and production company.
Devon Repositioning
Expected Proceeds

- Gulf Deepwater
- Gulf Shelf
- Azerbaijan
- Brazil
- China
- Other International

Estimated After-Tax Proceeds
$4.5 - $7.5 Billion

By Year-End 2010
Devon Repositioning
Future Direction

• After tax proceeds will be allocated between:
  - Acceleration of North American onshore opportunities
  - Debt reduction
Cana Woodford Growth Potential

Rigs ramping from 10 to 18

Rigs ramping to 20

Base Strip Case

Historical Production

Additional Capacity

MMCFED (Net)
Thank You.