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LOWER TERTIARY PLAY

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Devon Energy Corp
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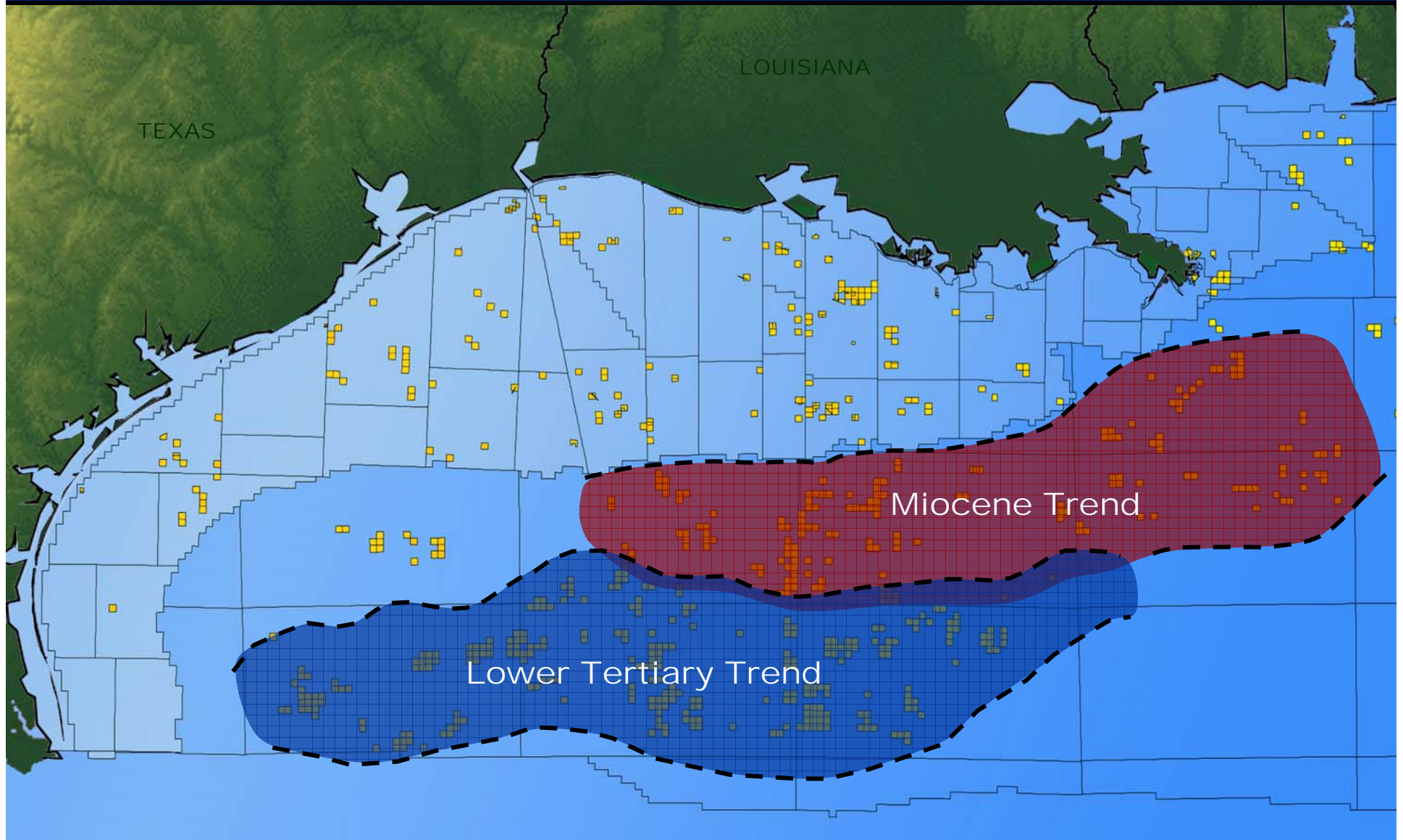
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- **Lower Tertiary (emerging play)**
- **Discoveries to Date**
- **Commercialization Options**
- **Enabling Technologies**

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Deepwater Exploration Trends



