FORM 8-K

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KERR MCGEE CORP

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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15 (D) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (date of earliest event reported): July 27, 1999

KERR-McGEE CORPORATION

(Exact name of registrant as specified in its charter)

<TABLE>
<S> <C> <C>

Delaware	1-3939	73-0311467
(State or other jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

</TABLE>

Kerr-McGee Center, Oklahoma City, Oklahoma 73125

(Address of principal executive offices) (Zip Code)

(405) 270-2731

(Registrant=s telephone number, including area code)

Item 5.

On July 27, 1999, Kerr-McGee Corporation (the "Company") announced the offering of five-year notes in the form of Debt Exchangeable for Common Stock(SM) (DECS(SM)) exchangeable at maturity on August 2, 2004 into shares of Devon Energy Corporation common stock, par value $.10, or, at the Company's option, an equivalent amount of cash.

The Company has offered 8,655,652 DECS at an issue price of $33.1875 per DECS, for gross proceeds of $287,259,450 million. The coupon on the DECS is 5 1/2 percent, and the DECS are not callable prior to maturity.

Salomon Smith Barney, Credit Suisse First Boston, ABN AMRO Rothschild, Lehman Brothers Inc. and Merrill Lynch & Co. are the underwriters for the offering. The DECS will be listed on the NYSE under the symbol "KMD". The Company has granted the underwriters an over-allotment option to purchase up to 1,298,348 million additional DECS at the issue price.

Item 7. Exhibits

The following exhibits are filed as part of this report.

1.1* Underwriting Agreement, dated July 27, 1999, among the Company, the Devon Energy Corporation and Salomon Smith Barney Inc., Credit Suisse First Boston Corporation, ABN AMRO Incorporated, Lehman Brothers Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Representatives for the Underwriters.

4.1* First Supplemental Indenture, dated as of May 7, 1996, between the Company and Citibank, N.A.

4.2* Form of Second Supplemental Indenture, between the Company and Citibank, N.A.

4.3 Form of Exchangeable Note due 2004 (incorporated herein by reference from Exhibit 4.2).

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

KERR-McGEE CORPORATION

By: /s/ DEBORAH A. KITCHENS

Name: Deborah A. Kitchens
Title: Vice President, Controller and Chief Accounting Officer

Dated: July 28, 1999

EXHIBIT INDEX

Exhibits

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* Filed herewith.

EXHIBIT 1.1

KERR-MCGEE CORPORATION

8,655,652 DECSSM (Debt Exchangeable for Common Stock(SM)*
5.50% Exchangeable Notes Due August 2, 2004

(Subject to Exchange into Shares of Common Stock,
par value $.10 per share, of Devon Energy Corporation)

Underwriting Agreement

New York, New York
July 27, 1999

Salomon Smith Barney Inc.
Credit Suisse First Boston Corporation
Lehman Brothers Inc.
Merrill Lynch & Co., Merrill Lynch, Pierce,
Fenner & Smith Incorporated
ABN AMRO Incorporated
As Representatives of the several Underwriters,
c/o Salomon Smith Barney Inc.
388 Greenwich Street
New York, New York 10013

Ladies and Gentlemen:

Kerr-McGee Corporation, a Delaware corporation ("Kerr-McGee"), proposes to sell to the underwriters named in Schedule I hereto (the "Underwriters"), for whom you (the "Representatives") are acting as representatives, an aggregate of 8,655,652 DECS (Debt Exchangeable for Common Stock) consisting of its 5.50% Exchangeable Notes Due August 2, 2004 (the "Underwritten DECS"), to be issued under an indenture (the "Indenture") dated as of August 2, 1999 between Kerr-McGee and Citibank, N.A., as trustee (the "Trustee"). In addition, the Underwriters will have an option to purchase up to 1,298,348 DECS (the "Option DECS" and, together with the Underwritten DECS, the "DECS"). At maturity (including as a result of acceleration or otherwise), the DECS will be mandatorily exchanged by Kerr-McGee into shares of Common Stock, par value $.10 per share, of Devon Energy Corporation (the "Devon Energy Common Stock"), an Oklahoma corporation ("Devon Energy") (or, at Kerr-McGee's option under the circumstances described in the Final Kerr-McGee Prospectus (as defined below), cash with an equal value), at the rate specified in the Final Kerr-McGee Prospectus. To the extent there are no additional Underwriters listed on Schedule I other than you, the term

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* Plus an option to purchase from Kerr McGee Corporation, up to 1,298,348 additional DECS to cover over-allotments.

Representatives shall mean you, as Underwriters, and the terms Representatives and Underwriters shall mean the singular or the plural as the context requires.

In connection with the foregoing and pursuant to the Registration Rights Agreement dated December 31, 1996, as amended, between Devon Energy and

Kerr-McGee (the "Registration Rights Agreement"), Devon Energy has filed with the Commission a registration statement with respect to 8,655,652 shares (the "Underwritten Shares") of Devon Energy Common Stock, in respect of the Underwritten DECS plus an additional 1,298,348 shares (the "Option Shares" and, together with the Underwritten Shares, the "Shares") of Devon Energy Common Stock in respect of the Option DECS, for sale by Kerr-McGee as a selling stockholder (to the extent Kerr-McGee shall so elect to deliver Devon Energy Common Stock to holders of the DECS at maturity thereof pursuant to the terms of the DECS), which registration statement is referred to in Section 2 of this Agreement.

Certain terms used in this Agreement are defined in Section 20 of this Agreement.

1. Representations and Warranties of Kerr-McGee. (a) Kerr-McGee represents and warrants to, and agrees with, each Underwriter and Devon Energy as set forth below in this Section 1.

(i) Kerr-McGee meets the requirements for use of Form S-3 under the Securities Act of 1933 (the "Act"), has prepared and filed with the Commission a registration statement (file number 333-76951) on Form S-3, including a related basic prospectus, for the registration under the Securities Act of 1933, as amended (the "Act"), of the offering and sale of the DECS, and such registration statement has been declared effective by the Commission in the form on file with the Commission on its Effective Date. Kerr-McGee may have filed one or more amendments thereto, including a related preliminary prospectus, each of which has previously been furnished to you. Kerr-McGee will next file with the Commission one of the following: (1) after the Effective Date of such registration statement, a final prospectus supplement relating to the DECS in accordance with Rules 430A and 424(b), (2) prior to the Effective Date of such registration statement, an amendment to such registration statement (including the form of final prospectus supplement) or (3) a final prospectus supplement in accordance with Rules 415 and 424(b). In the case of clause (1), Kerr-McGee has included in such registration statement, as amended at the Effective Date, all information (other than Rule 430A Information) required by the Act and the rules thereunder to be included in such registration statement and the Final Kerr-McGee Prospectus. As filed, such final prospectus supplement or such amendment and form of final prospectus supplement shall contain all Rule 430A Information, together with all other such required information, and, except to the extent the Representatives shall agree in writing to a modification, shall be in all substantive respects in the form furnished to you prior to the Execution Time or, to the extent not completed at the Execution Time, shall contain only such specific additional information and other changes (beyond that contained in the Basic Kerr-McGee Prospectus and any Preliminary Final Kerr-McGee Prospectus) as Kerr-McGee has advised you, prior to the Execution Time, will be included or made therein. Such registration statement, at the Execution Time, meets the requirements set forth in Rule 415(a)(1)(x).

(ii) On the Kerr-McGee Effective Date, the Kerr-McGee Registration Statement did or will, and when the Final Kerr-McGee Prospectus is first filed in accordance with Rule 424(b) and on the Closing Date (as hereinafter defined) and on any date on which Option DECS are purchased, if such date is not the Closing Date (a "settlement date"), the Final Kerr-McGee Prospectus (and any supplement thereto) will, comply in all material respects with the applicable requirements of the Act, the Exchange Act, and

the Trust Indenture Act, and the respective rules thereunder; on the Kerr-McGee Effective Date, the Kerr-McGee Registration Statement did not or will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading; on the Kerr-McGee Effective Date and on the Closing Date the Indenture did or will comply in all material respects with the applicable requirements of the Trust Indenture Act and the rules thereunder; and, on the Kerr-McGee Effective Date, the Final Kerr-McGee Prospectus, if not filed pursuant to Rule 424(b), will not, and on the date of any filing pursuant to Rule 424(b) and on the Closing Date, the Final Kerr-McGee Prospectus (together with any supplement thereto) will not, include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that Kerr-McGee makes no representations or warranties
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as to (A) that part of the Kerr-McGee Registration Statement which shall constitute the Statement of Eligibility and Qualification (Form T-1) under the Trust Indenture Act of the Trustee or (B) the information contained in or omitted from the Kerr-McGee Registration Statement or the Final Kerr-McGee Prospectus (or any supplement thereto) in reliance upon and in conformity with information furnished in writing to Kerr-McGee by or on behalf of any Underwriter through the Representatives specifically for inclusion in the Kerr-McGee Registration Statement or the Final Kerr-McGee Prospectus (or any supplement thereto) or (C) the information contained in or omitted from the Devon Energy Prospectus (attached as Appendix A to the Preliminary Final Kerr-McGee Prospectus or the Final Kerr-McGee Prospectus), other than information contained in or omitted from the Devon Energy Prospectus in reliance upon and in conformity with information furnished in writing to Devon Energy by Kerr-McGee specifically for inclusion in the Devon Energy Prospectus.

(iii) Kerr-McGee and each of its subsidiaries which are significant subsidiaries (as such term is defined in Rule 1-02 of Regulation S-X) (each, as set forth on Annex A attached hereto, a "Kerr-McGee Significant Subsidiary," and collectively, the "Kerr-McGee Significant Subsidiaries") have been duly incorporated and are validly existing as corporations in good standing under the laws of the jurisdictions in which they are chartered or organized with full corporate power and authority to own or lease, as the case may be, and to operate their properties and conduct their businesses as described in the Final Kerr-McGee Prospectus, and are duly qualified to do business as foreign corporations and are in good standing under the laws of each jurisdiction in which the failure so to qualify would have a material adverse effect on the financial condition, results of operations, business, earnings or properties of Kerr-McGee and its subsidiaries, taken as a whole;

(iv) All the outstanding shares of capital stock of each Kerr-McGee Significant Subsidiary have been duly authorized and validly issued and are fully paid and nonassessable, and, except as otherwise set forth in the Prospectus, all outstanding shares of capital stock of the Kerr-McGee Significant Subsidiaries are owned by Kerr-McGee either directly or through wholly owned subsidiaries free and clear of any perfected security interest or any other security interests, claims, liens or encumbrances;

(v) The Indenture has been duly authorized and, if the Effective Time of the Kerr-McGee Registration Statement is prior to the execution and delivery of this Agreement, has been or otherwise upon such Effective Time

will be duly qualified under the Trust Indenture Act with respect to the DECS offered thereby; the DECS have been duly authorized; and when DECS offered are delivered and paid for pursuant to this Agreement on each Closing Date, the Indenture will have been duly executed and delivered, such DECS will have been duly executed, authenticated, issued and delivered and will conform to the description thereof contained in the Final Kerr-McGee Prospectus and the Indenture and such DECS will constitute valid and legally binding obligations of Kerr-McGee, enforceable in accordance with their terms, subject to bankruptcy insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(vi) The DECS have been approved for listing on The New York Stock Exchange, subject to notice of issuance.

(vii) There is no franchise, contract or other document of a character required to be described in the Kerr-McGee Registration Statement or Final Kerr-McGee Prospectus, or to be filed as an exhibit thereto, which is not described or filed as required; and the statements in the Basic Kerr-McGee Prospectus under the caption "Description of Debt Securities" and in the Final Kerr-McGee Prospectus Supplement under the captions "Description of DECS" and "Certain United States Federal Income Tax Consequences" fairly summarize the matters therein described.

(viii) This Agreement has been duly authorized, executed and delivered by Kerr-McGee and constitutes a valid and binding obligation of Kerr-McGee enforceable in accordance with its terms.

(ix) Kerr-McGee is not and, after giving effect to the offering and sale of the DECS and the application of the proceeds thereof as described in the Prospectus, will not be an "investment company" as defined in the Investment Company Act of 1940, as amended .

(x) No consent, approval, authorization, filing with or order of any court or governmental agency or body is required in connection with the transactions contemplated herein, except such as have been obtained under the Act and the Trust Indenture Act and such as may be required under the blue sky laws of any jurisdiction in connection with the purchase and distribution of the DECS and the Devon Energy

Common Stock by the Underwriters in the manner contemplated herein and in the Final Kerr-McGee Prospectus and the Devon Energy Prospectus .

(xi) Neither the issue and sale of the DECS nor the consummation of any other of the transactions herein contemplated nor the fulfillment of the terms hereof will conflict with, result in a breach or violation or imposition of any material lien, charge or encumbrance upon any property or assets of Kerr-McGee or any of its Kerr-McGee Significant Subsidiaries pursuant to, (i) the charter or by-laws of Kerr-McGee or any of its Kerr-McGee Significant Subsidiaries, (ii) the terms of any material indenture, contract, lease, mortgage, deed of trust, note agreement, loan agreement or other agreement, obligation, condition, covenant or instrument to which Kerr-McGee or any of its Kerr-McGee Significant Subsidiaries is a party or bound or to which its or their property is subject, or (iii) any statute, law, rule, regulation, judgment, order or decree applicable to Kerr-McGee or any of its Kerr-McGee Significant Subsidiaries of any court, regulatory body, administrative agency, governmental body, arbitrator or other

authority having jurisdiction over Kerr-McGee or any of its Kerr-McGee Significant Subsidiaries or any of its or their properties.

(xii) No action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving Kerr-McGee or any of its subsidiaries or its or their property is pending or, to the best knowledge of Kerr-McGee, threatened that (i) could reasonably be expected to have a material adverse effect on the performance of this Agreement or the consummation of any of the transactions contemplated hereby or (ii) could reasonably be expected to have a material adverse effect on the financial condition, results of operations, business, earnings or properties of Kerr-McGee and its subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Final Kerr-McGee Prospectus (exclusive of any supplement thereto).

(xiii) Neither Kerr-McGee nor any Kerr-McGee Significant Subsidiary is in violation or default of (i) any provision of its charter or bylaws, (ii) the terms of any indenture, contract, lease, mortgage, deed of trust, note agreement, loan agreement or other agreement, obligation, condition, covenant or instrument to which it is a party or bound or to which its property is subject, except if such violation or default with respect to this clause (ii) could not reasonably be expected to have a material adverse effect on the financial condition, results of operations, business, earnings or properties of Kerr-McGee and its subsidiaries, taken as a whole, or (iii) any statute, law, rule, regulation, judgment, order or decree of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over Kerr-McGee or such Kerr-McGee Significant Subsidiary or any of its properties, as applicable, except with respect to this clause (iii) such as could not reasonably be expected to have a material adverse effect on the financial condition, results of operations, business, earnings or properties of Kerr-McGee and its subsidiaries, taken as a whole.

(xiv) Kerr-McGee and its subsidiaries possess all licenses, certificates, permits and other authorizations issued by the appropriate federal, state or foreign regulatory authorities necessary to conduct their respective businesses, and neither Kerr-McGee nor

any such subsidiary has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a material adverse effect on the financial condition, results of operations, business, earnings or properties of Kerr-McGee and its subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Final Kerr-McGee Prospectus (exclusive of any supplement thereto).

(xv) Kerr-McGee and its subsidiaries (i) are in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("Environmental Laws"), (ii) have received and are in compliance with all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) have not received notice of any actual or potential liability for the investigation or remediation of any disposal or release of hazardous or

toxic substances or wastes, pollutants or contaminants, except where such non-compliance with Environmental Laws, failure to receive required permits, licenses or other approvals, or liability would not, individually or in the aggregate, have a material adverse effect on the financial condition, results of operations, business, earnings or properties of Kerr-McGee and its subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Final Kerr-McGee Prospectus (exclusive of any supplement thereto). Except as set forth in the Final Kerr-McGee Prospectus and except as set forth in Schedule II hereto, neither Kerr-McGee nor any of the subsidiaries has been named as a "potentially responsible party" under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended.

(xvi) In the ordinary course of its business, Kerr-McGee periodically reviews the effect of Environmental Laws on the business, operations and properties of Kerr-McGee and its subsidiaries, in the course of which it identifies and evaluates associated costs and liabilities (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws, or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties). On the basis of such review, Kerr McGee has reasonably concluded that such associated costs and liabilities would not, singly or in the aggregate, have a material adverse effect on the financial condition, results of operations, business, earnings or properties of Kerr McGee and its subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Final Kerr-McGee Prospectus (exclusive of any supplement thereto).

(xvii) The subsidiaries listed on Annex A attached hereto are the only significant subsidiaries of Kerr-McGee as defined by Rule 1-02 of Regulation S-X.

(xviii) Kerr-McGee and its subsidiaries have implemented a comprehensive, detailed program to analyze and address the risk that the computer hardware and software used by them may be unable to recognize and properly execute date-sensitive functions involving

certain dates prior to and any dates after December 31, 1999 (the "Year 2000 Problem"), and has determined that such risk will be remedied on a timely basis without material expense and will not have a material adverse effect upon the financial condition and results of operations of Kerr-McGee and its subsidiaries, taken as a whole; and Kerr-McGee believes, after due inquiry, that each supplier, vendor, customer or financial service organization used or serviced by Kerr-McGee and its subsidiaries has remedied or will remedy on a timely basis the Year 2000 Problem, except to the extent that a failure to remedy by any such supplier, vendor, customer or financial service organization would not have a material adverse effect on Kerr-McGee and its subsidiaries, taken as a whole. Kerr-McGee is in compliance in all material respects with the Commission Release Nos. 33-7558 and 33-7609 related to Year 2000 compliance, as amended or supplemented to date.

