

A photograph of a center pivot irrigation system in a green field under a blue sky with light clouds. The wheels and pipes of the system are visible in the foreground.

# Owner Resource 2009

*News from Devon's  
Owner Relations Team*

**We value the relationship with our royalty owners** and understand that they may have questions from time to time. To make it easier for you to get the information you need quickly and conveniently, we once again are providing you with a brochure to reference. We also established a new section on our Web site at [www.dvn.com](http://www.dvn.com) to address your needs directly.

Both the site and brochure offer information about who to contact if you have a particular question, access to your owner account and the important forms you need, an overview of how to read your check detail and frequently asked questions.

We also have added a new section to the site we are calling Make a Difference. This allows us to keep you informed on legislation and industry issues that affect the natural gas and oil industry, which also affects you. We hope you will use this brochure and our Web site as a reference for your royalty owner needs as well as a resource for the latest on industry topics that affect us all.

Sincerely,

A handwritten signature in black ink that reads "J. Larry Nichols".

J. Larry Nichols  
Chairman and CEO



## Who to Contact

Our goal is to respond to all telephone, e-mail and fax inquiries within 48 hours of receipt. Most calls are returned the same day.

If you are calling during business hours and reach our voicemail, please leave a message. Our Owner Relations Team may be assisting other owners but will return your call. Please leave a message if you are calling after normal business hours.

To better assist you and answer your questions in a timely and efficient manner, please have all the necessary information that will help us with your research, including your Owner

Number. This number has been specifically assigned to you and distinguishes you from other interest owners. If you are not sure of your Owner Number, you can locate it on the top right-hand side of your check detail.

### Main address, telephone and fax:

Devon Energy Corp.  
 20 N. Broadway  
 Oklahoma City, OK 73102-8260  
 Phone: (405) 228-4800 - Staffed Monday through Friday  
 8 a.m. to 5 p.m., CST  
 Fax: (405) 228-4849

Contact	Handles Calls Related to	Telephone	E-mail; Web site
Revenue/Royalty Accounting	Payment inquiries and lost check	(405) 228-4800, option 2	devonrevenuehotline@dvn.com <a href="https://connect.oildex.com/devon/">https://connect.oildex.com/devon/</a> for access to check detail, address change and direct deposit forms
Joint Interest Billing	JIB statements for working interest owners	(405) 228-4800, option 3	jib.hotline@dvn.com <a href="http://www.jiblink.com">www.jiblink.com</a> for access to join interesting billing statements
Lease/Division Orders	Ownership changes and transfers	(405) 228-4800, option 4	
Central Land Division	Includes properties only in Arkansas, Kansas, Missouri, Oklahoma and Texas (Panhandle and Fort Worth Basin area); all other inquiries should go to option 2		
Tax	1099-related questions	(405) 228-4470	



## Important Forms

### Direct Deposit

Devon offers a direct deposit payment option for its royalty owners. It is safe and secure and offers many advantages, including:

- No cost to you
- No postal delays of your check
- No unnecessary trips to the bank
- No lost, damaged or stolen checks
- If traveling, your revenues are still deposited in your bank account

When you sign up for direct deposit:

- Your revenues will be in your account two banking days after the 15th of the month.
- Your detail will still be sent to your designated mailing address.

We can only deposit to your account. We cannot withdraw from your account or view your account's private information.

Devon has a policy to protect your personal information in a secure and confidential manner. This information will only be used by Devon.

To sign up, please complete the available form, make sure all applicable parties sign and return by fax to (405) 228-8604 or mail to:

Devon Energy Corp.  
Attn: Tax Department - ACH Processing  
20 N. Broadway  
Oklahoma City, OK 73102-8260

Working interest owners who receive revenue through JIB statements can also be set up for direct deposit. Please contact Joint Interest Billing at (405) 552-4800 and select option 3.

### Change of Address

An address change request is still needed even if you receive your payments through Devon's direct deposit. Your correct address on file will allow you to receive your 1099 each year or any other correspondence that is mailed by Devon. If you need to notify us of a change of address, please complete the form and return by fax to (405) 228-8604 or mail to:

Devon Energy Corp.  
Attn: Tax Department - Name and Address Information  
20 N. Broadway  
Oklahoma City, OK 73102-8260

### Other Change Notifications

Please notify Devon in writing if you have changes to any of the following:

- Tax ID Number/Social Security number changes
- Name changes
- Transfers of ownership

Notifications relating to any of the above should be mailed to:

Devon Energy Corp.  
Attn: Division Orders  
20 N. Broadway  
Oklahoma City, OK 73102-8260

## Frequently Asked Questions

### **Why do I need to contact Division Orders?**

Each situation is unique, and our Division Order department will be able to give you specific instruction on what to provide for instances related to new owner set-up and ownership changes. Informing Devon of all necessary changes related to deaths or any other situations regarding ownership interest as you become aware of them will eliminate unnecessary delays. If you have questions about name changes due to getting married or divorced, putting your interest into a trust, transferring your ownership to someone else or if there is a change in trustee, call (405) 228-4800 and select option 4 for Division Orders.