Gulf Production by Reservoir Age

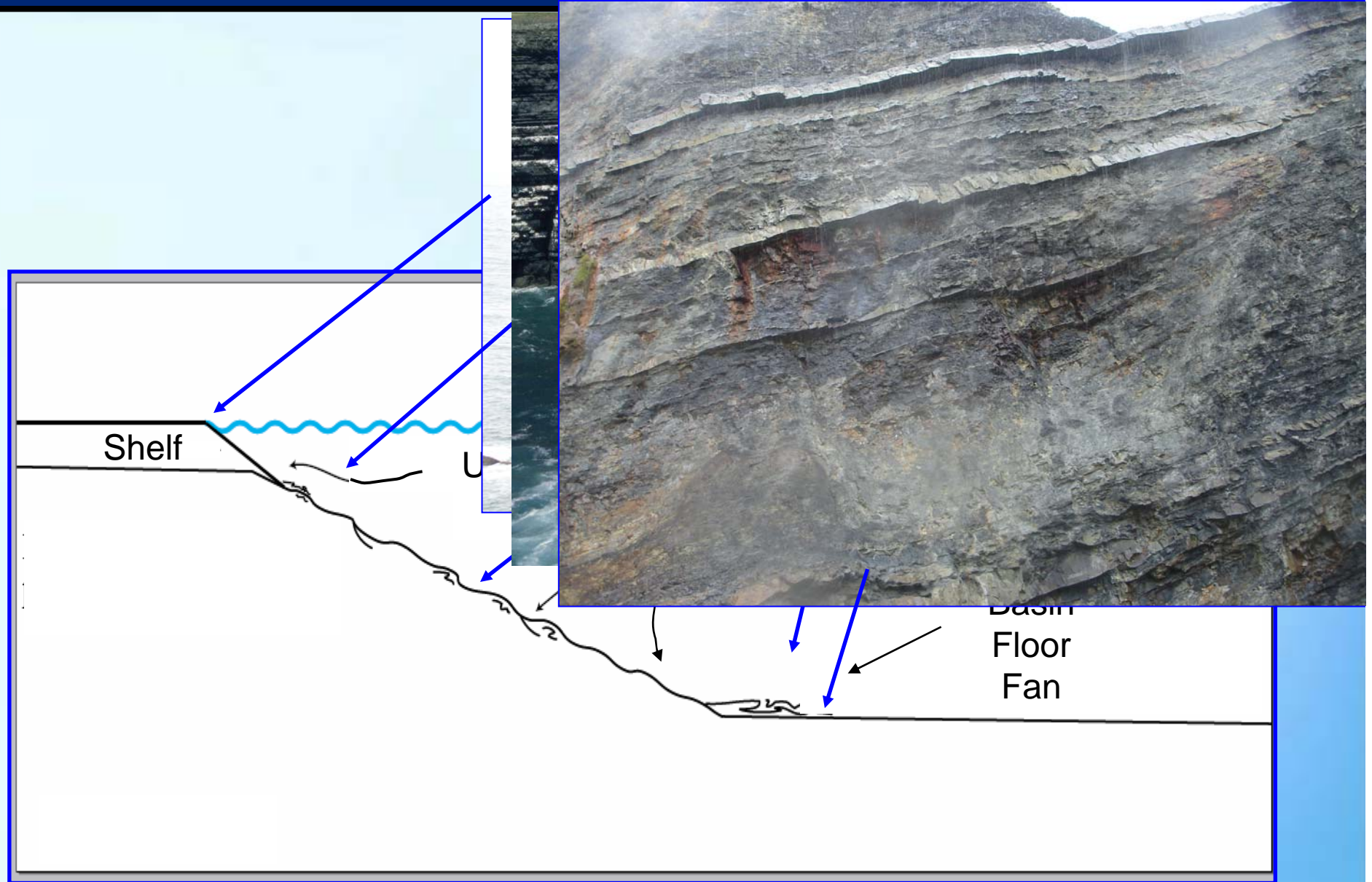


Age of Rock (Millions of years)	Cum. MMBOE*	%		
Present - 2	13,759	33	Pleistocene	Tertiary
2 - 5	10,755	25	Pliocene	
5 - 24	17,236	41	Miocene	
24 - 34	49	0	Oligocene	
34 - 55	0	0	Eocene	
55 - 65	0	0	Paleocene	
65 - 144	49	0	Cretaceous	
144 - 206	235	1	Jurassic	

*IHS Federal Offshore data as of February 2006. Conversion factor: 6 Mcf = 1 barrel.