(xix) Subsequent to the respective dates as of which information is presented in the Kerr-McGee Registration Statement and the Final Kerr-McGee Prospectus, except as otherwise stated therein, there has been no material adverse change or any development involving a prospective material adverse change in the condition (financial or otherwise), business, properties or

results of operations of Kerr-McGee and its subsidiaries taken as a whole.

(xx) Kerr-McGee has not taken and will not take, directly or indirectly, any action designed to or which has constituted or which might reasonably be expected to cause or result, under the Exchange Act or otherwise, in stabilization or manipulation of the price of any security of Devon Energy to facilitate the sale or resale of the DECS or the Devon Energy Common Stock and has not effected any sales of Devon Energy Common Stock which, if effected by the issuer, would be required to be disclosed in response to Item 701 of Regulation S-K.

(xxi) If Kerr-McGee elects to exchange the DECS for the Shares on the Exchange Date (as defined in the DECS), then on such Exchange Date it will be the record and beneficial owner of the Shares to be sold by it hereunder free and clear of all liens, encumbrances, equities and claims and will have duly indorsed such Shares in blank, and, assuming that each holder of DECS acquires its interest in the Shares it receives on the Exchange Date from Kerr McGee without notice of any adverse claim (within the meaning of Section 8-105 of the New York Uniform Commercial Code ("UCC")), upon sale and delivery of, and payment for, such Shares, as provided herein and in the terms of the DECS, each such holder will own the Shares, free and clear of all liens, encumbrances, equities and claims whatsoever.

(b) In respect of any statements in or omissions from the Devon Energy Registration Statement or the Devon Energy Prospectus or any supplements thereto made in reliance upon and in conformity with information furnished in writing to Devon Energy by Kerr-McGee specifically for inclusion therein, Kerr-McGee makes the same representations and warranties to Devon Energy as Kerr-McGee makes to each Underwriter under paragraph (a)(ii) of this Section 1.

2. Representations and Warranties of Devon Energy. Devon Energy represents and warrants to, and agrees with, each Underwriter and Kerr-McGee as set forth below in this Section 2.

(a) Devon Energy meets the requirements for use of Form S-3 under the Act and has prepared and filed with the Commission a registration statement (file number 333-82943) on Form S-3, including a related preliminary prospectus, for registration under the Act of the offering and sale of the Shares. Devon Energy may have filed one or more amendments thereto, including a related preliminary prospectus, each of which has previously been furnished to you. Devon Energy will next file with the Commission one of the following: either (1) prior to the Devon Energy Effective Date of such registration statement, a further amendment to such registration statement, including the form of final prospectus or (2) after the Devon Energy Effective Date of such registration statement, a final prospectus in accordance with Rules 430A and 424(b). In the case of clause (2), Devon Energy has included in such registration statement, as amended at the Devon Energy Effective Date, all information (other than Rule 430A Information) required by the Act and the rules thereunder to be included in such registration statement and the Devon Energy Prospectus with respect to the Shares and the offering thereof. As filed, such amendment and form of final prospectus, or such final prospectus, shall contain all Rule 430A Information, together with all other such required information with respect to the Shares and the offering thereof, and, except to the extent the Representatives shall agree in writing to a modification, shall be in all substantive respects in the form furnished to you prior to the Execution Time or, to the extent not completed at the Execution Time, shall contain

only such specific additional information and other changes (beyond that contained in the latest Preliminary Devon Energy Prospectus) as Devon Energy has advised you, prior to the Execution Time, will be included or made therein. Any reference herein to the Devon Energy Registration Statement, Preliminary Devon Energy Prospectus or the Devon Energy Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 which were filed under the Exchange Act on or before the Devon Energy Effective Date or the issue date of a Preliminary Devon Energy Prospectus or the Devon Energy Prospectus, as the case may be; and any reference herein to the terms "amend," "amendment" or "supplement" with respect to the Devon Energy Registration Statement, any Preliminary Devon Energy Prospectus or the Devon Energy Prospectus shall be deemed to refer to and include the filing by Devon Energy of any document under the Exchange Act after the Devon Energy Effective Date, or the issue date of any Preliminary Devon Energy Prospectus or the Devon Energy Prospectus, as the case may be, deemed to be incorporated therein by reference.

(b) On the Devon Energy Effective Date, the Devon Energy Registration Statement did or will, and when the Devon Energy Prospectus is first filed (if required) in accordance with Rule 424(b) and on the Closing Date and on any settlement date (as defined below), the Devon Energy Prospectus (and any supplements thereto) will, comply in all material respects with the applicable requirements of the Act, the Exchange Act and the respective rules thereunder; on the Devon Energy Effective Date and at the Execution Time, the Devon Energy Registration Statement did not or will not contain any untrue statement of a material fact or omit to state any material fact required to be stated

therein or necessary in order to make the statements therein not misleading; and, on the Devon Energy Effective Date, the Devon Energy Prospectus, if not filed pursuant to Rule 424(b), will not, and on the date of any filing pursuant to Rule 424(b) and on the Closing Date, the Devon Energy Prospectus (together with any supplement thereto) will not, include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, --------
however, that Devon Energy makes no representations or warranties as to the -------
information contained in or omitted from the Devon Energy Registration Statement, or the Devon Energy Prospectus (or any supplement thereto) in reliance upon and in conformity with information furnished in writing to Devon Energy (i) by or on behalf of any Underwriter through the Representatives specifically for inclusion in the Devon Energy Registration Statement or the Devon Energy Prospectus (or any supplement thereto) or (ii) by Kerr-McGee, in either case, specifically for inclusion in the Devon Energy Registration Statement or the Devon Energy Prospectus (or any supplement thereto).

(c) Each of Devon Energy and each of its subsidiaries which are significant subsidiaries (as such term is defined in Rule 1-02 of Regulation S-X) (each, as set forth on Annex B attached hereto, a "Devon Energy Significant Subsidiary," and collectively, the "Devon Energy Significant Subsidiaries") has been duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction in which it is chartered or organized with full corporate power and authority to own or lease, as the case may be, and to operate its

properties and conduct its business as described in the Devon Energy Prospectus and is duly qualified to do business as a foreign corporation and is in good standing under the laws of each jurisdiction in which the failure so to qualify would have a material adverse effect on the financial condition, results of operations, business, earnings or properties of Devon Energy and its subsidiaries, taken as a whole.

(d) Devon Energy's authorized equity capitalization is as set forth in the Devon Energy Prospectus; the capital stock of Devon Energy conforms in all material respects to the description thereof contained in the Devon Energy Prospectus; the outstanding shares of Devon Energy Common Stock have been duly and validly authorized and issued and are fully paid and nonassessable; the Shares have been duly and validly authorized, and, when issued and delivered to and paid for by the Underwriters pursuant to this Agreement, will be fully paid and nonassessable; the Shares are duly listed, and admitted and authorized for trading, subject to official notice of issuance, on the American Stock Exchange (the "AMEX"); the certificates for the Shares are in valid and sufficient form; the holders of outstanding shares of capital stock of Devon Energy are not entitled to preemptive or other rights to subscribe for the Shares; and, except as set forth in the Devon Energy Prospectus, no options, warrants or other rights to purchase, agreements or other obligations to issue, or rights to convert any obligations into or exchange any securities for, shares of capital stock of or ownership interests in Devon Energy are outstanding.

(e) All of the outstanding shares of capital stock of each Devon Energy Significant Subsidiary have been duly and validly authorized and issued and are fully

paid and nonassessable and, except as otherwise set forth in the Devon Energy Prospectus, all outstanding shares of capital stock of the Devon Energy Significant Subsidiaries are owned by Devon Energy either directly or through wholly-owned subsidiaries free and clear of any perfected security interests, claims, liens or encumbrances.

(f) This Agreement has been duly authorized, executed and delivered by Devon Energy and constitutes a valid and binding obligation of Devon Energy enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar laws relating to creditors' rights and general principles of equity.

(g) No holders of securities of Devon Energy, other than Kerr-McGee, have rights to the registration of such securities under the Devon Energy Registration Statement.

(h) Devon Energy and its subsidiaries are (i) in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("Environmental Laws"), (ii) have received and are in compliance with all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) have not received notice of any actual or potential liability for the investigation or remediation of any disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants, except where such non-compliance with Environmental Laws, failure to receive required permits, licenses or other approvals, or liability would not, individually or in the aggregate, have a material adverse effect on the financial

condition, results of operations, business, earnings or properties of Devon Energy and its subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Devon Energy Prospectus (exclusive of any supplement thereto). Except as set forth in the Devon Energy Prospectus, neither Devon Energy nor any of the subsidiaries has been named as a "potentially responsible party" under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended.

(i) In the ordinary course of its business, Devon Energy periodically reviews the effect of Environmental Laws on the business, operations and properties of Devon Energy and its subsidiaries, in the course of which it identifies and evaluates associated costs and liabilities (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws, or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties). On the basis of such review, Devon Energy has reasonably concluded that such associated costs and liabilities would not, singly or in the aggregate, have a material adverse effect on the financial condition, results of operations, business, earnings or properties of Devon Energy and its subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Devon Energy Prospectus (exclusive of any supplement thereto).

(j) No action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving Devon Energy or any of its subsidiaries or its or their property is pending or, to the best knowledge of Devon Energy, threatened that (i) could reasonably be expected to have a material adverse effect on the performance of this Agreement or the consummation of any of the transactions contemplated hereby or (ii) could reasonably be expected to have a material adverse effect on the financial condition, results of operations, business, earnings or properties of Devon Energy and its subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Devon Energy Prospectus (exclusive of any supplement thereto).

(k) No consent, approval, authorization, filing with or order of any court or governmental agency or body is required in connection with the transactions contemplated herein, except such as have been obtained under the Act and such as may be required under the blue sky laws of any jurisdiction in connection with the purchase and distribution of the Shares by the Underwriters in the manner contemplated herein and in the Final Kerr-McGee Prospectus or the Devon Energy Prospectus.

(l) Neither the issue and sale of the Shares nor the consummation by Devon Energy of any other of the transactions herein contemplated nor the fulfillment of the terms hereof will conflict with, result in a breach or violation or imposition of any material lien, charge or encumbrance upon any property or assets of Devon Energy or any of its Devon Energy Significant Subsidiaries pursuant to, (i) the charter or by-laws of Devon Energy or any of its Devon Energy Significant Subsidiaries, (ii) the terms of any indenture, contract, lease, mortgage, deed of trust, note agreement, loan agreement or other agreement, obligation, condition, covenant or instrument to which Devon Energy or any of its Devon Energy Significant Subsidiaries is a party or bound or to which its or their property is subject, or (iii) any statute, law, rule, regulation, judgment, order or

decree applicable to Devon Energy or any of its Devon Energy Significant Subsidiaries of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over Devon Energy or any of its Devon Energy Significant Subsidiaries or any of its or their properties.

(m) Devon Energy and its subsidiaries possess all licenses, certificates, permits and other authorizations issued by the appropriate federal, state or foreign regulatory authorities necessary to conduct their respective businesses as presently conducted, except where the failure to possess such licenses, certificates, permits or other authorizations would not, individually or in the aggregate, have a material adverse effect on the financial condition, results of operations, business, earnings or properties of Devon Energy and its subsidiaries, taken as a whole, and neither Devon Energy nor any such subsidiary has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a material adverse effect on the financial condition, results of operations, business, earnings or properties of Devon Energy and its subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Devon Energy Prospectus (exclusive of any supplement thereto).

(o) Devon Energy is not an "investment company" as defined in the Investment Company Act of 1940, as amended.

(p) Devon Energy and its subsidiaries have implemented a comprehensive, detailed program to analyze and address the risk that the computer hardware and software used by them may be unable to recognize and properly execute date-sensitive functions involving certain dates prior to and any dates after December 31, 1999 (the "Year 2000 Problem"), and has determined that such risk will be remedied on a timely basis without material expense and will not have a material adverse effect upon the financial condition and results of operations of Devon Energy and its subsidiaries, taken as a whole; and Devon Energy believes, after due inquiry, that each supplier, vendor, customer or financial service organization used or serviced by Devon Energy and its subsidiaries has remedied or will remedy on a timely basis the Year 2000 Problem, except to the extent that a failure to remedy by any such supplier, vendor, customer or financial service organization would not have a material adverse effect on Devon Energy and its subsidiaries, taken as a whole. Devon Energy is in compliance in all material respects with the Commission Release Nos. 33-7558 and 33-7609 related to Year 2000 compliance, as amended or supplemented to date.

(q) The Devon Energy Common Stock is duly listed and admitted for trading on the AMEX.

3. Purchase and Sale. (a) Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, Kerr-McGee agrees to sell to each Underwriter, and each Underwriter agrees, severally and not jointly, to purchase from Kerr-McGee, the number of DECS set forth opposite that Underwriter's name on Schedule I hereto, at a price of $33.1875 per DECS, plus accrued interest, if any, on the DECS from August 2, 1999 to the Closing Date.

(b) Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, Kerr-McGee hereby grants an option to the several Underwriters to purchase, severally and not jointly, up to 1,298,348 of the Option DECS at the same purchase price as the Underwriters shall pay for the Underwritten DECS. Said option may be exercised only to cover over-allotments in the sale of the Underwritten DECS by the Underwriters. Said option may be exercised in whole or in part at any time (but not more than once) on or before the 30th day after the date of the Final Kerr-McGee Prospectus upon written or telegraphic notice by the Representatives to Kerr-McGee setting forth the number of the Option DECS as to which the several Underwriters are exercising the option and the settlement date. The number of the Option DECS to be purchased by each Underwriter shall be the same percentage of the total number of the Option DECS to be purchased by the several Underwriters as such Underwriter is purchasing of the Underwritten DECS, subject to such adjustments as you in your absolute discretion shall make to eliminate any fractional Option DECS.

4. Delivery and Payment. Delivery of and payment for the Underwritten DECS and the Option DECS (if the option provided for in Section 3(b) hereof shall have been exercised on or before the third Business Day prior to the Closing Date) shall be made at 10:00 AM New York City time, on August 2, 1999, or at such time on such later date not more than three

Business Days after the foregoing date as the Representatives shall designate, which date and time may be postponed by agreement between the Representatives and Kerr-McGee or as provided in Section 11 hereof (such date and time of delivery and payment for the DECS being herein called the "Closing Date"). Delivery of the DECS shall be made to the Representatives for the respective accounts of the several Underwriters against payment by the several Underwriters through the Representatives of the purchase price thereof to or upon the order of Kerr-McGee by wire transfer payable in same-day funds to an account specified by Kerr-McGee. Delivery of the DECS shall be made through the facilities of The Depository Trust Company unless the Representatives shall otherwise instruct.

If the option provided for in Section 3(b) hereof is exercised after the third Business Day prior to the Closing Date, Kerr-McGee will deliver the Option DECS (at the expense of Kerr-McGee) to the Representatives, at 388 Greenwich Street, New York, New York, on the date specified by the Representatives (which shall be within three Business Days after exercise of said option) for the respective accounts of the several Underwriters, against payment by the several Underwriters through the Representatives of the purchase price thereof to or upon the order of Kerr-McGee by wire transfer payable in same-day funds to an account specified by Kerr-McGee. If settlement for the Option DECS occurs after the Closing Date, Kerr-McGee and Devon Energy will deliver to the Representatives on the settlement date for the Option DECS, and the obligation of the Underwriters to purchase the Option DECS shall be conditioned upon receipt of, supplemental opinions, certificates and letters confirming as of such date the opinions, certificates and letters delivered on the Closing Date pursuant to Section 7 hereof.

5. Offering by Underwriters. It is understood that the several Underwriters propose to offer the DECS for sale to the public as set forth in the Final Kerr-McGee Prospectus.

6. Agreements of Kerr-McGee.

Kerr-McGee agrees with the several Underwriters that:

(a) Prior to the termination of the offering of the DECS, Kerr-McGee will not file any amendment of the Kerr-McGee Registration Statement or supplement (including the Final Kerr-McGee Prospectus or any Preliminary Final Kerr-McGee Prospectus) to the Basic Kerr-McGee Prospectus unless Kerr-McGee has furnished you a copy for your review prior to filing and will not file any such proposed amendment or supplement to which you reasonably object. Subject to the foregoing sentence, if the Kerr-McGee Registration Statement has become or becomes effective pursuant to Rule 430A, or filing of the Final Kerr-McGee Prospectus is otherwise required under Rule 424(b), Kerr-McGee will cause the Final Kerr-McGee Prospectus, properly completed, and any supplement thereto to be filed with the Commission pursuant to the applicable paragraph of Rule 424(b) within the time period prescribed and will provide evidence satisfactory to the Representatives of such timely filing. Kerr-McGee will promptly advise the Representatives (1) when the Final Kerr-McGee Prospectus, and any supplement thereto, shall have been filed (if required) with the Commission pursuant to Rule 424(b), (2) when, prior to termination of the offering of the DECS, any amendment to the Kerr-McGee Registration Statement shall have been filed or become effective, (3) of any request by the Commission or its staff for any amendment of the Kerr-McGee

Registration Statement or for any supplement to the Final Kerr-McGee Prospectus or for any additional information, (4) of the issuance by the Commission of any stop order suspending the effectiveness of the Kerr-McGee Registration Statement or the institution or threatening of any proceeding for that purpose and (5) of the receipt by Kerr-McGee of any notification with respect to the suspension of the qualification of the DECS for sale in any jurisdiction or the institution or threatening of any proceeding for such purpose. Kerr-McGee will use its reasonable best efforts to prevent the issuance of any such stop order or the suspension of any such qualification and, if issued, to obtain as soon as possible the withdrawal thereof.