### **I noticed that backup withholding was deducted from my revenue check. Why?**

Devon is required by the Internal Revenue Service to withhold 28 percent of all revenue payments to U.S. residents if the taxpayer ID number (or Social Security number) is missing or invalid. The number provided must match the name on the payment as indicated per IRS records. This information is required to be provided to Devon in writing. All backup withholding is reported on your 1099 at year-end, and it is considered a payment to the IRS on your behalf. Devon does not issue refunds for backup withholding. Royalty owners are able to report the withholding on their income tax returns at the end of the year. If you need to notify us of your valid Tax ID or Social Security number, please contact the Tax department at (405) 228-4470.

### **I haven't received my payment. What should I do?**

If your check is more than two weeks late, contact Owner Relations at (405) 228-4800 and select option 2. You may be required to submit a written authorization to stop payment and

re-issue the check. Once we place a stop payment on your check, it will be voided in our system and will no longer be honored by Devon. To avoid postal delays, you may want to consider direct deposit for your payment.

### **I found a stale-dated check. How do I get it re-issued?**

Devon automatically voids and re-issues checks that are not cashed or deposited in 90 days. It is important that you cash your checks regardless of the amount prior to the 90 day mark. If you find a check after the 90 day mark, call (405) 228-4800 and select option 2 for further instruction.

### **What do I do if a stop payment has been placed on my check?**

Monies will be issued to you in the next available check process. Once we place a stop payment on your check, please do not attempt to cash the check. The check will be voided in our system and will no longer be honored by Devon.

### **Why does my payment amount change?**

Changing market conditions can cause price fluctuations, while mechanical or operational problems or routine maintenance may temporarily affect production, causing downtime. If you have reason to believe an error has occurred, call (405) 228-4800 and select option 2.

### **When can I expect payment for my new well?**

Depending on the complexity of title and how active an area is, timing of first payments can vary. We always attempt to commence payments for the proceeds of production as soon as we are able and according to statutory limits for each state. If you have questions concerning payment for a new well, call (405) 228-4800 and select option 4.

### **When is my Joint Interest Billing (JIB) Statement processed?**

Joint Interest Billing statements are generally processed on the last day of the month and mailed the first week of the following month. If you are missing your JIB statement, you can view and print all your statements free of charge through a secure site located at [www.jiblink.com](http://www.jiblink.com). Call (405) 228-4800 and select option 3 for assistance in retrieving your user information.

### **Where should my JIB payment be sent?**

Joint Interest Billing payments should be mailed to:

Devon Energy Production Co. LP  
P.O. Box 842485  
Dallas, TX 75284-23485

### **When should I expect my 1099?**

1099s are mailed on January 31 of each year. If you do not receive your 1099 by February 16 or if information on the 1099 is incorrect, call the Tax hotline at (405) 228-4470.



## Make a Difference

Visit Devon's Web site at [www.dvn.com](http://www.dvn.com) under the Royalty Owner section to learn how you can make a difference and make your voice heard on issues that affect the oil and gas industry.



## Important Notices

### Texas Royalty Owners

Pursuant to HB 981 passed by the Legislature of the State of Texas, we are required to provide you with the following information:

Section 91.504, Texas Natural Resources Code, gives an owner of a royalty interest in oil or gas produced in Texas the right to request from a payor information about itemized deductions, the heating value of the gas and the Railroad Commission of Texas identification number for the lease, property or well that may not have been provided to the royalty interest owner. The request must be in writing and must be made by certified mail. A payor must respond to a request regarding itemized deductions, the heating value of the gas or the Railroad Commission of Texas identification number by certified mail not later than the 60th day after the date the request is received. Additional information regarding production and related information may be obtained by contacting the Railroad Commission of Texas' office of Public Assistance or accessing the commission's website.

### Kansas Royalty Owners

Section 55-1622 of the Kansas Statutes Annotated gives an owner of a royalty interest in oil or gas produced in Kansas the right to specifically request any of the following information from a payor about the owner's royalty payment and the wells for which payment is made:

- (1) Each lease, property or well identification number used by the payor for royalty payment purposes and corresponding lease, property or well identification number(s) used for identification by the Kansas department of revenue, state corporation commission or American petroleum institute (API).
- (2) Each lease, property or well name and its corresponding section, township, range and county.
- (3) The field name or producing formation.
- (4) For a given sales period for which payment has been received or is due the royalty owner, the total produced volume as reported for each well, lease or unit to the state corporation commission and Kansas department of revenue.
- (5) A specific listing of the amount and purpose of any other deductions or adjustments from the royalty owner's share of the sale of oil and gas not identified on the payment statement.

(6) Whether any payments reported on the payor's statement are from a split-stream sale and, if so, the manner in which the payor accounts to the royalty owner for such sale. As used in this paragraph, "split-stream sale" means a sale for which the payment from a payor to the royalty owner is for the sale of less than all of the oil and gas produced and sold from the lease or well for the sales period.