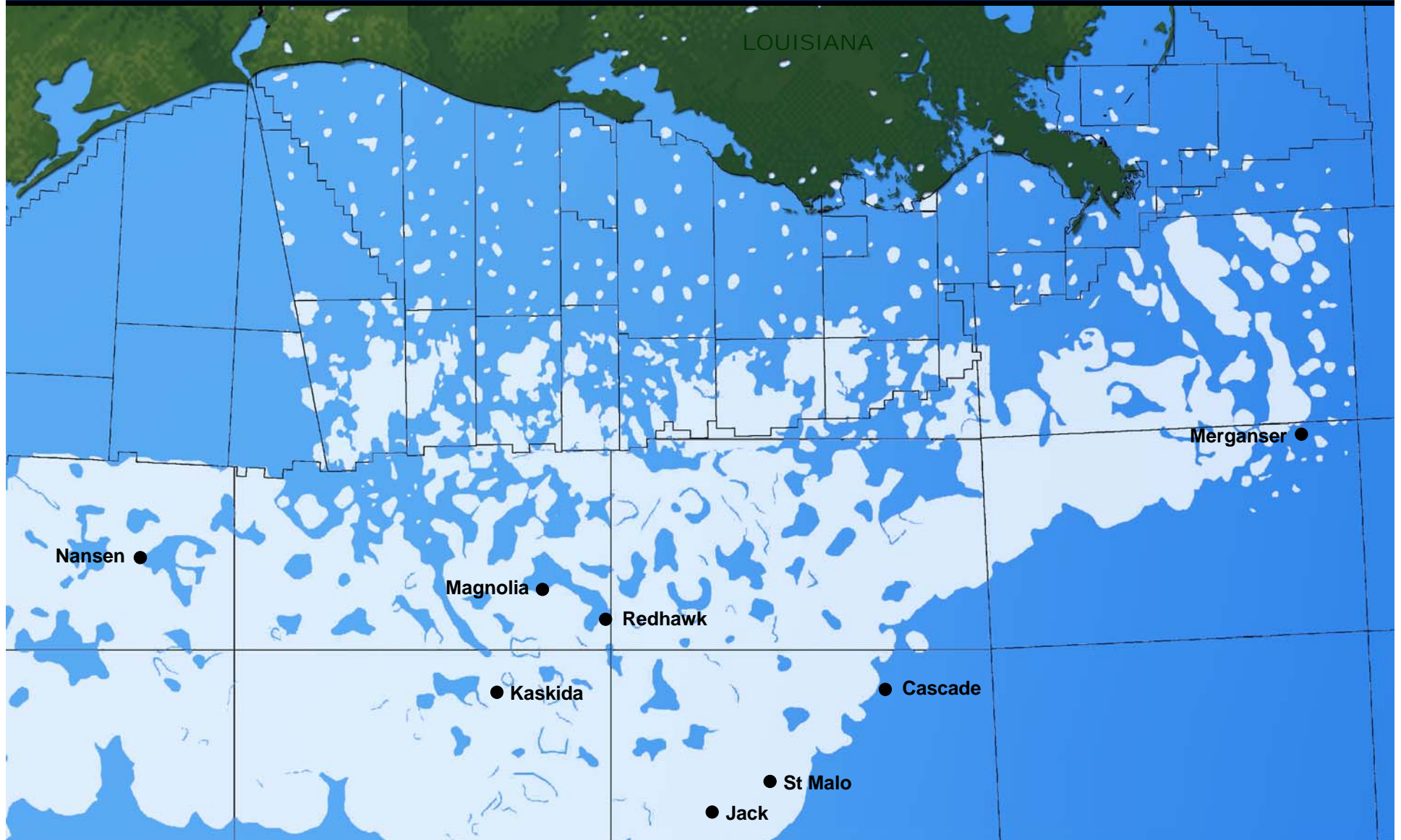
Model for Depositional Systems

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Shallow Salt Cover

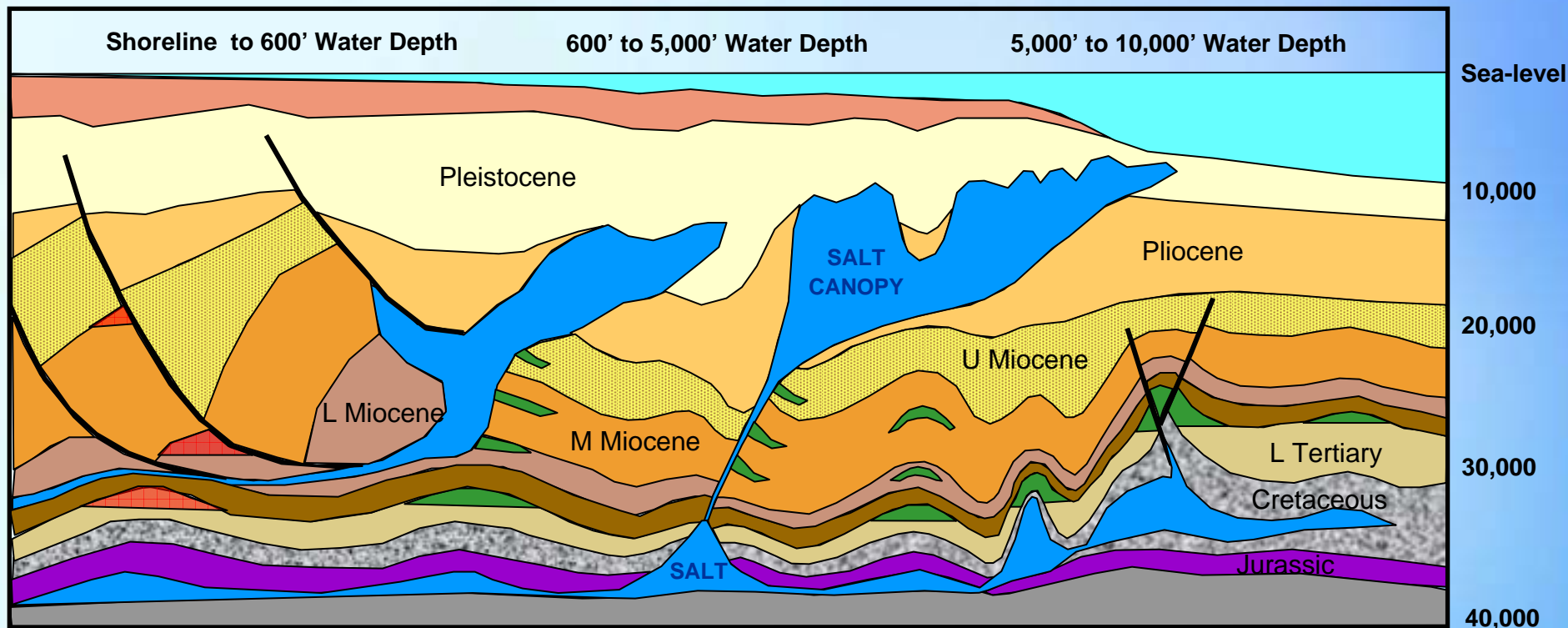
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Exploration Plays

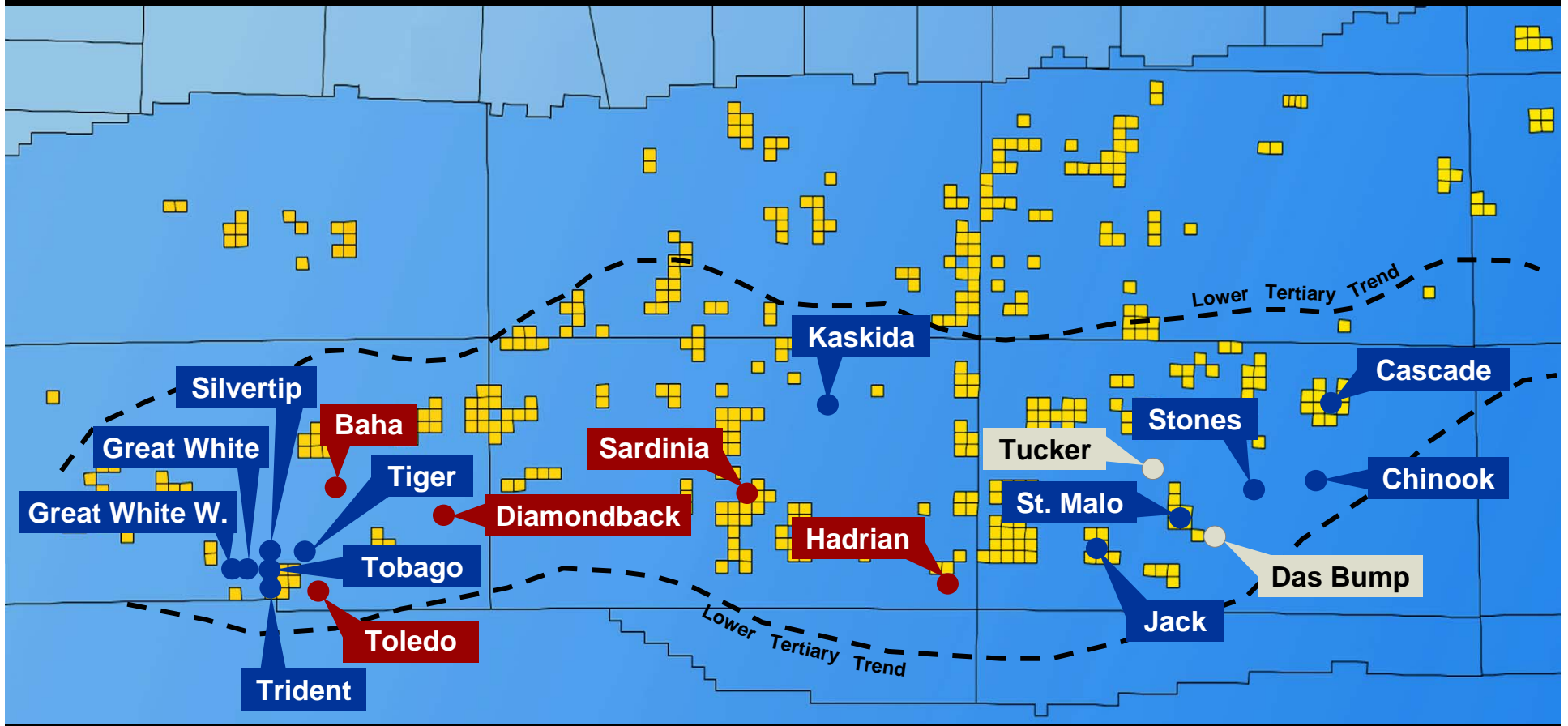


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Lower Tertiary Trend

Industry Results to Date

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- Industry Discovery
- Industry Non-Commercial
- Results Unannounced