(b) If, at any time when a prospectus relating to the DECS is required to be delivered under the Act, any event occurs as a result of which the Final Kerr-McGee Prospectus as then supplemented would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in the light of the circumstances under which they were made not misleading, or if it shall be necessary to amend the Kerr-McGee Registration Statement or supplement the Final Kerr-McGee Prospectus to comply with the Act or the Exchange Act or the respective rules thereunder, Kerr-McGee promptly will (1) notify the Representatives of such event, (2) prepare and file with the Commission, subject to the second sentence of paragraph (a) of this Section 6, an amendment or supplement which will correct such statement or omission or effect such compliance, and (3) supply any supplemented Final Kerr-McGee Prospectus to you in such quantities as you may reasonably request.

(c) As soon as practicable, Kerr-McGee will make generally available to its security holders and to the Representatives an earnings statement or statements of Kerr-McGee and its subsidiaries which will satisfy the provisions of Section 11(a) of the Act and Rule 158 under the Act.

(d) Kerr-McGee will furnish to the Representatives and counsel for the Underwriters, without charge, signed copies of the Kerr-McGee

Registration Statement (including exhibits thereto) and to each other Underwriter a copy of the Kerr-McGee Registration Statement (without exhibits thereto) and, so long as delivery of a prospectus by an Underwriter or dealer may be required by the Act, as many copies of each Preliminary Final Kerr-McGee Prospectus and the Final Kerr-McGee Prospectus and any supplement thereto as the Representatives may reasonably request. Kerr-McGee will pay the expenses of printing or other production of all documents relating to the offering.

(e) Kerr-McGee will arrange, if necessary, for the qualification of the DECS and the Shares for sale under the laws of such jurisdictions as the Representatives may designate, will maintain such qualifications in effect so long as required for the distribution of the DECS and the Shares and will pay any fee of the National Association of Securities Dealers, Inc., in connection with its review of the offering; provided that in no event shall Kerr-McGee be obligated to qualify to do business in any jurisdiction where it is not now so qualified or to take any action that would subject it to service of process in suits, other than those arising out of the offering or sale of the DECS or Shares in any jurisdiction where it is not now so subject.

(f) Kerr-McGee will not, without the prior written consent of Salomon Smith Barney Inc., offer, sell, contract to sell, or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by Kerr-McGee or any affiliate of Kerr-McGee or any person in privity with Kerr-McGee or any affiliate of Kerr-McGee) directly or indirectly, including the filing (or participation in the filing) of a registration statement with the Commission in respect of, any debt securities issued or guaranteed by Kerr-McGee or publicly announce an intention to effect any such transaction (other than in connection with the DECS), for a period of 7 days after the date of the Underwriting Agreement.

(g) Kerr-McGee will not take, directly or indirectly, any action designed to or which has constituted or which might reasonably be expected to cause or result, under the Exchange Act or otherwise, in stabilization or manipulation of the price of any security of Kerr-McGee to facilitate the sale or resale of the DECS or the Shares.

7. Agreements of Devon Energy.

Devon Energy agrees with the several Underwriters and Kerr-McGee that:

(a) Devon Energy will use its best efforts to cause the Devon Energy Registration Statement, if not effective at the Execution Time, and any amendment thereof, to become effective. Prior to the termination of the offering of the DECS, Devon Energy will not file any amendment of the Devon Energy Registration Statement or supplement to the Devon Energy Prospectus unless Devon Energy has furnished you and Kerr-McGee a copy for your review and Kerr-McGee's information prior to filing and will not file any such proposed amendment or supplement to which you or Kerr-McGee reasonably objects. Subject to the foregoing sentence, if the Devon Energy Registration Statement has become or becomes effective pursuant to Rule 430A, or filing of the Devon Energy Prospectus is otherwise required under Rule 424(b), Devon Energy will cause the Devon Energy Prospectus, properly

completed, and any supplement thereto to be filed with the Commission pursuant to the applicable paragraph of Rule 424(b) within the time period prescribed and will provide evidence satisfactory to the Representatives and Kerr-McGee of such timely filing. Devon Energy will promptly advise the Representatives and Kerr-McGee (1) when the Devon Energy Registration Statement, if not effective at the Execution Time, and any amendment thereto, shall have become effective, (2) when the Devon Energy Prospectus, and any supplement thereto, shall have been filed (if required) with the Commission pursuant to Rule 424(b), (3) when, prior to termination of the offering of the Shares, any amendment to the Devon Energy Registration Statement shall have been filed or become effective, (4) if any request by the Commission or its staff for any amendment of the Devon Energy Registration Statement or supplement to the Devon Energy Prospectus or for any additional information, (5) of the issuance by the Commission of any stop order suspending the effectiveness of the Devon Energy Registration Statement or the institution or threatening of any proceeding for that purpose and (6) of the receipt by Devon Energy of any notification with respect to the suspension of the qualification of the Shares for sale in any jurisdiction or the institution or threatening of any proceeding for such purpose. Devon Energy will use its best efforts to

prevent the issuance of any such stop order or the suspension of any such qualification and, if issued, to obtain as soon as possible the withdrawal thereof.

(b) If, at any time when a prospectus relating to the Devon Energy Common Stock is required to be delivered under the Act, any event occurs as a result of which the Devon Energy Prospectus as then supplemented would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in the light of the circumstances under which they were made not misleading, or if it shall be necessary to amend the Devon Energy Registration Statement or supplement the Devon Energy Prospectus to comply with the Act or the Exchange Act or the respective rules thereunder, Devon Energy promptly will (1) notify the Representatives and Kerr-McGee of such event, (2) prepare and file with the Commission, subject to the second sentence of paragraph (a) of this Section 7, an amendment or supplement which will correct such statement or omission or effect such compliance, and (3) supply only the supplemented Devon Energy Prospectus to you in such quantities as you may reasonably request and supply one copy of the supplemented Devon Energy Prospectus to Kerr-McGee.

(c) As soon as practicable, Devon Energy will make generally available to its security holders and to the Representatives an earnings statement or statements of Devon Energy and its subsidiaries which will satisfy the provisions of Section 11(a) of the Act and Rule 158 under the Act.

(d) Devon Energy will furnish to the Representatives and counsel for the Underwriters and Kerr-McGee and its counsel, without charge, signed copies of the Devon Energy Registration Statement (including exhibits thereto) and to each other Underwriter and Kerr-McGee a copy of the Devon Energy Registration Statement (without exhibits thereto) and, so long as delivery of a prospectus by an Underwriter or dealer may be required by the Act, as many copies of each Preliminary Devon Energy Prospectus and the Devon Energy Prospectus and any supplement thereto as the Representatives may reasonably request. Kerr-McGee will pay the expenses of printing or other production of all documents relating to the offering.

(e) Devon Energy will, if necessary, cooperate with Kerr-McGee for purposes of the qualification of the DECS for sale under the laws of such jurisdictions as the Representatives may designate and maintenance of such qualifications in effect so long as required for the distribution of the DECS and the Shares; Devon Energy will arrange for the qualification of the Shares for sale under the laws of such jurisdictions as the Representatives may designate and will maintain such qualifications in effect so long as required for the distribution of the DECS and the Shares; provided, that in
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no event shall Devon Energy be obligated to qualify to do business in any jurisdiction where it is not now so qualified or to take any action that would subject it to service of process in suits, other than those arising out of the offering or sale of the Shares in any jurisdiction where it is not now so subject.

(f) Devon Energy and Devon Delaware (as defined below) will not, without the prior written consent of Salomon Smith Barney Inc. (which shall not be unreasonably

withheld), offer, sell, contract to sell, or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by Devon Energy, Devon Delaware or any affiliate of either of them or any person in privity with either of them or any affiliate of either of them) directly or indirectly, including the filing (or participation in the filing) of a registration statement with the Commission in respect of, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Exchange Act, any shares of common stock or any securities convertible into, or exchangeable for, or warrants to acquire shares of common stock (other than the Shares in connection with the offering by Kerr-McGee of the DECS) or publicly announce an intention to effect any such transaction, on or prior to the Lockup Termination Date (as defined below); provided, however, that:
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(i) Devon Energy or Devon Delaware may publicly announce and discuss its intention to offer and sell, for up to $500 million, shares of its capital stock or securities convertible into, or exchangeable for, or warrants to acquire shares of such capital stock (any such offering, a "Devon Offering"); and

(ii) Devon Energy or Devon Delaware may file a registration statement with the Commission relating to a Devon Offering and may offer the shares to be registered thereby;

provided further, that, for the avoidance of doubt:
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(A) Devon Delaware Corporation, a Delaware corporation ("Devon Delaware"), which is to be renamed Devon Energy Corporation following the proposed merger of PennzEnergy with Devon Delaware, may issue shares of its common stock to (1) shareholders of PennzEnergy Company ("PennzEnergy") in the proposed merger of PennzEnergy with Devon Delaware and (2) shareholders of Devon Energy in the proposed merger of Devon Oklahoma Corporation, an Oklahoma corporation ("Devon Oklahoma"), with Devon Energy (each such merger as described in Devon

Energy's proxy statement dated July 16, 1999);

(B) Devon Energy or any of its affiliates may offer to issue and issue shares of its capital stock, or any securities convertible into, or exchangeable for, or warrants to acquire shares of such capital stock, in any such case, to any owner of any business or assets acquired or proposed to be acquired by Devon Energy or any of its affiliates, as consideration for any such acquisition or proposed acquisition, and in connection therewith publicly announce any such issuance or contemplated issuance or file with the Commission any related registration statement; provided, however, that securities issuances for other than cash consideration as contemplated by this paragraph shall not exceed $250 million and, together with any securities issuances for cash as contemplated above, shall not exceed $500 million of aggregate securities issuances prior to the Lockup Termination Date;

(C) Devon Energy or Devon Delaware may issue shares of its common stock in connection with any exchange, redemption or retraction of Northstar Energy Corporation exchangeable shares; and

(D) Devon Energy, Devon Delaware, PennzEnergy or any of their respective affiliates may issue shares of capital stock pursuant to (x) any stock option plan, equity incentive plan, stock purchase plan or dividend reinvestment plan existing as of July 14, 1999 or as contemplated by the Amended and Restated Agreement and Plan of Merger, dated May 19, 1999, by and among Devon Energy, Devon Delaware, Devon Oklahoma and PennzEnergy and the related Registration Statement on Form S-4 of Devon Energy, or (y) any security convertible into or exercisable or exchangeable for any such capital stock outstanding as of July 14, 1999.

The "Lockup Termination Date" shall be the earlier of (I) the 45th day after the date of this Agreement or (II) if the Devon Energy Registration Statement is declared effective by the Commission on or prior to August 2, 1999, September 6, 1999 or (III) if, at Kerr-McGee's request (assuming that, in Devon Energy's reasonable judgment, a Devon Energy Registration Statement is available for filing and would comply with the rules under the Act), Devon Energy does not (x) file the Devon Energy Registration Statement with the Commission on or prior to July 16, 1999 or (y) on or prior to July 22, 1999, request the Commission to declare the Devon Energy Registration Statement effective, September 6, 1999.

(g) Devon Energy will not take, directly or indirectly, any action designed to or which has constituted or which might reasonably be expected to cause or result, under the Exchange Act or otherwise, in stabilization or manipulation of the price of any security of Devon Energy to facilitate the sale or resale of the DECS or the Shares.

(h) Devon Energy will furnish the Trustee, in sufficient quantities for transmission to holders of the DECS, Devon Energy's annual report to shareholders and reports on Forms 10-K and 10-Q as soon as practicable after such reports are required to be filed with the Commission.

(i) Devon Energy will take such actions as may be reasonably necessary to comply with the rules and regulations of the AMEX in respect of the offering of the Shares contemplated hereby.

(j) Devon Energy will use its reasonable best efforts to furnish to Kerr-McGee the opinion of McAfee & Taft, A Professional Corporation, counsel for Devon Energy, dated as of the Closing Date, substantially similar to the opinion to be provided pursuant to Section 8(d) hereof, and the officers' certificate, dated as of the Closing Date, substantially similar to the certificate to be provided pursuant to Section 8(f) hereof.

(k) Devon Energy will use its reasonable best efforts to have the letters of KPMG LLP and Arthur Andersen LLP, dated as of the Execution Time and as of the Closing

Date, to be provided pursuant to Section 8(h) and Section 8(i) hereof, respectively, addressed to Kerr-McGee in addition to the Representatives.

8. Conditions to the Obligations of the Underwriters. The obligations of the Underwriters to purchase the DECS shall be subject to the accuracy of the representations and warranties on the part of Kerr-McGee and Devon Energy contained herein as of the Execution Time, the Closing Date and any settlement date pursuant to Section 4 hereof, to the accuracy of the statements of Kerr-McGee and Devon Energy made in any certificates pursuant to the provisions hereof, to the performance by Kerr-McGee and Devon Energy of their respective obligations hereunder and to the following additional conditions:

(a) If the Devon Energy Registration Statement has not become effective prior to the Execution Time, unless the Representatives agree in writing to a later time, the Devon Energy Registration Statement will become effective not later than (i) 6:00 PM, New York City time, on the date of determination of the public offering price, if such determination occurred at or prior to 3:00 PM New York City time, on such date or (ii) 9:30 AM, New York City time on the Business Day following the day on which the public offering price was determined, if such determination occurred after 3:00 PM New York City time on such date; if filing of the Final Kerr-McGee Prospectus or the Devon Energy Prospectus, or any supplements thereto, is required pursuant to Rule 424(b), such Final Kerr-McGee Prospectus or Devon Energy Prospectus, and any such supplements, will be filed in the manner and within the time period required by Rule 424(b); and no stop order suspending the effectiveness of the Kerr-McGee Registration Statement or the Devon Energy Registration Statement shall have been issued and no proceedings for that purpose shall have been instituted or threatened.

(b) (i) Kerr-McGee shall have furnished to the Representatives an opinion of [Greg F. Pilcher] [C. Don Hager], corporate counsel for Kerr-McGee, dated as of the Closing Date and addressed to the Representatives, to the effect that:

(A) each of Kerr-McGee and each of its Kerr-McGee Significant Subsidiaries has been duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction in which it is organized, with full corporate power and authority to own its properties and conduct its business as described in the Final Kerr-McGee Prospectus, and is duly qualified to do business as a foreign corporation and is in good standing under the laws of each jurisdiction in which the failure so to qualify would have a material adverse effect on the financial condition, results of operations, business, earnings or properties of Kerr-McGee and its subsidiaries, taken as a whole;

(B) all the outstanding shares of capital stock of each of the Kerr-McGee Significant Subsidiaries, except for director's qualifying shares and as otherwise set forth in the Kerr-McGee Registration Statement, are owned by Kerr-McGee either directly or through wholly owned subsidiaries free and clear of any perfected security interest and, to the knowledge of such counsel, after due inquiry, any other security interest, claim, lien or encumbrance;

(C) Kerr-McGee's authorized equity capitalization is as set forth in the Final Kerr-McGee Prospectus; the DECS are duly listed, and admitted and authorized for

trading, subject to official notice of issuance, on the New York Stock Exchange, Inc., and, except as set forth in the Final Kerr-McGee Prospectus, no options, warrants or other rights to purchase, agreements or other obligations to issue, or rights to convert any obligations into or exchange any securities for, shares of capital stock of or ownership interests in Kerr-McGee are outstanding;

(D) to the knowledge of such counsel, there is no pending or threatened action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving Kerr-McGee or any of its subsidiaries or its or their property, of a character required to be disclosed in the Kerr-McGee Registration Statement which is not adequately disclosed in the Final Kerr-McGee Prospectus, and there is no franchise, contract or other document of a character required to be described in the Kerr-McGee Registration Statement or Final Kerr-McGee Prospectus, or to be filed as an exhibit thereto, which is not described or filed as required;

(E) to the best knowledge of such counsel, Kerr-McGee is the record and beneficial owner of the Shares free and clear of all liens, encumbrances, equities and claims;

(F) neither the execution and delivery of the Indenture, the issue and sale of the DECS and the Shares, nor the consummation of any other of the transactions herein contemplated nor the fulfillment of the terms hereof will conflict with, result in a breach or violation of or imposition of any lien, charge or encumbrance upon any property or assets of Kerr-McGee or any Kerr-McGee Significant Subsidiary pursuant to, (i) the charter or by-laws of Kerr-McGee or any Kerr-McGee Significant Subsidiary, (ii) the terms of any material indenture, contract, lease, mortgage, deed of trust, note agreement, loan agreement or other agreement, obligation, condition, covenant or instrument to which Kerr-McGee or any Kerr-McGee Significant Subsidiary is a party or bound or to which its or their property is subject, or (iii) any statute, law, rule, regulation, judgment, order or decree applicable to Kerr-McGee or any Kerr-McGee Significant Subsidiary of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over Kerr-McGee or its subsidiaries or any of its or their properties; and

(G) no holders of securities of Kerr-McGee have rights to the registration of such securities under the Kerr-McGee Registration Statement.