(7) Whether the sale of any of the production for which payment is made by payor has been made to an affiliate of the payor. As used in this paragraph, "affiliate" means any entity which, directly or indirectly, controls or is controlled by, or is under common control with, the payor.

The request by the royalty owner must be made in writing, specifying the information desired and the sales period or periods for which information is needed and must be made by certified mail. The payor must respond to such a request by certified mail not later than the 60th day after the date the request is received. A payor shall not be required to (1) provide any information pursuant to a request made on behalf of multiple royalty owners, (2) provide any information for sales periods prior to the 12-month period immediately preceding the first day of the month in which the request is received, except that, if adjustments to a royalty owner's payment have been made within such 12-month period for sales periods prior to such 12-month period, information concerning such adjustments shall be provided and (3) seek information from other payors or third parties.

If a payor does not have any of the information requested by a royalty owner in accordance with this law, the payor shall provide to the royalty owner the name and address of the seller of the production for which the royalty owner is being paid by payor. A royalty owner may thereafter request from the seller the information not provided by the payor and the seller shall respond to the royalty owner, all in the same manner as provided for in this law. As used in this paragraph, "seller" means the lessee of the oil and gas lease from which a royalty owner derives its royalty interest or the operator of the oil and gas production unit which produced the oil and gas for which payment is being made.

This law is not meant to discourage or prohibit the royalty owner from contacting the payor by telephone, e-mail or other means of communication concerning the above information or any other information about the owner's royalty payment. Additional information regarding production and related information may also be obtained by contacting the state corporation commission or Kansas geological survey, or by accessing their websites.



Devon Energy Production Company, L.P.  
20 North Broadway  
Oklahoma City, Oklahoma 73102-8260

**STATEMENT OF OIL & GAS PAYMENTS**

OWNER NAME

14 Co. #: 001  
Owner #: 123456  
15 Check #: 999999  
Date: 2008/04/15

1	2	3	4	5	6	7 GROSS INFORMATION			8 NET INFORMATION					
PR Date	Product	Interest %	Int Type	BTU	Price	Volume	Gross	Prod Tax	Other Ded Net Amount	Volume	Gross	Prod Tax/Code	Other Ded/Code	Net Amount

2-2008	123456-001		PROPERTY NAME			St/County: ST	Any County		Section/Twn/Rng: 099 / 099S / 099W					
	2-2008	0.04687500	ROY	.000				2467.24	2467.24	35.87	1417.53	88.53	115.65 GA	115.65-
	2-2008	0.04687500	ROY	.000	39.524	765.11	30240.63	718.35	27633.70	406.17	2477.85	173.13	33.67 CM	1295.33
	2-2008	0.04687500	ROY	1.009	6.100	8665.00	52860.92	3693.35	49167.57	442.04	3895.38	261.66	SV	2304.72
										442.04	3895.38	261.66		3484.40
														3484.40

Net Totals By Product:

13	NGL-BBL:	35.87	1417.53	88.53	1179.68
	RES-GAS:	406.17	2477.85	173.13	2304.72

If the gas from your property is processed through a gas processing plant, you will see residue gas in MCF and natural gas liquids (NGL) in barrels. Natural gas liquids include ethane, propane, butane and natural gasoline.

# Understanding the Check Detail

## View Your Detail Online

You can view your detail online by logging into Owner Connect at <https://connect.oildex.com/devon/>. For first-time users, your password is the last six digits of your taxpayer ID. The posted date is the day your detail was uploaded into Owner Connect, not the check date or deposit date of your direct deposit. You can also have a payment notification or the check detail e-mailed to you by checking the boxes under the "My PROFILE" tab.

Beginning with the April '15 distribution, joint interest billing owners can view netted revenue detail on Oildex. The check numbers begin with 00JBN.

- PR Date
  - Product
  - Interest %
  - Interest Type
  - BTU
  - Price
  - Gross Information
  - Net Information
  - Property Number
  - St/County
  - Legal Description
  - Total Net for Owner
  - Net Totals by Product
  - Owner Number
  - Check #
- Month and year the production was sold
- Type of product sold, i.e. gas (GAS-MCF), oil (OIL BBL), condensate (COND), natural gas liquids (NGLs-BBL), residue gas (RES-GAS)
- Ownership decimal paid
- Type of interest being paid, i.e., Working Interest (WI), Royalty (ROY), Override (ORR), etc.
- Heating value of the gas used to convert MCF (1000 cubic feet) to MMBTU (MCF x BTU)
- Calculated by dividing gross value by gross volume
- 100% Volume, Gross Value, Taxes, Other Deductions and Net Value of the product sold: will be the gross information multiplied by the Interest %
- Devon assigned number for your well lease or unit
- State and county where your property is located
- Legal description of the property; may be Section, Township and Range or Survey
- Total payments to the owner
- Number uniquely assigned to you
- Check number or ACH (direct deposit) payment ID