- 12 announced discoveries out of 19 wells drilled
- Trend data for Alaminos Canyon, Keathley Canyon and Walker Ridge only
- Additional penetrations along trend to the northeast

Inner Fan Turbidites

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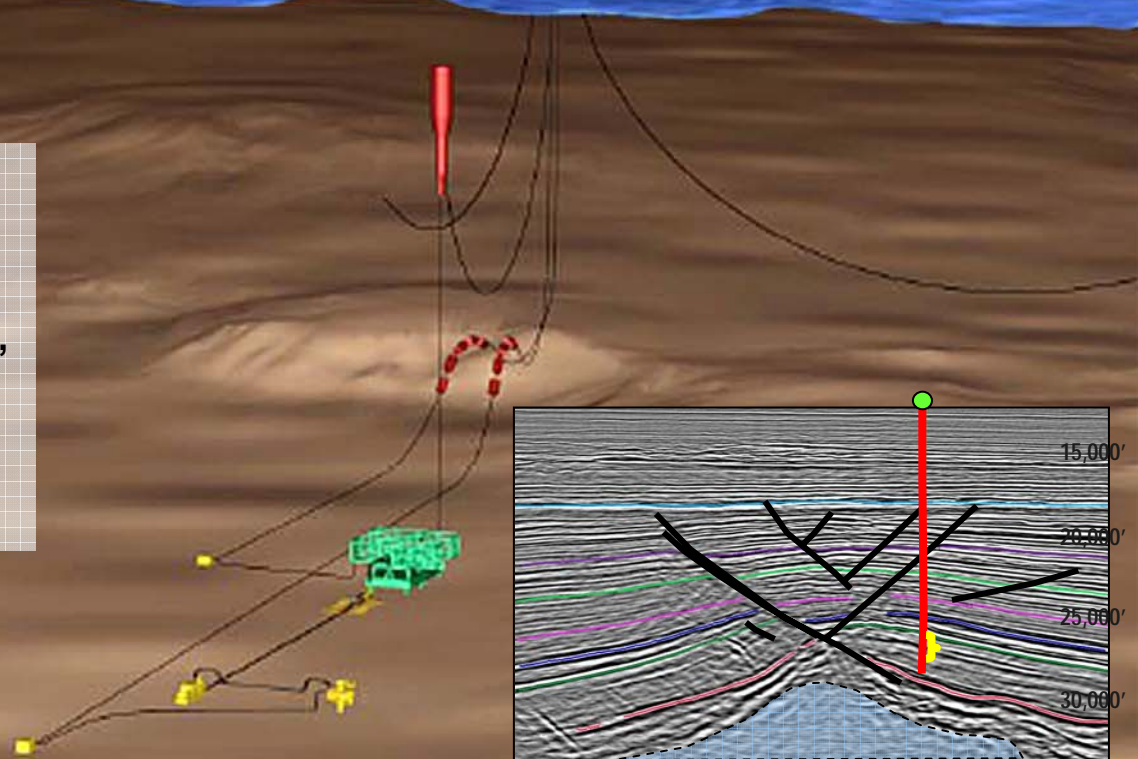


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Phased Development Option – Phase 1

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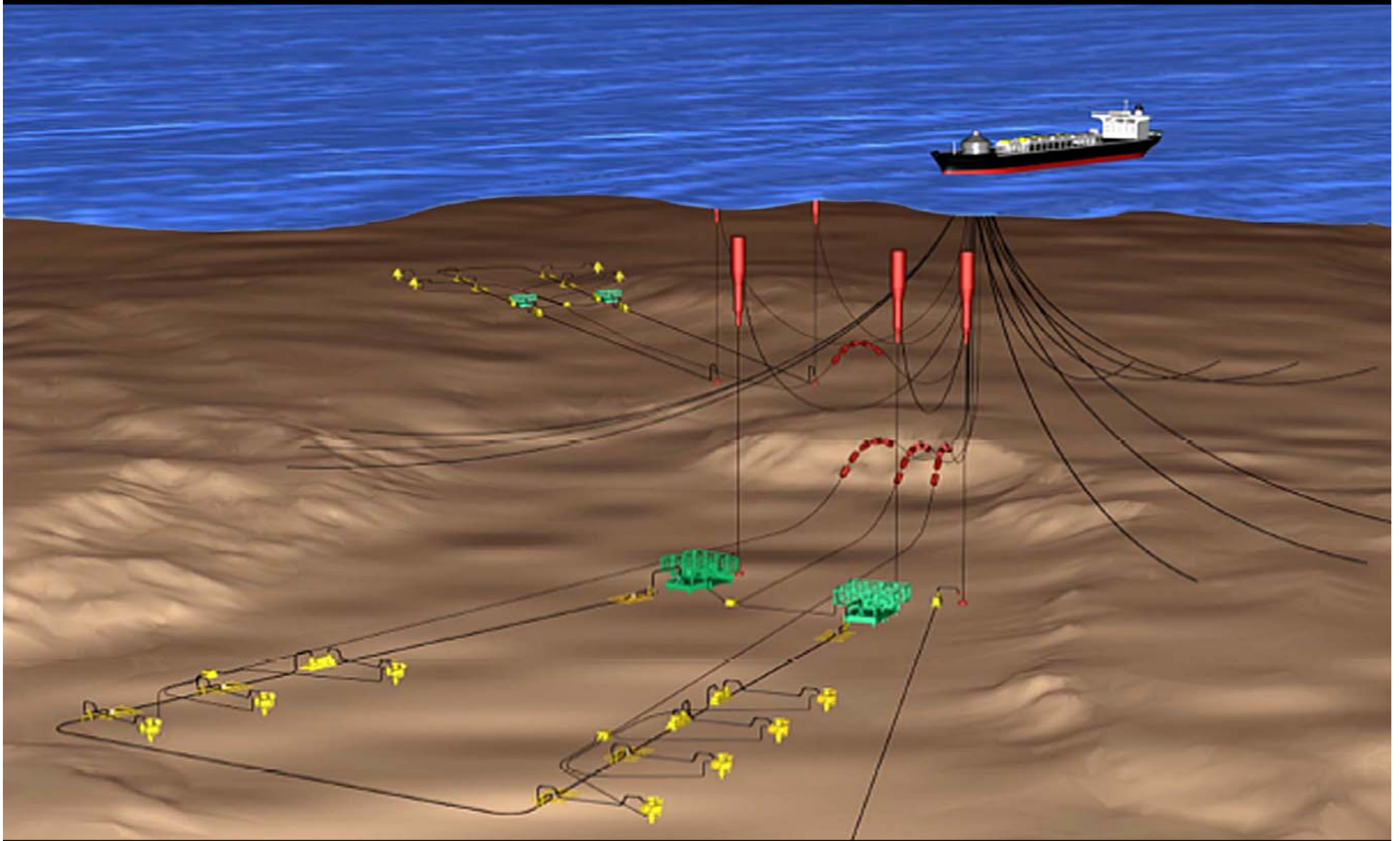
- Initial well count: 2 to 8
- Semi and/or FPSO can be leased
- Gas solution: burn as fuel offshore, pipeline or gas-to-liquids
- Expansion flexibility for future pipelines