(ii) Kerr-McGee shall have requested and caused Simpson Thacher & Bartlett, counsel for Kerr-McGee, to have furnished to the Representatives their opinion dated as of the Closing Date and addressed to the Representatives, to

the effect that:

(A) the statements made in the Basic Kerr-McGee Prospectus under the caption "Description of Debt Securities" and in the Final Kerr-McGee Prospectus Supplement under the caption "Description of DECS," insofar as they purport to constitute summaries of certain terms of documents referred to therein, constitute accurate summaries of the terms of such documents in all material respects; the statements set forth under the heading "Certain United States Federal Income Tax

Consequences" in the Final Kerr-McGee Prospectus, insofar as such statements purport to summarize certain federal income tax laws of the United States, constitute a fair summary of the principal U.S. federal income tax consequences of the purchase of DECS by an initial U.S. Holder (as defined in the Final Kerr-McGee Prospectus);

(B) no consent, approval, authorization, order, registration or qualification of or with any Federal or New York governmental agency or body or any Delaware governmental agency or body acting pursuant to the Delaware General Corporation Law or, to our knowledge, any Federal or New York court or any Delaware court acting pursuant to the Delaware General Corporation Law is required for the issue and sale of the DECS by Kerr-McGee and the compliance by Kerr-McGee with all of the provisions of the Underwriting Agreement, except for the registration under the Act of the DECS, and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the DECS by the Underwriters;

(C) the Indenture has been duly authorized, executed and delivered by Kerr-McGee and duly qualified under the Trust Indenture Act and, assuming due authorization, execution and delivery thereof by the Trustee, constitutes a valid and legally binding obligation of Kerr-McGee enforceable against Kerr-McGee in accordance with its terms;

(D) the DECS have been duly authorized, executed and issued by Kerr-McGee and, assuming due authentication thereof by the Trustee and upon payment and delivery and in accordance with the Underwriting Agreement, will constitute valid and legally binding obligations of Kerr-McGee enforceable against Kerr-McGee in accordance with their terms and entitled to the benefits of the Indenture;

(E) the Kerr-McGee Registration Statement has become effective under the Act and the Basic Kerr-McGee Prospectus, the Preliminary Final Kerr-McGee Prospectus and the Final Kerr-McGee Prospectus Supplement were each filed pursuant to Rule 424(b) of the rules and regulations of the Commission under the Act and, to our knowledge, no stop order suspending the effectiveness of the Kerr-McGee Registration Statement has been issued or proceeding for that purpose has been instituted or threatened by the Commission;

(F) the Underwriting Agreement has been duly authorized, executed and delivered by Kerr-McGee;

(G) Kerr-McGee is not and, after giving effect to the offering and sale of the DECS and the application of the proceeds thereof as described in the Final Kerr-McGee Prospectus, will not be an "investment company" within the meaning of and subject to regulation under the Investment

Company Act of 1940, as amended; and

(H) such counsel has not independently verified the accuracy, completeness or fairness of the statements made or included in the Kerr-McGee Registration Statement and the Final Kerr-McGee Prospectus or the documents incorporated by reference therein

and takes no responsibility therefor, except as and to the extent set forth in paragraph (A) above. Such counsel shall also state that in the course of the preparation by Kerr-McGee of the Kerr-McGee Registration Statement and the Final Kerr-McGee Prospectus, excluding the documents incorporated therein by reference, such counsel participated in conferences with certain officers and employees of Kerr-McGee, with representatives of Arthur Andersen and counsel to Kerr-McGee. Such opinion shall also state that such counsel did not participate in the preparation of documents incorporated by reference in the Final Kerr-McGee Prospectus. Based upon such counsel's examination of the Kerr-McGee Registration Statement and the Final Kerr-McGee Prospectus and the documents incorporated by reference therein, and such counsel's investigations made in connection with the preparation of the Kerr-McGee Registration Statement and the Final Kerr-McGee Prospectus, including any documents incorporated by reference therein and such counsel's participation in conferences referred to above, (i) such counsel is of the opinion that the Kerr-McGee Registration Statement, as of its effective date, and the Final Kerr-McGee Prospectus, as of its date, complied as to form in all material respects with requirements of the Act, the Trust Indenture Act and the applicable rules and regulations of the Commission thereunder and that the documents incorporated by reference in the Final Kerr-McGee Prospectus complied as to form when filed in all material respects with the requirements of the Exchange Act and the applicable rules and regulations of the Commission thereunder, except that, in each case, such counsel need not express an opinion with respect to the financial statements or other financial data contained or incorporated by reference in the Kerr-McGee Registration Statement, the Final Kerr-McGee Prospectus or the documents incorporated by reference in the Final Kerr-McGee Prospectus, and (ii) such counsel has no reason to believe that the Kerr-McGee Registration Statement, as of its effective date, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading or that the Final Kerr-McGee Prospectus (including the documents incorporated by reference therein) contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that in each case, such counsel need not express a belief with respect to the financial statements or other financial data contained or incorporated by reference in the Kerr-McGee Registration Statement, the Final Kerr-McGee Prospectus or the documents incorporated by reference into the Final Kerr-McGee Prospectus.

In rendering such opinion, such counsel may rely (A) as to matters involving the application of laws of any jurisdiction other than the States of New York and Delaware or the United States, to the extent such counsel deems proper and specified in such opinion, upon the opinion of other counsel of good standing whom such counsel believes to be reliable and who are satisfactory to counsel for the Underwriters and (B) as to matters of fact, to the extent such counsel deems proper, on certificates of responsible officers of Kerr-McGee and public officials. References to the Final Kerr-McGee Prospectus in this paragraph (b) include any supplements thereto at the Closing Date.

(c) The Representatives shall have received from Cleary, Gottlieb, Steen & Hamilton, counsel for the Underwriters, such opinion or opinions, dated the Closing Date, with

respect to the issuance and sale of the DECS, the Indenture, the Kerr-McGee Registration Statement, the Final Kerr-McGee Prospectus (together with any supplement thereto), the Shares, the Devon Energy Registration Statement, the Devon Energy Prospectus (together with any supplement thereto) and other related matters as the Representatives may reasonably require, and Kerr-McGee and Devon Energy shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters.

(d) Devon Energy shall have furnished to the Representatives the opinion of McAfee & Taft, a Professional Corporation, counsel for Devon Energy, dated as of the Closing Date, to the effect that:

(i) each of Devon Energy and each of its subsidiaries has been duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction in which it is chartered or organized, with full corporate power and authority to own its properties and conduct its business as described in the Devon Energy Prospectus, and is duly qualified to do business as a foreign corporation and is in good standing under the laws of each jurisdiction which requires such qualification wherein it owns or leases material properties or conducts material business as listed in the Devon Energy Prospectus, except where the failure to qualify would not have a material adverse effect on the financial condition, results of operations, business, earnings or properties of Devon Energy and its consolidated subsidiaries, taken as a whole;

(ii) all the outstanding shares of capital stock of each subsidiary have been duly and validly authorized and issued and are fully paid and nonassessable, and, except as otherwise set forth in the Devon Energy Prospectus, all outstanding shares of capital stock of the subsidiaries are owned by Devon Energy either directly or through wholly owned subsidiaries free and clear of any perfected security interest and, to the knowledge of such counsel, after due inquiry, any other security interests, claims, liens or encumbrances;

(iii) Devon Energy's authorized equity capitalization is as set forth in the Devon Energy Prospectus; the Shares are duly listed and admitted for trading on the AMEX; the Devon Energy Common Stock conforms in all material respects to the description thereof contained in the Devon Energy Prospectus; the outstanding shares of Devon Energy Common Stock (including the Shares) have been duly and validly authorized and issued and are fully paid and non-assessable; the certificates for the Shares are in valid and sufficient form;

(iv) to the best knowledge of such counsel, there is no pending or threatened action, suit or proceeding before any court or governmental agency, authority or body or any arbitrator involving Devon Energy or any of its subsidiaries of a character required to be disclosed in the Devon Energy Registration Statement which is not adequately disclosed in the Devon Energy Prospectus, and there is no franchise, contract or other document of a character required to be described in the Devon Energy Registration Statement or Devon Energy Prospectus, or to be filed as an exhibit, which is not described or filed as required; and the statements in the Devon Energy Prospectus under

the headings "Description of Capital Stock" fairly summarize the matters therein described;

(v) the Devon Energy Registration Statement has become effective under the Act; any required filing of the Devon Energy Prospectus, and of any supplements thereto, pursuant to Rule 424(b) has been made in the manner and within the time period required by Rule 424(b); to the best knowledge of such counsel, no stop order suspending the effectiveness of the Devon Energy Registration Statement has been issued, no proceedings for that purpose have been instituted or threatened;

(vi) this Agreement has been duly authorized, executed and delivered by Devon Energy;

(vii) no consent, approval, authorization or order of any court or governmental agency or body is required for the consummation by Devon Energy of the transactions contemplated herein, except such as have been obtained under the Act and such as may be required under the blue sky laws of any jurisdiction in connection with the purchase and distribution of the DECS by the Underwriters and the distribution of the Shares pursuant to the terms of the DECS and such other approvals (specified in such opinion) as have been obtained;

(viii) neither the distribution of the Shares, nor the consummation of any other of the transactions herein contemplated nor the fulfillment of the terms hereof will conflict with, result in a breach or violation of, or constitute a default under any law or the charter or by-laws of Devon Energy or the terms of any indenture or other agreement or instrument known to such counsel and to which Devon Energy or any of its subsidiaries is a party or bound or any judgment, order or decree known to such counsel to be applicable to Devon Energy or any of its subsidiaries of any court, regulatory body, administrative agency, governmental body or arbitrator having jurisdiction over Devon Energy or any of its subsidiaries; and

(ix) No holders of securities of Devon Energy, other than Kerr-McGee, have rights to the registration of Devon Energy Common Stock under the Devon Energy Registration Statement.

In addition such counsel shall state that, although such counsel makes no representation as to the accuracy or completeness of the statements of fact contained in the Devon Energy Registration Statement and the Devon Energy Prospectus, no facts have come to such counsel's attention which lead such counsel to believe that, at the Devon Energy Effective Date, the Devon Energy Registration Statement and, as of its date, the Devon Energy Prospectus (other than the financial statements and other financial or accounting information contained therein or omitted therefrom as to which such counsel need express no opinion) did not comply as to form in all material respects with the applicable requirements of the Act and the Exchange Act and the respective rules thereunder; and such counsel has no reason to believe that at the Devon Energy Effective Date the Devon Energy Registration Statement (other than the financial statements and other financial or accounting information included therein or omitted therefrom as to which such counsel need express no opinion) contained any untrue statement of a material fact or omitted to

state any material fact required to be stated therein or necessary to make the statements therein not misleading or that the Devon Energy Prospectus (other than the financial statements and other financial or accounting information included therein or omitted therefrom as to which such counsel need express no opinion) includes any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

In rendering such opinion, such counsel may rely (A) as to matters involving the application of laws of any jurisdiction other than the State of Oklahoma or the United States, to the extent such counsel deems proper and specified in such opinion, upon the opinion of other counsel of good standing whom such counsel believes to be reliable and who are satisfactory to counsel for the Underwriters and (B) as to matters of fact, to the extent such counsel deems proper, on certificates of responsible officers of Devon Energy and public officials. References to the Devon Energy Prospectus in this paragraph (d) include any supplements thereto at the Closing Date.

(e) Kerr-McGee shall have furnished to the Representatives a certificate of Kerr-McGee, signed by the Chairman of the Board or the President and the principal financial or accounting officer of Kerr-McGee, dated the Closing Date, to the effect that the signers, of such certificate have carefully examined the Kerr-McGee Registration Statement, the Final Kerr-McGee Prospectus, any supplements to the Final Kerr-McGee Prospectus and this Agreement and that:

(i) the representations and warranties of Kerr-McGee in this Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date and Kerr-McGee has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date;

(ii) no stop order suspending the effectiveness of the Kerr-McGee Registration Statement has been issued and no proceedings for that purpose have been instituted or, to Kerr-McGee's knowledge, threatened; and

(iii) since the date of the most recent financial statements included or incorporated by reference in the Final Kerr-McGee Prospectus (exclusive of any supplement thereto), there has been no material adverse effect on the condition (financial or otherwise), prospects, earnings, business or properties of Kerr-McGee and its subsidiaries taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Final Kerr-McGee Prospectus (exclusive of any supplement thereto).

(f) Devon Energy shall have furnished to the Representatives a certificate of Devon Energy, signed by the Chairman of the Board or the President and the principal financial or accounting officer of Devon Energy, dated the Closing Date, to the effect that the signers of such certificate have carefully examined the Devon Energy Registration Statement, the Devon Energy Prospectus, any supplements to the Devon Energy Prospectus and this Agreement and that:

(i) the representations and warranties of Devon Energy in this Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date and Devon Energy has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or

prior to the Closing Date;

(ii) no stop order suspending the effectiveness of the Devon Energy Registration Statement has been issued and no proceedings for that purpose have been instituted or, to Devon Energy's knowledge, threatened; and

(iii) since the date of the most recent financial statements included or incorporated by reference in the Devon Energy Prospectus (exclusive of any supplement thereto), there has been no material adverse effect on the condition (financial or otherwise), prospects, earnings, business or properties of Devon Energy and its subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Devon Energy Prospectus (exclusive of any supplement thereto).

(g) Kerr-McGee shall have requested and caused Arthur Andersen LLP to have furnished to the Representatives at the Execution Time and at the Closing Date, letters, dated respectively as of the Execution Time and as of the Closing Date, in form and substance satisfactory to the Representatives, confirming that they are independent accountants within the meaning of the Act and the Exchange Act and the respective applicable rules and regulations adopted by the Commission thereunder and that they have performed a review of the unaudited interim financial information of Kerr-McGee for the three-month period ended March 31, 1999, and as at March 31, 1999, in accordance with Statement on Auditing Standards No. 71, and stating in effect that:

(i) in their opinion the audited financial statements and financial statement schedules included or incorporated in the Kerr-McGee Registration Statement and the Final Kerr-McGee Prospectus and reported on by them comply in form in all material respects with the applicable accounting requirements of the Act and the Exchange Act and the related rules and regulations adopted by the Commission;

(ii) on the basis of a reading of the latest unaudited financial statements made available by the Kerr-McGee and its subsidiaries; their limited review, in accordance with standards established under Statement on Auditing Standards No. 71, of the unaudited interim financial information for the three-month period ended March 31, 1999, and as at March 31, 1999; carrying out certain specified procedures (but not an examination in accordance with generally accepted auditing standards) which would not necessarily reveal matters of significance with respect to the comments set forth in such letter; a reading of the minutes of the meetings of the directors and audit committee of Kerr-McGee and its subsidiaries; and inquiries of certain officials of Kerr-McGee who have responsibility for financial and accounting matters of Kerr-McGee and its subsidiaries as to transactions and events subsequent to December 31, 1998, nothing came to their attention which caused them to believe that:

(1) any unaudited financial statements included or incorporated by reference in the Kerr-McGee Registration Statement and the Final Kerr-McGee Prospectus do not comply as to form in all material respects with applicable accounting requirements of the Exchange Act as it applies to Form 10-Q and the related rules and regulations adopted by the Commission; and said unaudited financial statements are not in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited financial statements included or incorporated by reference in the

Kerr-McGee Registration Statement and the Final Kerr-McGee Prospectus;

(2) with respect to the period subsequent to March 31, 1999, there were any changes, at a specified date not more than five days prior to the date of the letter, in the long-term debt of Kerr-McGee and its subsidiaries or, capital stock of Kerr-McGee, or decreases in the stockholders' equity or net current assets of Kerr-McGee, as compared with the amounts shown on the March 31, 1999 unaudited consolidated condensed balance sheet included or incorporated in the Kerr-McGee Registration Statement and the Final Kerr-McGee Prospectus, or for the period from April 1, 1999 to such specified date there were any decreases, as compared with the corresponding period in the preceding year in consolidated sales, net income or net income per share of Kerr-McGee and its subsidiaries, except in all instances for changes or decreases set forth in such letter, in which case the letter shall be accompanied by an explanation by Kerr-McGee as to the significance thereof unless said explanation is not deemed necessary by the Representatives;

(3) the information included or incorporation by reference in the Kerr-McGee Registration Statement and the Final Kerr-McGee Prospectus in response to Regulation S-K, Item 301 (Selected Financial Data), Item 302 (Supplementary Financial Information) and Item 503(d) (Ratio of Earnings to Fixed Charges) is not in conformity with the applicable disclosure requirements of Regulation S-K.

(iii) they have performed certain other specified procedures as a result of which they determined that certain information of an accounting, financial or statistical nature (which is limited to accounting, financial or statistical information derived from the general accounting records of Kerr-McGee and its subsidiaries) set forth in the Kerr-McGee Registration Statement and the Final Kerr-McGee Prospectus and in Exhibit 12 to the Kerr-McGee Registration Statement, including the information set forth under the captions "Selected Financial and Operation Data of Kerr-McGee" in the Final Kerr-McGee Prospectus and "Ratio of Earnings to Fixed Charges and Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividend Requirements" in the Basic Kerr-McGee Prospectus, the information included or incorporated by reference in Items 1, 2, 6, 7 and 11 of Kerr-McGee's Annual Report on Form 10-K, incorporated by reference in the Kerr-McGee Registration Statement and the Final Kerr-McGee Prospectus, agrees with the accounting records of Kerr-McGee and its subsidiaries, excluding any questions of legal interpretation.

References to the Final Kerr-McGee Prospectus in this paragraph (g) include any supplement thereto at the date of the letter.

(h) Devon Energy shall have requested and caused KPMG LLP to have furnished to the Representatives, at the Execution Time and at the Closing Date, letters, dated respectively as of the Execution Time and as of the Closing Date, in form and substance reasonably satisfactory to the Representatives, confirming that they are independent accountants within the meaning of the Act and the respective applicable rules and regulations adopted by the Commission thereunder and that they have performed a review of the unaudited interim financial information of Devon Energy for the three-month period ended March 31, 1999 and as at March 31, 1999 in accordance with Statement on Auditing Standards No. 71, and stating in effect that:

(i) in their opinion the audited financial statements of Devon Energy included or incorporated by reference in the Devon Energy Registration

Statement and the Devon Energy Prospectus and reported on by them comply as to form in all material respects with the applicable accounting requirements of the Act and the Exchange Act and the related rules and regulations adopted by the Commission;

(ii) on the basis of a reading of the latest unaudited financial statements made available by Devon Energy and its subsidiaries; their limited review, in accordance with standards established under Statement on Auditing Standards No. 71, of the unaudited interim financial information of Devon Energy for the three-month period ended March 31, 1999, and as at March 31, 1999; carrying out certain specified procedures (but not an examination in accordance with generally accepted auditing standards) which would not necessarily reveal matters of significance with respect to the comments set forth in such letter; a reading of the minutes of the meetings of the stockholders, directors and all board committees of Devon Energy and its subsidiaries; and inquiries of certain officials of Devon Energy who have responsibility for financial and accounting matters of Devon Energy and its subsidiaries as to transactions and events subsequent to December 31, 1998, nothing came to their attention which caused them to believe that:

(1) any unaudited financial statements of Devon Energy included or incorporated in the Devon Energy Registration Statement and the Devon Energy Prospectus do not comply as to form in all material respects with applicable accounting requirements of the Act and with the related rules and regulations adopted by the Commission with respect to financial statements of Devon Energy included in quarterly reports on Form 10-Q under the Exchange Act; and said unaudited financial statements are not in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited financial statements of Devon Energy included or incorporated by reference in the Devon Energy Registration Statement and the Devon Energy Prospectus; or

(2) with respect to the period subsequent to March 31, 1999, there were any changes, at a specified date not more than five days prior to the date of the letter, in the long-term debt of Devon Energy or capital stock of Devon Energy, or any decreases in stockholders' equity of Devon Energy, as compared with the amounts shown on the March 31, 1999 consolidated balance sheet of Devon Energy included or incorporated by reference in the Devon Energy Registration Statement and the Devon Energy Prospectus, or for the period from April 1, 1999

to such specified date there were any decreases, as compared with the corresponding period in the preceding year in consolidated total revenues, net income or in the total or per-share amounts of net income, except in all instances for changes or decreases set forth in such letter, in which case the letter shall be accompanied by an explanation by Devon Energy as to the significance thereof unless said explanation is not deemed necessary by the Representatives.

(3) the information included or incorporated by reference in the Devon Energy Registration Statement and the Devon Energy Prospectus in response to Regulation S-K, Item 301 (Selected Financial Data), Item 302 (Supplementary Financial Information), Item 402 (Executive Compensation) and Item 503(d) (Ratio of Earnings to Fixed Charges) is not in conformity with the applicable disclosure requirements of Regulation S-K.

(iii) they have performed certain other specified procedures as a result of which they determined that certain information of an accounting, financial or statistical nature (which is limited to historical accounting, financial or statistical information derived from the general accounting records of Devon Energy and its subsidiaries) set forth in the Devon Energy Registration Statement and the Devon Energy Prospectus, including the information set forth under the caption "Selected Financial Information" in the Devon Energy Prospectus, the information included or incorporated by reference in Items 1, 2, 6, 7 and 11 of Devon Energy's Annual Report on Form 10-K, incorporated by reference in the Devon Energy Registration Statement and the Devon Energy Prospectus, and the information included in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" included or incorporated by reference in Devon Energy's Quarterly Reports on Form 10-Q, incorporated by reference in the Devon Energy Registration Statement and the Devon Energy Prospectus, agrees with the accounting records of Devon Energy and its subsidiaries, excluding any questions of legal interpretation.

References to the Devon Energy Prospectus in this paragraph (h) include any supplement thereto at the date of the letter.

(i) Devon Energy shall have requested that PennzEnergy cause Arthur Andersen LLP to have furnished to the Representatives, at the Execution Time and at the Closing Date, letters, dated respectively as of the Execution Time and as of the Closing Date, in form and substance reasonably satisfactory to the Representatives, confirming that they are independent accountants within the meaning of the Act and the respective applicable rules and regulations adopted by the Commission thereunder and that they have performed a review of the unaudited interim financial information of PennzEnergy for the three-month period ended March 31, 1999 and as at March 31, 1999 in accordance with Statement on Auditing Standards No. 71, and stating in effect that:

(i) in their opinion the audited financial statements included or incorporated by reference in the Devon Energy Registration Statement and the Devon Energy Prospectus and reported on by them comply as to form in all material respects with the applicable

accounting requirements of the Act and the Exchange Act and the related rules and regulations adopted by the Commission;

(ii) on the basis of a reading of the latest unaudited financial statements made available by PennzEnergy and its subsidiaries; their limited review, in accordance with standards established under Statement on Auditing Standards No. 71, of the unaudited interim financial information for the three-month period ended March 31, 1999, and as at March 31, 1999; carrying out certain specified procedures (but not an examination in accordance with generally accepted auditing standards) which would not necessarily reveal matters of significance with respect to the comments set forth in such letter; a reading of the minutes of the meetings of the stockholders, directors and all board committees of PennzEnergy and its subsidiaries; and inquiries of certain officials of PennzEnergy who have responsibility for financial and accounting matters of PennzEnergy and its subsidiaries as to transactions and events subsequent to December 31, 1998, nothing came to their attention which caused them to believe that:

(1) any unaudited financial statements of PennzEnergy included or incorporated in the Devon Energy Registration Statement and the

Devon Energy Prospectus do not comply as to form in all material respects with applicable accounting requirements of the Act and with the related rules and regulations adopted by the Commission with respect to financial statements included in quarterly reports on Form 10-Q under the Exchange Act; and said unaudited financial statements are not in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited financial statements of PennzEnergy included or incorporated by reference in the Devon Energy Registration Statement and the Devon Energy Prospectus; or

(2) with respect to the period subsequent to March 31, 1999, there were any changes, at a specified date not more than five days prior to the date of the letter, in the long-term debt of PennzEnergy or capital stock of PennzEnergy, or any decreases in stockholders' equity of PennzEnergy, as compared with the amounts shown on the March 31, 1999 consolidated balance sheet of PennzEnergy included or incorporated by reference in the Devon Energy Registration Statement and the Devon Energy Prospectus, or for the period from April 1, 1999 to such specified date there were any decreases, as compared with the corresponding period in the preceding year in consolidated total revenues, net income or in the total or per-share amounts of net income, except in all instances for changes or decreases set forth in such letter, in which case the letter shall be accompanied by an explanation by PennzEnergy as to the significance thereof unless said explanation is not deemed necessary by the Representatives.

References to the Devon Energy Prospectus in this paragraph (i) include any supplement thereto at the date of the letter.

(j) Subsequent to the Execution Time or, if earlier, the dates as of which information is given in each of the Kerr-McGee Registration Statement and the Devon Energy Registration Statement (exclusive of any amendment thereof) and each of the Final Kerr-McGee

Prospectus and the Devon Energy Prospectus (exclusive of any supplement thereto), there shall not have been (i) any change or decrease specified in the letter or letters referred to in paragraphs (g), (h) and (i) of this Section 8 or (ii) any change, or any development involving a prospective change, in or affecting the condition (financial or otherwise), earnings, business or properties of either Kerr-McGee or Devon Energy and their respective subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in each of the Final Kerr-McGee Prospectus and the Devon Energy Prospectus (exclusive of any supplement thereto) the effect of which, in any case referred to in clause (i) or (ii) above, is, in the sole judgment of the Representatives, so material and adverse as to make it impractical or inadvisable to proceed with the offering or delivery of the DECS as contemplated by each of the Kerr-McGee Registration Statement and the Devon Energy Registration Statement (exclusive of any amendment thereof) and each of the Final Kerr-McGee Prospectus and the Devon Energy Prospectus (exclusive of any supplement thereto).

(k) Subsequent to the Execution Time, there shall not have been any decrease in the rating of any of Kerr-McGee's or Devon Energy's debt securities by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Act) or any notice given of any intended or potential decrease in any such rating or of a possible change in any such rating that does not indicate the direction of the possible change.

(l) Prior to the Closing Date, each of Kerr-McGee and Devon Energy shall have furnished to the Representatives such further information, certificates and documents as the Representatives may reasonably request.

If any of the conditions specified in this Section 8 shall not have been fulfilled in all material respects when and as provided in this Agreement, or if any of the opinions and certificates mentioned above or elsewhere in this Agreement shall not be in all material respects reasonably satisfactory in form and substance to the Representatives and counsel for the Underwriters, this Agreement and all obligations of the Underwriters hereunder may be canceled at, or at any time prior to, the Closing Date by the Representatives. Notice of such cancellation shall be given to Kerr-McGee and Devon Energy in writing or by telephone or facsimile confirmed in writing.

9. Reimbursement of Underwriters' Expenses. If the sale of the DECS provided for herein is not consummated because any condition to the obligations of the Underwriters set forth in Section 8 hereof is not satisfied, because of any termination pursuant to Section 12 hereof or because of any refusal, inability or failure on the part of Kerr-McGee or Devon Energy to perform any agreement herein or comply with any provision hereof other than by reason of a default by any of the Underwriters, Kerr-McGee will reimburse the Underwriters severally upon demand for all reasonable out-of-pocket expenses (including reasonable fees and disbursements of counsel) that shall have been incurred by them in connection with the proposed purchase and sale of the DECS. The Underwriters agree to pay such expenses, fees and disbursements in any other event. In no event will Kerr-McGee be liable to any of the Underwriters for damages on account of loss of anticipated profits.

10. Indemnification and Contribution. (a) Kerr-McGee agrees to indemnify and hold harmless each Underwriter, the directors, officers, employees and agents of each

Underwriter, and each person who controls any Underwriter within the meaning of either the Act or the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Kerr-McGee Registration Statement as originally filed or in any amendment thereof, or in the Basic Kerr-McGee Prospectus, any Preliminary Final Kerr-McGee Prospectus or the Final Kerr-McGee Prospectus (including any information contained in or omitted from any Preliminary Devon Energy Prospectus or Devon Energy Prospectus in reliance on and in conformity with information furnished to Devon Energy by Kerr-McGee), or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and agrees to reimburse each such indemnified party, as incurred, for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that Kerr-McGee will not be liable under the indemnity agreement in this paragraph (a) to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or

alleged omission made therein in reliance upon and in conformity with written information furnished to Kerr-McGee by or on behalf of any Underwriter through the Representatives specifically for inclusion therein or in reliance and in conformity with the Statement of Eligibility of the Trustee; provided, further, that Kerr-McGee will not be liable under the indemnity agreement in this paragraph (a) to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made in reliance upon and in conformity with written information furnished to Kerr-McGee by Devon Energy specifically for inclusion therein (including the information contained in any Preliminary Devon Energy Prospectus or Devon Energy Prospectus included in any such document (other than information contained in or omitted from any such Preliminary Devon Energy Prospectus or Devon Energy Prospectus in reliance on and conformity with information furnished to Devon Energy by Kerr-McGee specifically for inclusion therein)); and provided, further that Kerr-McGee shall not be liable to any Underwriter under the indemnity agreement in this paragraph (a) with respect to the Preliminary Final Kerr-McGee Prospectus to the extent that any such loss, claim, damage or liability of such Underwriter results from the fact that such Underwriter sold DECS to a person as to whom it shall be established that there was not sent or given, at or prior to the written confirmation of such sale, a copy of the Final Kerr-McGee Prospectus (excluding documents incorporated by reference), as the case may be, or of the Final Kerr-McGee Prospectus as then amended or supplemented (excluding documents incorporated by reference) in any case where such delivery is required by the Act and where Kerr-McGee has previously furnished copies thereof in sufficient quantity to such Underwriter and the loss, claim, damage or liability of such Underwriter results from an untrue statement or omission of a material fact contained in the Final Preliminary Kerr-McGee Prospectus and corrected in the Final Kerr-McGee Prospectus (excluding documents incorporated by reference) or in the Final Kerr-McGee Prospectus as then amended or supplemented (excluding documents incorporated by reference). This indemnity agreement will be in addition to any liability which Kerr-McGee may otherwise have.

(b) Kerr-McGee agrees to indemnify and hold harmless Devon Energy, each of its directors, each of its officers who signs the Devon Energy Registration Statement, and each person who controls Devon Energy within the meaning of either the Act or the Exchange Act, against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Devon Energy Registration Statement as originally filed or in any amendment thereof, or in the Preliminary Devon Energy Prospectus or the Devon Energy Prospectus, or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission is made in reliance upon and in conformity with written information furnished in writing to Devon Energy by Kerr-McGee specifically for inclusion therein, and agrees to reimburse each such indemnified party, as incurred, for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action. The indemnity agreement shall be in addition to any liability which Kerr-McGee may otherwise have.

(c) Devon Energy agrees to indemnify and hold harmless each Underwriter, the directors, officers, employees and agents of each Underwriter, and each person who controls any Underwriter within the meaning of either the Act or the Exchange Act and Devon Energy agrees to indemnify and hold harmless Kerr-McGee, the directors, officers, employees and agents of Kerr-McGee, and each person who controls Kerr-McGee within the meaning of either the Act or the Exchange Act, in either case, against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in (i) the Devon Energy Registration Statement as originally filed or in any amendment thereof, or in any Preliminary Devon Energy Prospectus or the Devon Energy Prospectus, or in any amendment thereof or supplement thereto, or (ii) the Kerr-McGee Registration Statement as originally filed or in any amendment thereof, or in any Preliminary Final Kerr-McGee Prospectus or the Final Kerr-McGee Prospectus, or in any amendment thereto or supplement thereto, or arise out of or are based upon the omission or alleged omission to state in the documents referred to in clause (i) or (ii) above a material fact required to be stated in the documents referred to in clause (i) or (ii) above or necessary to make the statements therein not misleading, but in the case of the documents referred to clause (ii) only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished in writing to Kerr-McGee by Devon Energy specifically for inclusion therein (including the information contained in any Preliminary Devon Energy Prospectus or Devon Energy Prospectus included in any such document (other than information contained in or omitted from any such Preliminary Devon Energy Prospectus or Devon Energy Prospectus in reliance on and conformity with information furnished to Devon Energy by Kerr-McGee specifically for inclusion therein)), and agrees to reimburse each such indemnified party, as incurred, for any legal or other expenses reasonably incurred by them in connection with

investigating or defending any such loss, claim, damage, liability or action; provided, however, that Devon Energy will not be liable under the indemnity agreement in this paragraph (c) to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made in the documents referred to in clause (i) above in reliance upon and in conformity with written information furnished to Devon Energy by or on behalf of any Underwriter through the Representatives specifically for inclusion therein; provided, further that Devon Energy shall not be liable under the indemnity agreement in this paragraph (c) to the extent that any such loss, claim, damage or liability arises out of or is based on any such untrue statement or alleged untrue statement or omission or alleged omission made in the documents referred to in clause (i) above in reliance upon and in conformity with written information furnished to Devon Energy by Kerr-McGee specifically for inclusion therein; and provided, further that Devon Energy shall not be liable to any Underwriter under the indemnity agreement in this paragraph (c) with respect to the Preliminary Devon Energy Prospectus to the extent that any such loss, claim, damage or liability of such Underwriter results from the fact that such Underwriter sold DECS to a person as to whom it shall be established that there was not sent or given, at or prior to the written confirmation of such sale, a copy of the Devon Energy Prospectus

(excluding documents incorporated by reference) or of the Devon Energy Prospectus as then amended or supplemented (excluding documents incorporated by reference), as the case may be, in any case where such delivery is required by the Act and where Devon Energy has previously furnished copies thereof in sufficient quantity to such Underwriter and the loss, claim, damage or liability of such Underwriter results from an untrue statement or omission of a material fact contained in the Preliminary Devon Energy Prospectus and corrected in the Devon Energy Prospectus (excluding documents incorporated by reference) or in the Devon Energy Prospectus as then amended or supplemented (excluding documents incorporated by reference). This indemnity agreement will be in addition to any liability which Devon Energy may otherwise have.

(d) Each Underwriter severally and not jointly agrees to indemnify and hold harmless Kerr-McGee, each of its directors, each of its officers who signs the Kerr-McGee Registration Statement, and each person who controls Kerr-McGee within the meaning of either the Act or the Exchange Act, to the same extent as the foregoing indemnity in paragraph (a) from Kerr-McGee to each Underwriter, but only with reference to written information furnished to Kerr-McGee by or on behalf of such Underwriter through the Representatives specifically for inclusion in the documents referred to in the foregoing indemnity. This indemnity agreement will be in addition to any liability which any Underwriter may otherwise have. Kerr-McGee acknowledges that the statements set forth (i) in the last paragraph of the cover page and (ii)(A) in the chart, (B) regarding commissions and reallowances in the second paragraph and (C) in the third to last paragraph, in each case under the heading "Supplemental Plan of Distribution" in any Preliminary Final Kerr-McGee Prospectus or the Final Kerr-McGee Prospectus constitute the only information furnished in writing by or on behalf of the several Underwriters for inclusion in the documents referred to in the foregoing indemnity.