Devon is 50% partner with Petrobras in 1st permitted FPSO in GOM

Phased Development Option – Phase 2

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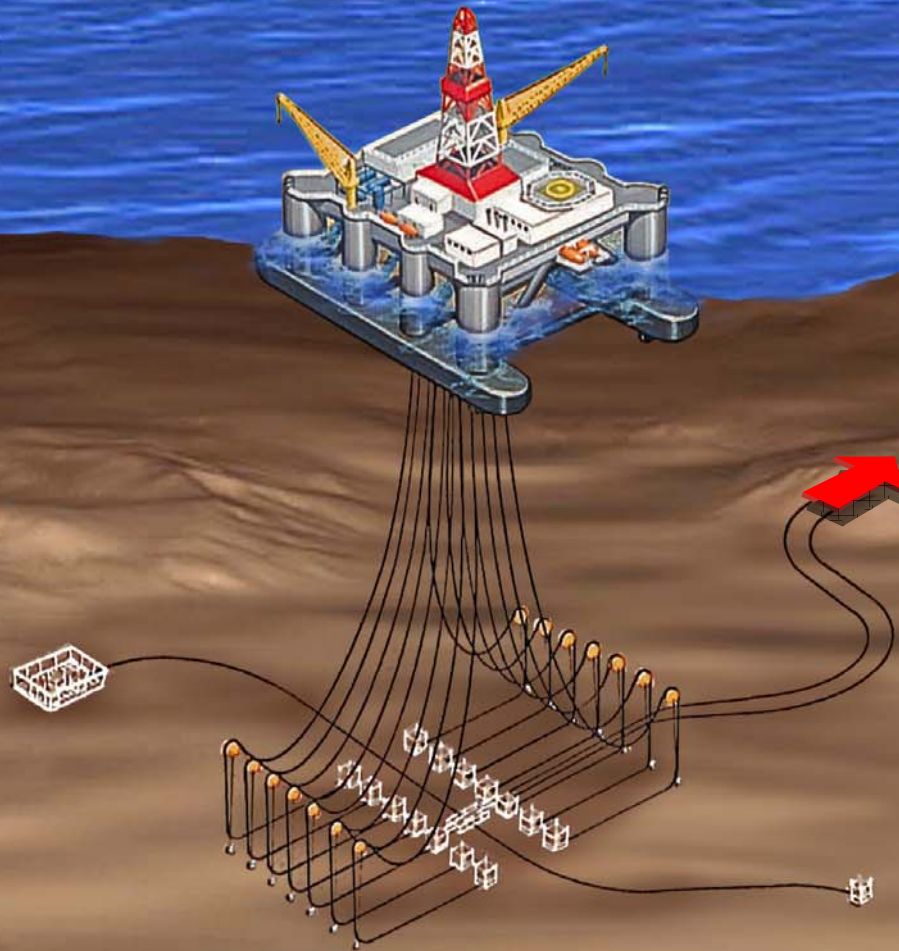


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Large Field Development Option