(e) Each Underwriter severally agrees to indemnify and hold harmless Devon Energy and Kerr-McGee, each of their respective directors, each of their respective officers who signs the Devon Energy Registration Statement or the Kerr-McGee Registration Statement, respectively, and each person who controls Devon Energy or Kerr-McGee within the meaning of either the Act or the Exchange Act, to the same extent as the foregoing indemnity in paragraph

(c) from Devon Energy to each Underwriter and Kerr-McGee, but only with reference to written information relating to such Underwriter furnished to Devon Energy or Kerr-McGee by or on behalf of such Underwriter through the Representatives specifically for inclusion in the documents referred to in the foregoing indemnity. This indemnity agreement will be in addition to any liability which any Underwriter may otherwise have. Devon Energy acknowledges that the statements set forth in the chart, the statements regarding commissions and reallowances in the second paragraph and the statements set forth in the eighth paragraph regarding stabilization under the heading "Plan of Distribution" in any Preliminary Devon Energy Prospectus or the Devon Energy Prospectus constitute the only information furnished in writing by or on behalf of the several Underwriters for inclusion in the documents referred to in the foregoing indemnity.

(f) Promptly after receipt by an indemnified party under this Section 10 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 10, notify the indemnifying party in writing of the commencement thereof; but the failure so to notify the indemnifying party (i) will not relieve it from any liability under paragraphs (a), (b), (c), (d) or (e) above unless and to the extent it did not otherwise learn of such action and such

failure results in the forfeiture by the indemnifying party of substantial rights and defenses and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraphs (a), (b), (c), (d) or (e) above. The indemnifying party shall be entitled to appoint counsel of the indemnifying party's choice at the indemnifying party's expense to represent the indemnified party in any action for which indemnification is sought (in which case the indemnifying party shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the indemnified party or parties except as set forth below); provided, that such counsel shall be satisfactory to
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the indemnified party. Notwithstanding the indemnifying party's election to appoint counsel to represent the indemnified party in an action, the indemnified party shall have the right to employ separate counsel (including local counsel), and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest, (ii) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, or (iii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such action or (iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party. An indemnifying party will not, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action suit or proceeding.

(g) In the event that the indemnity provided in paragraph (a), (b), (c), (d) or (e) of this Section 10 is unavailable to or insufficient to hold harmless an indemnified party for any

reason, Kerr-McGee, Devon Energy and the Underwriters agree to contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) (collectively "Losses") to which Kerr-McGee, Devon Energy and one or more of the Underwriters may be subject in such proportion as is appropriate to reflect the relative benefits received by Kerr-McGee, Devon Energy and the Underwriters from the offering of the DECS; provided, however, that in no case shall any
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Underwriter (except as may be provided in any agreement among underwriters relating to the offering of the DECS) be responsible for any amount in excess of the underwriting discount or commission applicable to the DECS purchased by such Underwriter hereunder. If the allocation provided by the immediately preceding sentence is unavailable for any reason, Kerr-McGee, Devon Energy and the Underwriters severally shall contribute in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of Kerr-McGee, Devon Energy and the Underwriters in connection with the statements or omissions which resulted in such Losses as well as any other relevant equitable considerations. Benefits received by Kerr-McGee or Devon Energy on the one hand and the Underwriters on the other with respect to such offering shall be deemed

to be equal to the total net proceeds from the offering (before deducting expenses) received by Kerr-McGee, and the total underwriting discounts and commissions, respectively, in each case as set forth on the cover page of the Final Kerr-McGee Prospectus. Relative fault shall be determined by reference to, among other things, whether any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information provided by Kerr-McGee and Devon Energy on the one hand or the Underwriters on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. Kerr-McGee, Devon Energy and the Underwriters agree that it would not be just and equitable if contribution were determined by pro rata allocation or any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph (g), no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 10, each person who controls an Underwriter within the meaning of either the Act or the Exchange Act and each director, officer, employee and agent of an Underwriter shall have the same rights to contribution as such Underwriter, and each person who controls Kerr-McGee or Devon Energy within the meaning of either the Act or the Exchange Act, each officer of Kerr-McGee or Devon Energy who shall have signed the Registration Statement and each director of Kerr-McGee or Devon Energy shall have the same rights to contribution as Kerr-McGee or Devon Energy, subject in each case to the applicable terms and conditions of this paragraph (g).

(h) Notwithstanding the foregoing, all agreements between Kerr-McGee and Devon Energy in connection with the respective rights and the amount of liability of each party to the other shall remain in full force and effect to the extent provided therein.

11. Default by an Underwriter. If any one or more Underwriters shall fail to purchase and pay for any of the DECS agreed to be purchased by such Underwriter or Underwriters hereunder and such failure to purchase shall constitute a default in the performance of its or their obligations under this Agreement, the remaining Underwriters shall be obligated severally to take up and pay for (in the respective proportions which the principal amount

of DECS set forth opposite their names in Schedule I hereto bears to the aggregate principal amount of DECS set forth opposite the names of all the remaining Underwriters) the DECS which the defaulting Underwriter or Underwriters agreed but failed to purchase; provided, however, that in the event that the aggregate principal amount of DECS which the defaulting Underwriter or Underwriters agreed but failed to purchase shall exceed 10% of the aggregate amount of DECS set forth in Schedule I hereto, the remaining Underwriters shall have the right to purchase all, but shall not be under any obligation to purchase any, of the DECS, and if such nondefaulting Underwriters do not purchase all the DECS, this Agreement will terminate without liability to any nondefaulting Underwriter, Kerr-McGee or Devon Energy . In the event of a default by any Underwriter as set forth in this Section 11, the Closing Date shall be postponed for such period, not exceeding five Business Days, as the Representatives shall determine in order that the required changes in the Kerr-McGee or Devon Energy Registration Statement and the Final Kerr-McGee or Devon Energy Prospectus or in any other documents or arrangements may be effected. Nothing contained in this Agreement shall relieve any defaulting Underwriter of

its liability, if any, to Kerr-McGee, Devon Energy and any nondefaulting Underwriter for damages occasioned by its default hereunder.

12. Termination. This Agreement shall be subject to termination in the absolute discretion of the Representatives, by notice given to Kerr-McGee and Devon Energy prior to delivery of and payment for the DECS, if prior to such time (i) trading in Kerr-McGee's or Devon Energy's common stock shall have been suspended by the Commission or trading in securities generally on the New York Stock Exchange or the AMEX shall have been suspended or limited or minimum prices shall have been established on either of such Exchanges, (ii) a banking moratorium shall have been declared either by Federal or New York State authorities or (iii) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of a national emergency, or war, or other calamity or crisis the effect of which on financial markets is such as to make it, in the sole judgment of the Representatives, impracticable or inadvisable to proceed with the offering or delivery of the DECS as contemplated by the Final Kerr-McGee Prospectus (exclusive of any supplement thereto).

13. Representations and Indemnities to Survive. Subject to the limitations imposed by any applicable statute of limitations, the respective agreements, representations, warranties, indemnities and other statements of Kerr-McGee and Devon Energy or their respective officers and of the Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of any Underwriter, Kerr-McGee or Devon Energy or any of the officers, directors, employees, agents or controlling persons referred to in Section 10 hereof, and will survive delivery of and payment for the DECS. The provisions of Sections 9 and 10 hereof shall survive the termination or cancellation of this Agreement.

14. Other Agreement. Nothing herein shall alter the rights and obligations of Kerr-McGee and Devon Energy under the Registration Rights Agreement, the terms of which shall survive and shall not be deemed to have been terminated by any termination of this Underwriting Agreement or the consummation of the offering of DECS contemplated hereby.

15. Notices. All communications hereunder will be in writing and effective only on receipt, and, if sent to the Representatives, will be mailed, delivered or telefaxed to the Salomon Smith Barney Inc. General Counsel (Fax No.: (212) 816-7912) and confirmed to the

General Counsel, Salomon Smith Barney Inc., at 388 Greenwich Street, New York, New York, 10013, Attention: General Counsel; or if sent to Kerr-McGee, will be mailed, delivered or telefaxed to the Kerr-McGee General Counsel (Fax No. (405) 270-3649) and confirmed to it at the Kerr-McGee Corporation, 123 Robert S. Kerr Avenue, Oklahoma City, Oklahoma 73102, Attention: General Counsel; or if sent to Devon Energy, will be mailed, delivered or telefaxed to Duke Ligon, Esq. (Fax No. (405) 552-8171) and confirmed to it at Devon Energy Corporation, 20 North Broadway, Suite 1500, Oklahoma City, Oklahoma 73102, attention of the Legal Department.

16. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers, directors, employees, agents and controlling persons referred to in

Section 10 hereof, and no other person will have any right or obligation hereunder.

17. Applicable Law. This agreement will be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed within the State of New York.

18. Counterparts. This Agreement may be signed in one or more counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.

19. Headings. The section headings used herein are for convenience only and shall not affect the construction hereof.

20. Definitions. The terms which follow, when used in this Agreement, shall have the meanings indicated.

"Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Basic Kerr-McGee Prospectus" shall mean the prospectus referred to in paragraph (a) (i) of this Section 1 contained in the Kerr-McGee Registration Statement at the Kerr-McGee Effective Date.

"Business Day" shall mean any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions or trust companies are authorized or obligated by law to close in New York City.

"Commission" shall mean the Securities and Exchange Commission.

"Devon Energy Effective Date" shall mean each date that the Devon Energy Registration Statement and any post-effective amendment or amendments thereto became or become effective.

"Devon Energy Prospectus" shall mean the prospectus relating to the Shares that is first filed pursuant to Rule 424(b) after the Execution Time or, if no filing pursuant to Rule 424(b) is required, shall mean the form of final prospectus relating to the Shares

included in the Devon Energy Registration Statement at the Devon Energy Effective Date.

"Devon Energy Registration Statement" shall mean the registration statement referred to in paragraph (a) of this Section 2 including incorporated documents, exhibits and financial statements, as amended at the Execution Time and, in the event any post-effective amendment thereto becomes effective prior to the Closing Date, shall also mean such registration statement as so amended. Such term shall include any Rule 430A Information deemed to be included therein at the Devon Energy Effective Date as provided by Rule 430A.

"Effective Date" shall mean each date and time that the Registration Statement, any post-effective amendment or amendments thereto and any Rule 462(b) Registration Statement became or become effective.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Execution Time" shall mean the date and time that this Agreement is executed and delivered by the parties hereto.

"Final Kerr-McGee Prospectus" shall mean the prospectus supplement relating to the DECS that is first filed pursuant to Rule 424(b) after the Execution Time together with the Basic Kerr-McGee Prospectus.

"Kerr-McGee Effective Date" shall mean each date that the Kerr-McGee Registration Statement and any post-effective amendment or amendments thereto became or become effective.

"Kerr-McGee Registration Statement" shall mean the registration statement referred to in paragraph (a) (i) of this Section 1, including incorporated documents, exhibits and financial statements, as amended at the Execution Time and, in the event any post-effective amendment thereto becomes effective prior to the Closing Date shall also mean such registration statement as so amended. Such term shall include any Rule 430A Information deemed to be included therein at the Kerr-McGee Effective Date as provided by Rule 430A.

"Preliminary Devon Energy Prospectus" shall mean any preliminary prospectus referred to in paragraph (a) of this Section 2 and any preliminary prospectus included in the Devon Energy Registration Statement at the Devon Energy Effective Date that omits Rule 430A Information.

"Preliminary Final Kerr-McGee Prospectus" shall mean any preliminary prospectus supplement to the Basic Kerr-McGee Prospectus which describes the DECS and the offering thereof, is used prior to filing the Final Kerr-McGee Prospectus and is filed, together with the Basic Kerr-McGee Prospectus, pursuant to Rule 424(b).

"Preliminary Prospectus" shall mean any preliminary prospectus referred to in paragraph 1(a) above and any preliminary prospectus included in the Registration Statement at the Effective Date that omits Rule 430A Information.

"Prospectus" shall mean the prospectus relating to the Securities that is first filed pursuant to Rule 424(b) after the Execution Time or, if no filing pursuant to Rule 424(b) is required, shall mean the form of final prospectus relating to the Securities included in the Registration Statement at the Effective Date.

"Registration Statement" shall mean the registration statement referred to in paragraph 1(a) above, including exhibits and financial statements, as amended at the Execution Time (or, if not effective at the Execution Time, in the form in which it shall become effective) and, in the event any post-effective amendment thereto or any Rule 462(b) Registration Statement becomes effective prior to the Closing Date, shall also mean such registration statement as so amended or such Rule 462(b) Registration Statement, as the case may be. Such term shall include any Rule 430A Information deemed to be included therein at the Effective Date as provided by Rule 430A.

"Rule 424," "Rule 430A" and "Regulation S-K" refer to such rules or regulation under the Act.

"Rule 430A Information" shall mean information with respect to the Securities and the offering thereof permitted to be omitted from the Registration Statement when it becomes effective pursuant to Rule 430A.

"Trust Indenture Act" shall mean the Trust Indenture Act of 1939, as amended, and the rules and regulations of the Commission promulgated thereunder.

Any reference herein to the Kerr-McGee Registration Statement, the Basic Kerr-McGee Prospectus, any Preliminary Final Kerr-McGee Prospectus or the Final Kerr-McGee Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 which were filed under the Exchange Act on or before the Kerr-McGee Effective Date or the issue date of the Basic Kerr-McGee Prospectus, any Preliminary Final Kerr-McGee Prospectus or the Final Kerr-McGee Prospectus, as the case may be; and any reference herein to the terms "amend," "amendment" or "supplement" with respect to the Kerr-McGee Registration Statement, the Basic Kerr-McGee Prospectus, any Preliminary Final Kerr-McGee Prospectus or the Final Kerr-McGee Prospectus shall be deemed to refer to and include the filing of any document under the Exchange Act after the Kerr-McGee Effective Date, or the issue date of any Preliminary Final Kerr-McGee Prospectus or the Final Kerr-McGee Prospectus, as the case may be, deemed to be incorporated therein by reference.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us the enclosed duplicate hereof, whereupon this letter and your acceptance shall represent a binding agreement among Kerr-McGee, Devon Energy and the several Underwriters.

Very truly yours,

Kerr-McGee Corporation

By: _____
Name:
Title:

Devon Energy Corporation

By:_____
Name:
Title:

Devon Delaware Corporation

By:_____
Name:
Title:

The foregoing Agreement is hereby
confirmed and accepted as of the
date first above written.

Salomon Smith Barney
Credit Suisse First Boston Corporation
Lehman Brothers Inc.

Merrill Lynch & Co., Merrill Lynch, Pierce,
Fenner & Smith Incorporated
ABN AMRO Incorporated

By: Salomon Smith Barney Inc.

By: _____
Name:
Title:

For themselves and the other
several Underwriters named in
Schedule I to the foregoing
Agreement.

SCHEDULE I

<TABLE>
<CAPTION>

Underwriter	Amount of Underwritten DECS to be Purchased
<S>	<C>
Salomon Smith Barney Inc.	3,029,479
Credit Suisse First Boston Corporation	3,029,478
Lehman Brothers Inc.	865,565
Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated	865,565
ABN AMRO Incorporated	865,565
Total	8,655,652

</TABLE>

SCHEDULE II

1. Kerr-McGee has been named a "potentially responsible party" in connection with a federal creosite site in Manville, New Jersey, as described in the letter from the U.S. Environmental Protection Agency to Kerr-McGee and Kerr-McGee Chemical Corporation dated July 5, 1999.

ANNEX A

Kerr-McGee Significant Subsidiaries

[please provide]

ANNEX B

Devon Energy Significant Subsidiaries

Devon Energy Corporation (Nevada)
Northstar Energy Corporation

Devon Energy Canada Corporation
Devon Financing Trust
DBC, Inc.

EXHIBIT 4.1

KERR-McGEE CORPORATION

to

CITIBANK, N.A.,
as Trustee

First Supplemental Indenture

Dated May 7, 1996

Supplementing and Amending the Indenture
Dated as of August 1, 1982

THIS FIRST SUPPLEMENTAL INDENTURE, dated as of May 7, 1996, is between KERR-McGEE CORPORATION, a Delaware corporation (hereinafter called the "Corporation"), and CITIBANK, N.A., a national banking association duly organized and existing under the laws of the United States of America, as Trustee under the Indenture referred to below (hereinafter called the "Trustee").

RECITALS

The Company and the Trustee are parties to an Indenture, dated as of August 1, 1982 (the "Indenture"), relating to the issuance from time to time by the Company of its Securities on terms to be specified at the time of issuance. Capitalized terms herein, not otherwise defined herein, shall have the meanings assigned to them in the Indenture.

The Company has duly authorized the execution and delivery of this First Supplemental Indenture in order to (i) provide for the issuance of Global Securities, (ii) provide for the defeasance of certain obligations, and (iii) provide for the conformity of the Indenture to the Trust Indenture Act of 1939, as amended.

The Company has requested the Trustee and the Trustee has agreed to join with it in the execution and delivery of this First Supplemental Indenture.