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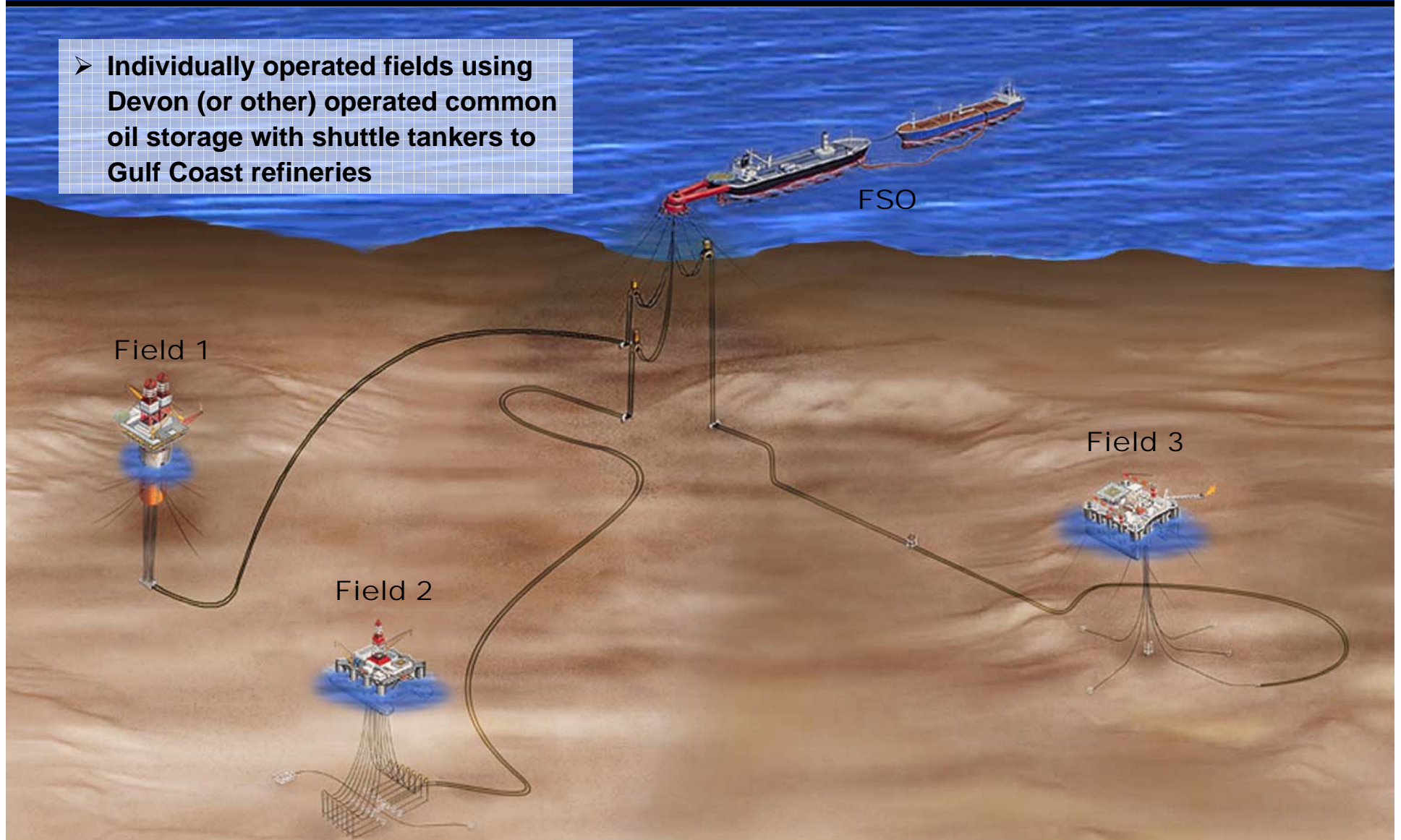


- Semi, spar or FPSO
- FSO or oil and gas pipelines to existing GOM infrastructure
- Final well count: 10 to 25

Multi-Field Development Option

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- Individually operated fields using Devon (or other) operated common oil storage with shuttle tankers to Gulf Coast refineries



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Enabling Technologies For Success