Section 901(f) of the Indenture provides that the Company, acting pursuant to a Board Resolution, and the Trustee, at any time and from time to time, may enter into an indenture supplemental to the Indenture to make such provisions in regard to matters or questions arising under the Indenture which shall not adversely affect the interests of any Holders of Securities.

The Company has determined that this First Supplemental Indenture complies with Section 901(f) and does not require the consent of any Holders of Securities. On the basis of the foregoing, the Trustee has determined that this First Supplemental Indenture is in form satisfactory to it.

The Company has furnished the Trustee with an Officer's Certificate and an Opinion of Counsel complying with the requirements of Section 905 of the Indenture, stating that the execution of this First Supplemental Indenture is authorized or permitted by the Indenture, and has delivered to the Trustee a Board Resolution authorizing the execution and delivery of this

First Supplemental Indenture, together with such other documents as may have been required by Section 102 of the Indenture.

All things necessary to make this First Supplemental Indenture a valid agreement of the Company and the Trustee and a valid amendment of and supplement to the Indenture have been done.

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH:

For and in consideration of the premises, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of Securities, as follows:

A. AMENDMENTS TO THE INDENTURE

1. The definition of "Board of Directors" set forth in Section 101 of the Indenture is hereby deleted and replaced by the following:

"Board of Directors" means the board of directors of the Company or any duly authorized committee of that board or any director or directors and/or officer or officers of the Company to whom that board or committee shall have duly delegated its authority.

2. The definition of "Board Resolution" set forth in Section 101 of the Indenture is hereby deleted and replaced by the following:

"Board Resolution" means (1) a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, or (2) a certificate signed by the director or directors and/or officer or officers to whom the board of directors or any duly authorized committee of that board shall have duly delegated its authority, in each case delivered to the Trustee for the Securities of any series.

3. The definition of "Trust Indenture Act" set forth in Section 101 of the Indenture is hereby deleted and replaced by the following:

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended by the Trust Indenture Reform Act of 1990, as in force at the date as of which this instrument was executed, except as provided in Section 903.

4. Section 101 of the Indenture is hereby amended by adding the following definition of "Global Security" after the definition of "Funded Debt":

"Global Security" means a Security evidencing all or part of a series of Securities, including, without limitation, any temporary or permanent Global Securities.

5. Section 101 of the Indenture is hereby amended by adding the following definition of "U.S. Depositary" after the definition of "United States":

"U.S. Depositary" means a clearing agency registered under the Securities Exchange Act of 1934, as amended, or any successor thereto, which shall in either case be designated by the Corporation pursuant to Section 301, until a successor U.S. Depositary shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "U.S. Depositary" shall mean or include each Person who is then a U.S. Depositary hereunder, and if at any time there is more than one such Person, "U.S. Depositary" as used with respect to the Securities of any series shall mean the U.S. Depositary with respect to the Securities of that series.

6. Section 102 of the Indenture is hereby amended by adding in the first line of the second paragraph, after the word "certificate", the following:

(other than certificates provided pursuant to Section 1006)

7. Section 107 of the Indenture is hereby deleted and replaced by the following:

If any provision hereof limits, qualifies or conflicts with the duties imposed by any of Sections 310 through 317, inclusive, of the Trust Indenture Act through the operation of Section 318(c) thereof, such imposed duties shall control.

8. Section 202 of the Indenture is hereby amended by substituting "Authorized Signatory" for "Authorized Officer" under the signature line of the form of Trustee's Certificate of Authentication.

9. Article Two of the Indenture is hereby amended by adding Section 203 as follows:

Section 203. Securities in Global Form.

If any Security of a series is issuable in global form (a "Global Security"), such Global Security may provide that it shall represent the aggregate amount of Outstanding Securities from time to time endorsed thereon and may also provide that the aggregate amount of Outstanding Securities represented thereby may from time to time be reduced to reflect exchanges. Any

endorsement of a Global Security to reflect the amount, or any increase or decrease in the amount, of Outstanding Securities represented thereby shall be made by the Trustee and in such manner as shall be specified in such Global Security. Any instructions by the Company with respect to a Global Security, after its initial issuance, shall be in writing but need not comply with Section 102.

None of the Company, the Trustee, any Paying Agent or the Security Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of a Global Security or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

10. Section 301(5) of the Indenture is hereby deleted and replaced by the following:

(5) the place or places, if any, in addition to or instead of the Corporate Trust Office of the Trustee, where the principal of (and premium, if any) and interest on Securities of the series shall be payable; the extent to which, or the manner in which, any interest payable on any Global Security on an

Interest Payment Date will be paid, if other than in the manner provided in Section 307; the extent, if any, to which the provisions of the last sentence of Section 1001 shall apply to the Securities of the Series; and the manner in which any principal of, or premium, if any, on, any Global Security will be paid, if other than as set forth elsewhere herein;

11. Section 301 of the Indenture is hereby amended by deleting the word "and" from the end of Section 301(10), by renumbering Section 301(11) as Section 301(13), and by inserting new Sections 301(11) and 301(12) as follows:

(11) provisions, if any, for the defeasance of Securities of the series;

(12) whether the Securities of the series shall be issued in whole or in part in the form of one or more Global Securities and, in such case, the U.S. Depositary for such Global Security or Securities; the manner in which and the circumstances under which Global Securities representing Securities of the series may be exchanged for Securities in definitive form, if other than, or in addition to, the manner and circumstances specified in Section 307; and

12. Section 307 of the Indenture is hereby amended by adding the following paragraphs at the end thereof:

If the Company shall establish pursuant to Section 301 that the Securities of a series are to be issued in whole or in part in the form of one or more Global Securities, then the Company shall execute and the Trustee shall, in accordance with Section 303 and the Company Order with respect to such series, authenticate and deliver one or more Global Securities in temporary or permanent form that (i) shall represent and shall be denominated in an amount equal to the aggregate principal amount of the Outstanding Securities of such series to be represented by one or more Global Securities, (ii) shall be registered in the name of the U.S. Depositary for such Global Security or Securities or the nominee of such depositary, and (iii) shall bear a legend substantially to the following effect: "This Security may not be transferred except as a whole by the Depositary to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary, unless and until this Security is exchanged in whole or in part for Securities in definitive form" and such other legend as may be required by the U.S. Depositary.

Notwithstanding any other provision of this Section or Section 307, unless and until it is exchanged in whole or in part for Securities in definitive form, a Global Security representing all or a portion of the Securities of a series may not be transferred except as a whole by the U.S. Depositary for such series to a nominee of such depositary or by a nominee of such depositary to such depositary or another nominee of such depositary or by such depositary or any such nominee to a successor U.S. Depositary for such

series or a nominee of such successor depositary.

If at any time the U.S. Depositary for the Securities of a series notifies the Company that it is unwilling or unable to continue as U.S. Depositary for the Securities of such series or if at any time the U.S. Depositary for Securities of a series shall no longer be a clearing agency registered and in good standing under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation, the Company shall appoint a successor U.S. Depositary with respect to the Securities of such series. If a successor U.S. Depositary for the Securities of such series is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such condition, the Company will execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of definitive Securities of such series, will authenticate and deliver, Securities of such series in definitive form in an aggregate principal amount equal to the principal

amount of the Global Security or Securities representing such series in exchange for such Global Security or Securities.

The Company may at any time and in its sole discretion determine that the Securities of any series issued in the form of one or more Global Securities shall no longer be represented by such Global Security or Securities. In such event, the Company will execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of definitive Securities of such series, will authenticate and deliver, Securities of such series in definitive form and in an aggregate principal amount equal to the principal amount of the Global Security or Securities representing such series in exchange for such Global Security or Securities.

If the Securities of any series shall have been issued in the form of one or more Global Securities and if an Event of Default with respect to the Securities of such series shall have occurred and be continuing, the Company will promptly execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of definitive Securities of such series, will authenticate and deliver Securities of such series in definitive form and in an aggregate principal amount equal to the principal amount of the Global Security or Securities representing such series in exchange for such Global Security or Securities.

If specified by the Company pursuant to Section 301 with respect to Securities of a series, the U.S. Depositary for such series of Securities may surrender a Global Security for such series of Securities in exchange in whole or in part for Securities of such series in definitive form on such terms as are acceptable to the Company and such depositary. Thereupon, the Company shall execute and the Trustee shall authenticate and deliver, without charge:

(i) to each Person specified by the U.S. Depositary a new Registered Security or Securities of the same series, of any authorized denomination as requested by such Person in an aggregate

principal amount equal to and in exchange for such Person's beneficial interest in the Global Security; and

(ii) to the U.S. Depositary a new Global Security in a denomination equal to the difference, if any, between the principal amount of the surrendered Global Security and the aggregate principal amount of Securities delivered to Holders thereof.

Upon the exchange of a Global Security in whole for Securities in definitive form, such Global Security shall be

cancelled by the Trustee. Securities issued in exchange for a Global Security pursuant to this subsection (c) shall be registered in such names and in such authorized denominations as the U.S. Depositary for such Global Security, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. The Trustee shall deliver such Securities to the Persons in whose names such Securities are so registered.

13. Section 608 of the Indenture is hereby deleted and replaced by the following:

The Trustee for the Securities shall be subject to the provisions of Section 310(b) of the Trust Indenture Act during the period of time required thereby. Nothing herein shall prevent the Trustee from filing with the Commission the application referred to in the penultimate paragraph of Section 310(b) of the Trust Indenture Act. In determining whether the Trustee has a conflicting interest as defined in Section 310(b) of the Trust Indenture Act with respect to the Securities of any series, there shall be excluded Securities of any particular series of Securities other than that series.

14. Section 609 of the Indenture is hereby deleted and replaced by the following:

There shall at all times be a Trustee hereunder which shall be

(i) a corporation organized and doing business under the laws of the United States of America, any state thereof, or the District of Columbia, authorized under such laws to exercise corporate trust powers, and subject to supervision or examination by Federal or State authority, or

(ii) a corporation or other Person organized and doing business under the laws of a foreign government that is permitted to act as Trustee pursuant to a rule, regulation, or other order of the Commission, authorized under such laws to exercise corporate trust powers, and subject to supervision or examination by authority of such foreign government or a political subdivision thereof substantially equivalent to supervision or examination applicable to United States

institutional trustee,

having a combined capital and surplus of at least $50,000,000 and having its Corporate Trust Office in the Borough of Manhattan, the City of New York, or such other city as contemplated by

Section 301 with respect to any series of Securities. If such corporation publishes reports of condition at least annually, pursuant to law or to requirements of the aforesaid supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. Neither the Company nor any Person directly or indirectly controlling, controlled by, or under the common control with the Company shall serve as Trustee for the Securities. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereunder specified in this Article.

15. Section 610(d)(1) of the Indenture is amended to:

(a) Delete the phrase "608(a)" after the word "Section" in the first line thereof and to add the phrase in substitution for such deleted phrase "310(b) of the Trust Indenture Act pursuant to Section 608 hereof."

(b) Add immediately after the word "months" in the fourth line thereof the phrase ", unless the Trustee's duty to resign is stayed in accordance with the provisions of Section 310(b) of the Trust Indenture Act."

16. Section 613(a) of the Indenture is hereby amended to substitute the word "three" for the word "four" each time it appears therein.

17. Section 703(a) of the Indenture is amended to:

(a) Add the phrase "any of the following events which may have occurred within the prior 12 months (but if no such event has occurred within such period no report need be transmitted)" immediately after the word "to" on the fourth line of subsection (a) of Section 703;

(b) Add the phrase "any change to" immediately after (1) and renumbered (4) and (5) of Section 703(a)(1),(4) and (5) and delete from Section 703(a)(1) the phrase ", or in lieu thereof, if to the best of its knowledge it has continued to be eligible and qualified under said Sections, a written statement to that effect;"

(c) Add a new subsection (2) thereto, which will read in its entirety as follows:

(2) The creation of any material change to a relationship specified in Section 310(b)(1) through Section 310(b)(10) of the Trust Indenture Act;

and renumber the following subsections accordingly.

18. Section 1006 of the Indenture is hereby amended to:

(a) Delete the reference to the following signatories referred to beginning in the fifth line thereof: "Chairman or Vice Chairman of the Board or the President or any Vice President of the Company and by the Treasurer or the Secretary or any Assistant Secretary" and substitute in lieu thereof a reference to the following signatories: "principal executive officer, principal financial officer or principal accounting officer of the Company."

(b) Add the following sentence after the last sentence thereof: "For purposes of this Section, such compliance shall be determined without regard to any period of grace or requirement of notice provided under this Indenture."

19. The Indenture is hereby amended by adding Article 14 as follows:

ARTICLE FOURTEEN

DEFEASANCE

Section 1401. Applicability of Article.

If, pursuant to Section 301, provision is made for the defeasance of Securities of a series, then the provisions of this Article shall be applicable except as otherwise specified pursuant to Section 301 for Securities of such series.

Section 1402. Defeasance Upon Deposit of Moneys or U.S. Government Obligations.

At the Company's option, either (a) the Company shall be deemed to have been Discharged (as defined below) from its obligations with respect to Securities of any series ("legal defeasance option") or (b) the Company shall cease to be under any obligation to comply with any term, provision or condition set forth in Sections 801, 1004, 1005, 1008 and 1009 with respect to Securities of any series (and, if so specified pursuant to Section 301, any other obligation of the Company or restrictive covenant added for the benefit of such series pursuant to Section

301) ("covenant defeasance option") at any time after the applicable conditions set forth below have been satisfied:

(1) the Company shall have deposited or caused to be deposited irrevocably with the Trustee as trust funds in trust, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of the Securities of such series (i) money in an amount, or (ii) U.S. Government Obligations (as defined below) which through the payment of interest and principal in respect thereof in accordance with their terms will provide, not later than one day before the due date of any payment, money in an amount, or (iii) a combination of (i) and (ii), sufficient, in the opinion (with respect to (i) and (ii)) of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge each installment of principal (including any mandatory sinking fund payments) of and premium, if any, and interest on, the Outstanding Securities of such series on the dates such installments of interest or principal and premium are due;

(2) such deposit shall not cause the Trustee with respect to the Securities of that series to have a conflicting interest as defined in Section 608 and for purposes of the Trust Indenture Act with respect to the Securities of any series;

(3) such deposit will not result in a breach or violation of, or constitute a default under, this Indenture or any other agreement or instrument to which the Company is a party or by which it is bound;

(4) if the Securities of such series are then listed on any national securities exchange, the Company shall have delivered to the Trustee an Opinion of Counsel or a letter or other document from such exchange to the effect that the Company's exercise of its option under this Section would not cause such Securities to be delisted;

(5) no Event of Default or event (including such deposit) which, with notice or lapse of time or both, would become an Event of Default with respect to the Securities of such series shall have occurred and be continuing on the date of such deposit and, with respect to the legal defeasance option only, no Event of Default under Section 501(e) or Section 501(f) or

event which with the giving of notice or lapse of time, or both, would become an Event of Default under Section 501(e) or Section 501(f) shall have occurred and be continuing on the 91st day after such date; and

(6) the Company shall have delivered to the Trustee an Opinion of Counsel or a ruling from the Internal Revenue Service to the effect that the Holders of the Securities of such series will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit, defeasance or Discharge.

Notwithstanding the foregoing, if the Company exercises its covenant defeasance option and an Event of Default under Section 501(e) or Section 501(f) or event which with the giving of notice or lapse of time, or both, would become an Event of Default under Section 501(e) or Section 501(f) shall have occurred and be continuing on the 91st day after the date of such deposit, the obligations of the Company referred to under the definition of covenant defeasance option with respect to such Securities shall be reinstated.

"Discharged" means that the Company shall be deemed to have paid and discharged the entire indebtedness represented by, and obligations under, the Securities of such series and to have satisfied all the obligations under this Indenture relating to the Securities of such series (and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging the same), except (A) the rights of Holders of Securities of such series to receive, from the trust fund described in clause (1) above, payment of the principal of (and premium, if any) and interest on such Securities when such payments are due, (B) the Company's obligations with respect to the Securities of such series under Sections 305, 306, 307, 1002 and 1403 and to the Trustee under Section 607 and (C) the rights, powers, trusts, duties and immunities of the Trustee hereunder.

"U.S. Government Obligations" means securities that are (i) direct obligations of the United States for the payment of which its full faith and credit is pledged, or (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States, which, in either case under clauses (i) or (ii), are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such U.S. Government Obligation or a specific payment of interest on or principal of any such U.S. Government obligation held by such custodian for the account of the holder

of a depository receipt; provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of interest on or principal of the U.S. Government Obligation evidenced by such depository receipt.

Section 1403. Deposited Moneys and U.S. Government Obligations to Be Held in Trust.

All moneys and U.S. Government Obligations deposited with the Trustee pursuant to Section 1402 in respect of Securities of a series shall be held in trust and applied by it, in accordance with the provisions of such Securities and this Indenture, to the payment, either directly or through any Paying Agent

(including the Company acting as its own Paying Agent) as the Trustee may determine, to the Holders of such Securities, of all sums due and to become due thereon for principal (and premium, if any) and interest, if any, but such money need not be segregated from other funds except to the extent required by law.

Section 1404. Repayment to Company.

The Trustee and any Paying Agent shall promptly pay or return to the Company upon Company Request any moneys or U.S. Government Obligations held by them at any time that are not required for the payment of the principal of (and premium, if any) and interest on the Securities of any series for which money or U.S. Government Obligations have been deposited pursuant to Section 1402.