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Sub-salt Imaging

New acquisition techniques

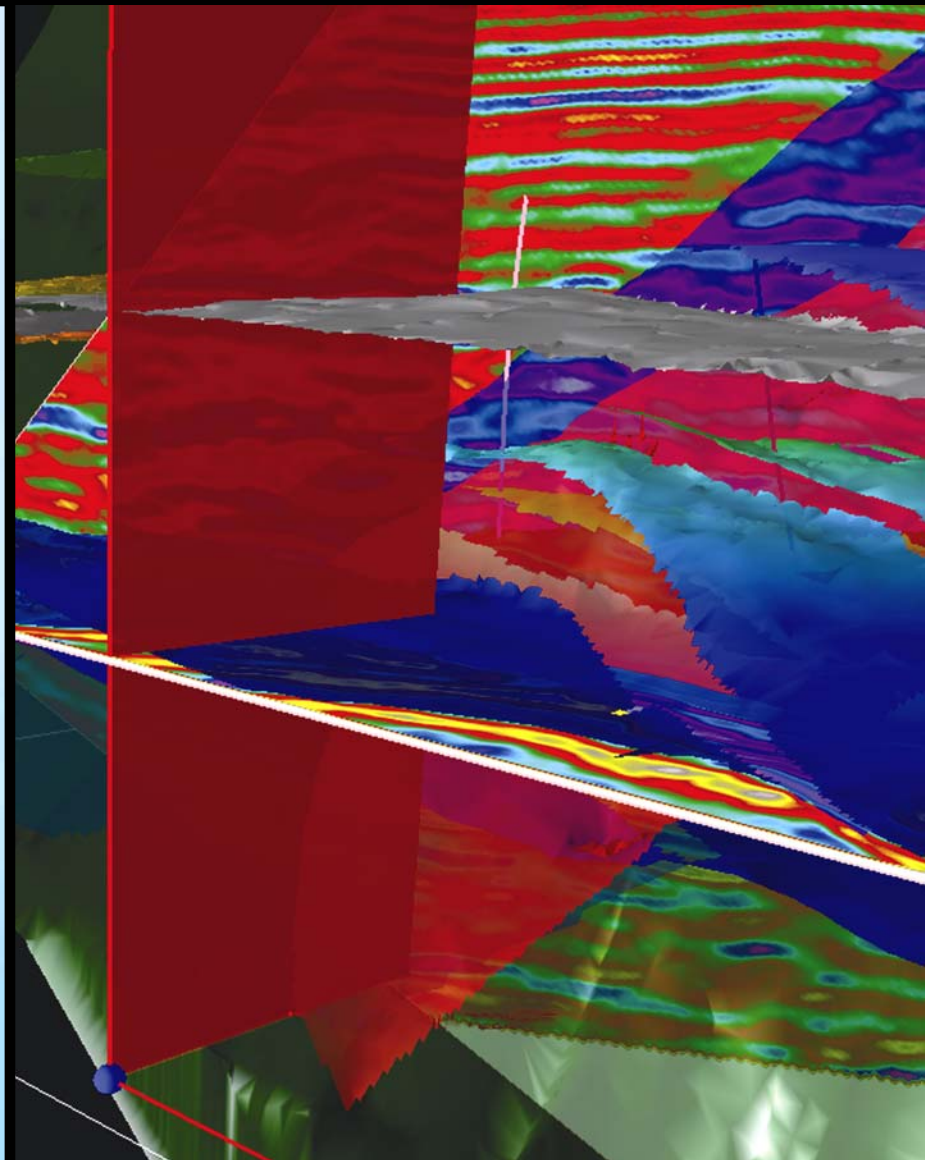
New processing algorithms

Advanced Drilling Techniques

Salt and sub-salt environments

High pressured environment

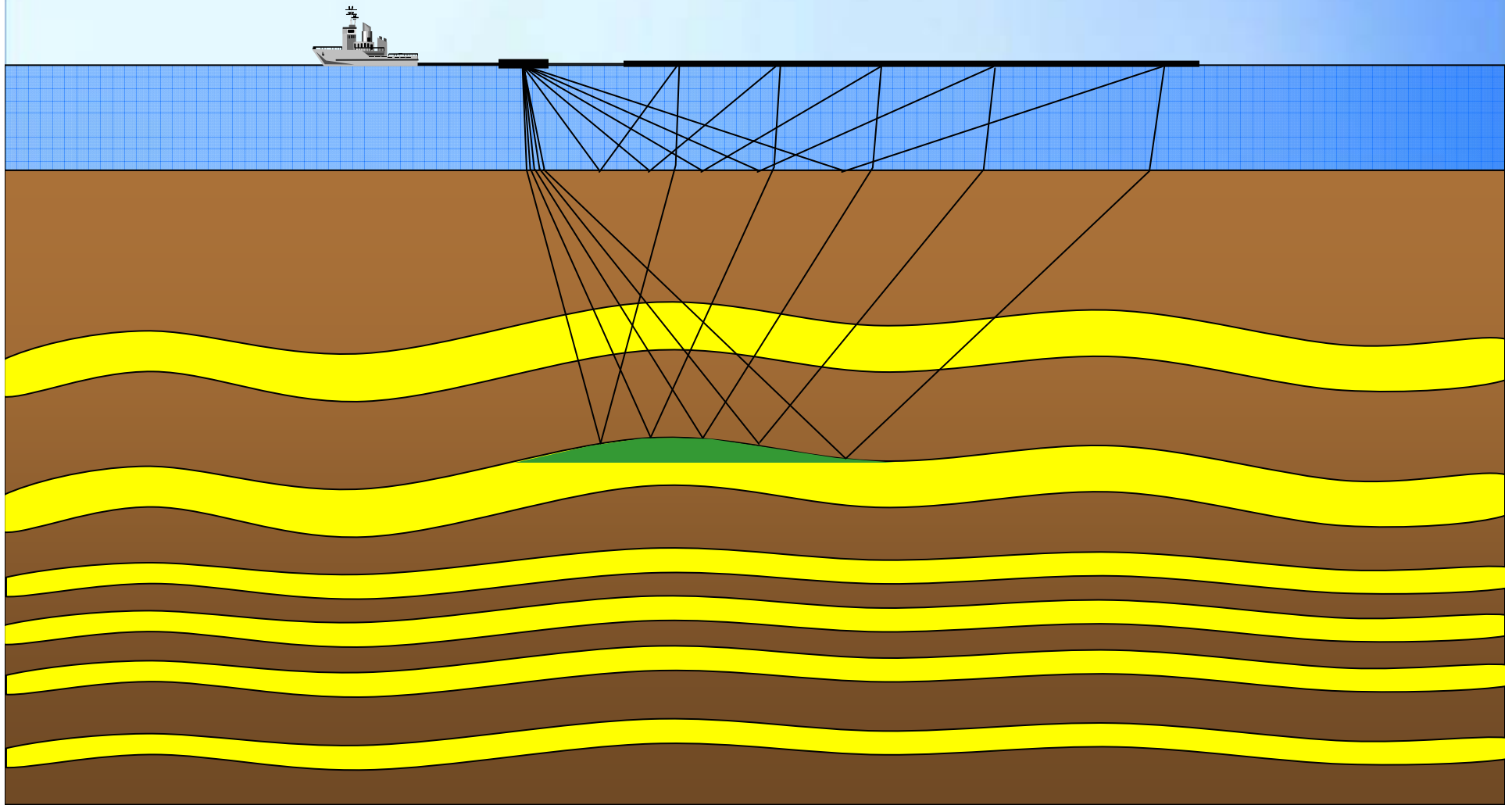
Deepwater Well Testing Techniques



Seismic Imaging

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Boat Source Receivers



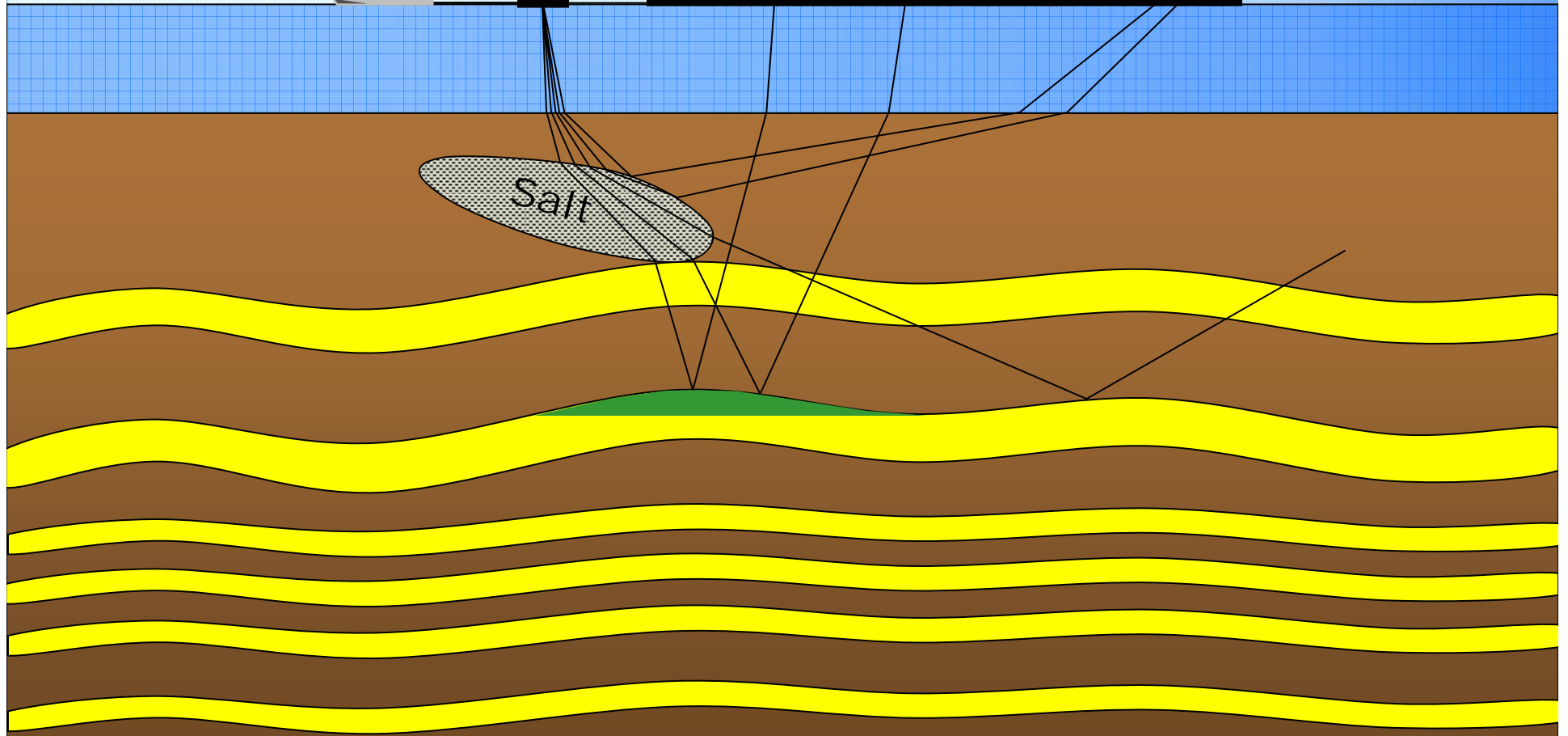
Subsalt Seismic Imaging

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Boat

Source

Receivers



WAZ Acquisition

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**10 Streamers @ 400ft
4000 ft Wide Tow
2165 Acre Footprint**

**The Largest Moving
Man-Made Object
On Earth**

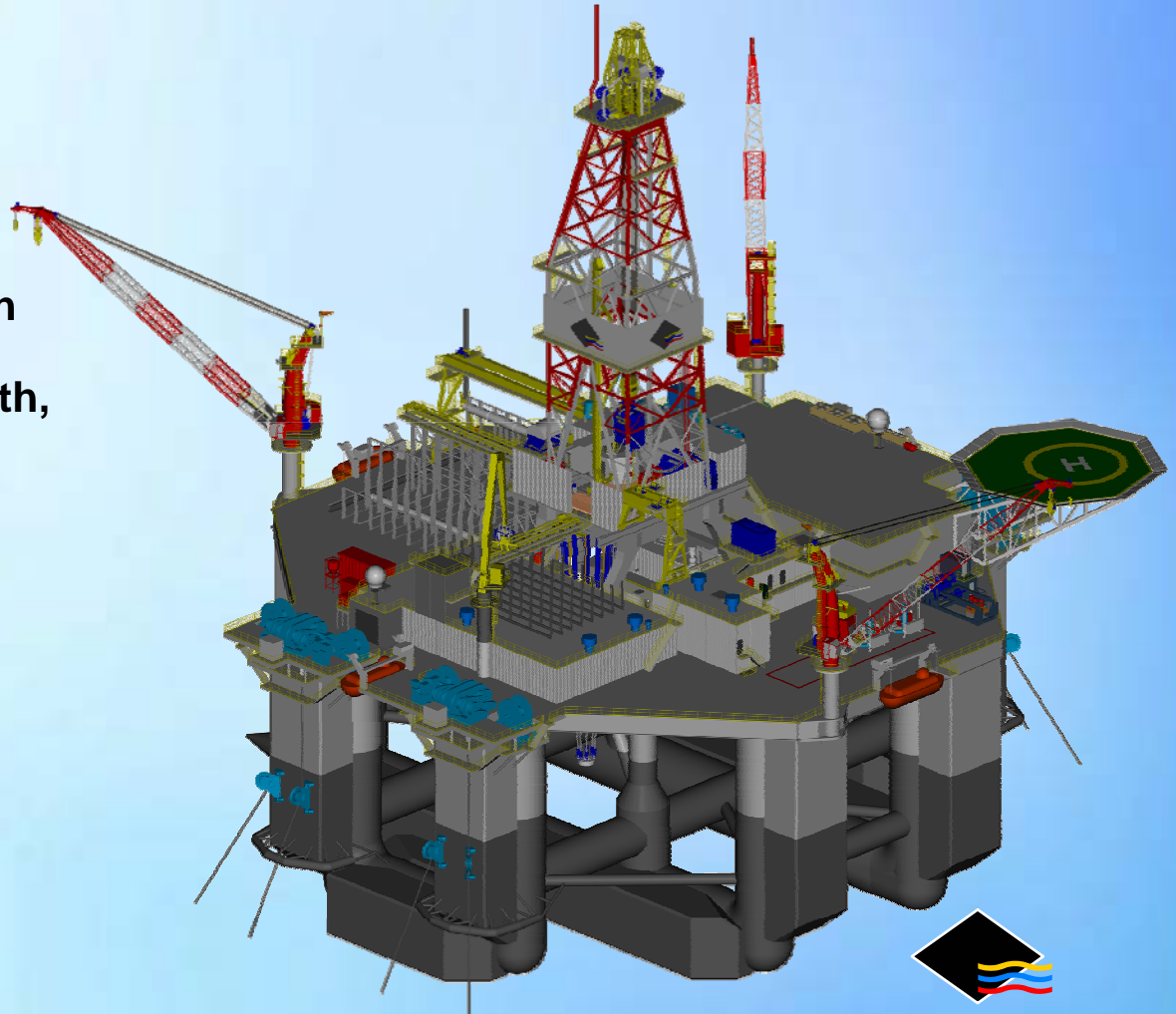


Ocean Endeavor



Rig specs:

- Rated to 35,000' drilling depth
- Outfitted for 8,250' water depth, upgradeable to 10,000'
- Enhanced 12 pt. mooring



Jack Production Test

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GOALS:

- incident free – no spills, no accidents
- capture reservoir data

Multiple World Records Set for Duration, Pressure and Depth



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Thank you.

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