The provisions of the last paragraph of Section 1003 shall apply to any money held by the Trustee or any Paying Agent under this Article that remains unclaimed for two years after the Maturity of any series of Securities for which money or U.S. Government Obligations have been deposited pursuant to Section 1402.

20. The Table of Contents of the Indenture is amended to reflect the additions and deletions described in this First Supplemental Indenture.

B. GENERAL PROVISIONS

1. The recitals contained herein shall be taken as the statements of the Company, and the Trustee assumes no responsibility for the correctness of same, except for the recital indicating the Trustee's approval of the form of this First Supplemental Indenture. The Trustee makes no

representation as to the validity of this First Supplemental Indenture.

2. This First Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts together shall constitute but one and the same instrument.

3. All provisions of this First Supplemental Indenture shall be deemed to be incorporated in, and made part of, the Indenture; and the Indenture, as supplemented by this First Supplemental Indenture, shall be read, taken and construed as one and the same instrument.

4. The Trustee accepts the trust created by the Indenture, as supplemented by this First Supplemental Indenture, and agrees to perform the same upon the terms and conditions in the Indenture, as supplemented by this First Supplemental Indenture.

5. In case any provision in this First Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired

thereby.

6. Nothing in this First Supplemental Indenture, express or implied, shall give to any Person, (other than the parties hereto, any Security Registrar, any Paying Agent, and Authenticating Agent and their successors under the Indenture, and the Holders of the Securities), any benefit or any legal or equitable right, remedy or claim under the Indenture.

7. This First Supplemental Indenture shall be deemed to be a contract made under the laws of the State of New York, and for all purposes shall be construed in accordance with the laws of said State.

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

KERR-MCGEE CORPORATION

[CORPORATE SEAL]

By: /s/ John C. Linehan

Title: Senior Vice President and
Financial Officer

Attest:

/s/ Don Hager

Title: Assistant Secretary

CITIBANK, N.A.
as Trustee

[CORPORATE SEAL]

By: /s/ Patrick DeFelice

Title: Vice President

Attest:

/S/ Arthur Aslanian

Title: Vice President

State of OKLAHOMA)
: ss.:
County of OKLAHOMA)

On the 16th day of May, 1997, before me personally came John C. Linehan, to me known, who, being by me duly sworn, did depose and say that he resides at Oklahoma City, Oklahoma; that he is Senior Vice President of KERR-McGEE CORPORATION, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation; and that he signed his name thereto by like authority.

/s/ Karen D. Wilson

Notary Public

Notarial Seal

State of NEW YORK)
: ss.:
County of NEW YORK)

On the 23RD day of May, 1997, before me personally came P. DeFelice, to me known, who, being by me duly sworn, did depose and say that he resides at 47-09 169th Street, Flushing, N.Y. 11358; that he is Vice President of CITIBANK, N.A., one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation; and that he signed his name thereto by like authority.

/s/ Jeffrey Berger

Notary Public

Notarial Seal

THIS SECOND SUPPLEMENTAL INDENTURE, dated [*] July , 1999 (hereinafter called the "Supplemental Indenture"), is between KERR-McGEE CORPORATION, a Delaware corporation (hereinafter called the "Corporation"), and CITIBANK, N.A., a national banking association duly organized and existing under the laws of the United States of America, as Trustee under the Indenture referred to below (hereinafter called the "Trustee").

RECITALS

The Company and the Trustee are parties to an Indenture, dated as of August 1, 1982, as amended (the "Indenture"), relating to the issuance from time to time by the Company of its Securities on terms to be specified at the time of issuance. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Indenture.

The Company has duly authorized the creation of a series of its Securities denominated its "**% Exchangeable Notes Due **, 2004" representing up to ** of its "Debt Exchangeable for Common Stock(SM)" (such Securities being referred to herein as the "DECS(SM)"), the principal amount of which is mandatorily exchangeable at Maturity into shares of Common Stock, par value $** per share (the "Devon Common Stock") of Devon Energy Corporation ("Devon"), or, at the option of the Company (under the circumstances described herein), cash, in either case at the Exchange Rate (as defined herein) and/or such other consideration as permitted or required by the terms of the DECS.

The Company has duly authorized the execution and delivery of this Supplemental Indenture in order to provide for the issuance of the DECS[*].

The Company has requested the Trustee and the Trustee has agreed to join with it in the execution and delivery of this Supplemental Indenture.

Section 901(f) of the Indenture provides that the Company, acting pursuant to a Board Resolution, and the Trustee, at any time and from time to time, may enter into an indenture supplemental to the Indenture to make such provisions in regard to matters or questions arising under the Indenture which shall not adversely affect the interests of any Holders of Securities.

The Company has determined that this Supplemental Indenture complies with Section 901(f) and does not require the consent of any Holders of

Securities. On the basis of the foregoing, the Trustee has determined that this Supplemental Indenture is in form satisfactory to it.

The Company has furnished the Trustee with an Officer's Certificate and an Opinion of Counsel complying with the requirements of Section 905 of the Indenture, stating that the execution of this Supplemental Indenture is authorized or permitted by the Indenture, and has delivered to the Trustee a Board Resolution authorizing the execution and delivery of this Supplemental Indenture, together with such other documents as may have been required by Section 102 of the Indenture.

All things necessary to make this Supplemental Indenture a valid agreement of the Company and the Trustee and a valid amendment of and supplement to the Indenture have been done.

[*]

The entry into this Supplemental Indenture by the parties hereto is in all respects authorized by the provisions of the Indenture.

The Company has duly authorized the execution and delivery of this Supplemental Indenture, and all things necessary have been done to make the DECS, when executed by the Company and authenticated and delivered hereunder and duly issued by the Company, the valid obligations of the Company, and to make this Supplemental Indenture a valid agreement of the Company, in accordance with their and its terms.

NOW THEREFORE:

It is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of the DECS, as follows:

ARTICLE I

SECTION 1.01. Definitions.

For all purposes of the Indenture and this Supplemental Indenture as they relate to the DECS, except as otherwise expressly provided or unless the context otherwise requires:

(1) the terms defined in this Article have the meanings assigned to them in this Article;

(2) the words "herein", "hereof" and "hereunder" and other words of similar import refer to the Indenture and this Supplemental Indenture as a whole and not to any particular Article, Section or other subdivision; and

(3) capitalized terms used but not defined herein are used as they are defined in the Indenture.

"Adjustment Event" has the meaning set forth in Section 2.04(b).

"Business Day" means any day that is not a Saturday, a Sunday or a day on which the NYSE or banking institutions or trust companies in The City of New York are authorized or obligated by law or executive order to close.

"Closing Price" of any security on any date of determination means (i) the closing sale price (or, if no closing price is reported, the last reported sale price) of such security (regular way) on the NYSE on such date, (ii) if such security is not listed for trading on the NYSE on any such date, as reported in the composite transactions for the principal United States securities exchange on which such security is so listed, (iii) if such security is not so listed on a United States national or regional securities exchange, as reported by the Nasdaq Stock Market, (iv) if such security is not so reported, the last quoted bid price for such security in the over-the-counter market as reported by the National Quotation Bureau or similar organization, or (v) if such security is not so quoted, the average of the mid-point of the last bid and ask prices for such security from each of at least three nationally recognized independent investment banking firms selected by the Company for such purpose.

"DECS" has the meaning set forth in the recitals to this Supplemental Indenture.

"Devon Common Stock" has the meaning set forth in the recitals to this Supplemental Indenture.

"Dilution Event" has the meaning set forth in Section 2.05(a)(ii).

"Exchange Rate" means a rate equal to (a) if the Maturity Price is greater than or equal to $** (the "Threshold Appreciation Price"), ** shares of Devon Common Stock per DECS, (b) if the Maturity Price is less than the Threshold Appreciation Price but is greater than the Initial Price, a fraction equal to (i) the Initial Price divided by (ii) the Maturity Price of one share of Devon Common Stock per DECS (such fractional share being calculated to the nearest 1/10,000th of a share or, if there is not a nearest 1/10,000th of a share, to the next higher 1/10,000th of a share) and (c) if the Maturity Price is less than or equal to the Initial Price, one share of Devon Common Stock per DECS; provided, however, that the Exchange Rate is subject to adjustment from time to time pursuant to Section 2.04(a).

"Initial Price" means $** Per Share of Devon Common Stock.

"Market Price" means, as of any date of determination, the average Closing Price per share of Devon Common Stock for the 20 Trading Days immediately prior to (but not including) the date of determination; provided, however, that if there are not 20 Trading Days for the Devon Common Stock occurring later than the 60th calendar day immediately prior to, but not including, such date, the Market Price shall [*] mean the market value per share of Devon Common Stock as of such date as determined by a nationally recognized investment banking firm retained for such purpose by the Company.

"Maturity" means the date on which the principal of a DECS becomes due and payable as provided herein, whether at Stated Maturity or by declaration of acceleration or otherwise.

"Maturity Price" means the average Closing Price per share of Devon Common Stock on the 20 Trading Days immediately prior to (but not including) the date of Maturity; provided, however, that if there are not 20 Trading Days for the Devon Common Stock occurring later than the 60th calendar day immediately prior to, but not including, the date of Maturity, Maturity Price means the market value per share of Devon Common Stock as of Maturity as determined by a nationally recognized independent investment banking firm retained for such
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purpose by the Company.

"NYSE" means the New York Stock Exchange, Inc.

"Ordinary Cash Dividend" has the meaning set forth in subparagraph (b)(5) of Section 2.04.

"Reported Securities" has the meaning set forth in subparagraph (b)(3) of Section 2.04.

"Share Components" means the ratios of shares of Devon Common Stock per DECS specified in clauses (a), (b) and (c) of the definition of "Exchange Rate" set forth in this Article.

"Threshold Appreciation Price" has the meaning specified in the definition of "Exchange Rate" set forth in this Article.

"Trading Day" means a Business Day on which the security, the Closing Price of which is being determined, (a) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (b) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of such security.

"Transaction Value" means (a) for any cash received in any Adjustment Event, the amount of cash received per share of Devon Common Stock, (b) for any Reported Securities received in any Adjustment Event, an amount equal to (x) the average Closing Price per security of such Reported Securities for the 20 Trading Days immediately prior to (but not including) Maturity multiplied by
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(y) the number of such Reported Securities (as adjusted pursuant to subparagraph (b)(4) of Section 2.04) received per share of Devon Common Stock and (c) for any property received in any Adjustment Event other than cash or such Reported Securities, an amount equal to the fair market value of the property received per share of Devon Common Stock on the date such property is received, as determined by a nationally recognized investment

banking firm retained for this purpose by the Company; provided, however, that

in the case of clause (b), (x) with respect to securities that are Reported Securities by virtue of only clause (iv) of the definition of Reported Security, Transaction Value with respect to any such Reported Security means the
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average of the mid-point of the last bid and ask prices for such Reported Security as of Maturity from each of at least three nationally recognized independent investment banking firms retained for such purpose by the Company
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multiplied by the number of such Reported Securities (as adjusted pursuant to subparagraph (b)(4) of Section 2.04) received per share of Devon Common Stock and (y) with respect to all other Reported Securities, if there are not 20 Trading Days for any particular Reported Security occurring later than the 60th calendar day immediately prior to, but not including, the date of Maturity, Transaction Value with respect to such Reported Security means the market value per security of such Reported Security as of Maturity as determined by a nationally recognized investment banking firm retained for such purpose by the Company multiplied by the number of such Reported Securities (as adjusted pursuant to subparagraph (b)(4) of Section 2.04) received per share of Devon Common Stock. For purposes of calculating the Transaction Value, any cash, Reported Securities or other property receivable in any Adjustment Event shall be deemed to have been received immediately prior to the close of business on the record date for such Adjustment Event or, if there is no record date for such Adjustment Event, immediately prior to the close of business on the effective date of such Adjustment Event.

Section 1.02. Effect of Headings.

The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 1.03. Successors and Assigns.

All covenants and agreements in this Supplemental Indenture by the Company shall bind its successors and assigns, whether so expressed or not.

Section 1.04. Separability.

In case any provision in this Supplemental Indenture or the DECS shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 1.05. Conflict with Trust Indenture Act.

If any provision hereof limits, qualifies or conflicts with another provision hereof which is required to be included in this Supplemental Indenture by any of the provisions of the Trust Indenture Act of 1939, as amended, such required provisions shall control.

Section 1.06. Benefits of Supplemental Indenture.

Nothing in this Supplemental Indenture, expressed or implied, shall give to any person, other than the parties hereto and their successors hereunder, and the Holders of the DECS any benefit or any legal or equitable

right, remedy or claim under this Supplemental Indenture.

Section 1.07. Application of Supplemental Indenture.

This Supplemental Indenture shall take effect on the date hereof, and shall, except with respect to Section 1.09 apply only to the DECS. This Supplemental Indenture shall have no effect on any other Securities, whether originally issued prior to the date hereof or thereafter. If any provision of this Supplemental Indenture is inconsistent with any provision of the Indenture, then, to the extent permitted by the Indenture, the provision in this Supplemental Indenture shall control.

SECTION 1.08. Governing Law.

THIS SUPPLEMENTAL INDENTURE AND THE DECS SHALL BE DEEMED TO BE A CONTRACT MADE UNDER THE LAWS OF THE STATE OF NEW YORK AND THIS SUPPLEMENTAL INDENTURE AND EACH SUCH DECS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Section 109. Section 301 of the Indenture is hereby amended as follows:

(a) By amending Section 301 of the Indenture by deleting the word "and" at the end of clause (12), by renumbering clause (13) of Section 301 as clause (14), and by inserting a new Section (13) as follows:

(13) the terms and conditions, if any, upon which the Securities of the series may or shall be convertible into or exchangeable or exercisable for or payable in, among other things, other securities, instruments, contracts, currencies, commodities or other forms of property, rights or interests or any combination of the foregoing; and

(b) By amending clause (c) of Section 601 by deleting the word "and" at the end of clause (3), by replacing the period at the end of clause (4) with "and", and by inserting as a new clause (5) as follows:

(5) the Trustee shall not at any time be under any duty or responsibility to any Holder of a Security that may or shall be convertible into or exchangeable or exercisable for or payable in, among other things, other securities, instruments, contracts, currencies, commodities or other forms of

property,

rights or interests or any combination of the foregoing, (A) to make or cause to be made any adjustment of the amount of the, among other things securities, instruments, contracts, currencies, commodities or other forms of property, rights or interests or any combination of the foregoing that may be issued, transferred or delivered to such Holder, or to determine whether any facts exist which may require any such adjustment, or with respect to the nature or extent of any such adjustment when made, or with respect to any method employed in making the same, (B) to account for the validity or value (or the kind or amount) of the, among other things, securities, instruments, contracts, currencies, commodities or others forms of property, rights or interests or any combination of the foregoing that may at any time be issued, transferred or delivered to such Holder or (C) with respect to the failure of the Company to issue, transfer or deliver any of the, among other things, securities, instruments, contracts, currencies, commodities or other forms of property, rights or interests or any combination of the foregoing pursuant to the terms of such Security.

(c) By amending clause (i) of Section 902 by inserting after the last comma at the end of such clause the following: or change the terms or conditions of any Securities so as to adversely affect the terms or conditions upon which such Securities are convertible into or exchangeable or exercisable for or payable in, among other things, other securities, instruments, contracts, currencies, commodities or other forms of property, rights or interests or any combination of the foregoing.

ARTICLE II
The DECS

Section 2.01. Title and Terms.

There is hereby created under the Indenture a series of Securities known and designated as the "**% Exchangeable Notes Due **, 2004" of the Company. The aggregate principal amount of DECS that may be authenticated and delivered under this Indenture is limited to $** million, except for DECS authenticated and delivered upon reregistration of, transfer of, or in exchange for, or in lieu of, other DECS pursuant to Section 305, 306, 307, 904 and 1103 of the Indenture.

The [*] Stated Maturity for payment of principal of the DECS shall be ** 2004 and the DECS shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) at the rate of **% of the principal amount per annum, from the date of original issuance or the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal amount thereof is exchanged at maturity pursuant to the terms of the DECS. Interest on the DECS shall be payable quarterly in arrears on **, **, ** and ** of each year, commencing **, 1999 (each, an "Interest Payment Date"), to the persons in whose names the DECS (or any predecessor securities) are registered at the close of business on **, **, ** and ** immediately preceding such Interest Payment Date, until the principal thereof is paid or made available for payment provided that interest payable at Maturity shall be payable to the person to [*] whom the Stock is deliverable.

The DECS shall be initially issued in the form of a Global Security and the depositary for the DECS shall be the [*] Depository Trust Company, New York, New York.

The DECS shall not be redeemable prior to their Maturity and shall not be subject to any sinking fund. The DECS are not subject to payment prior to the date of Maturity at the option of the Holder.

The DECS shall be mandatorily exchangeable as provided in Section 2.02.

The Company shall not be obligated to pay any additional amount on the DECS in respect of taxes, except as otherwise provided in Section 2.06 and 301.

The DECS shall be issuable in denominations of $** and any integral multiple thereof.

The DECS shall not be issued as Original Issue Discount Securities.

The form of DECS attached hereto as Exhibit A is hereby adopted, as a form of Securities of a series that consists of DECS. Certain terms of the DECS

are set forth in the form of the DECS.

[*] With respect to the DECS only and for the benefit of only the Holders thereof, the failure on the part of the Company to observe or perform any of the covenants or agreements on the part of the Company in this Second Supplemental Indenture not otherwise specified in Section 501 of the Indenture shall be an additional Event of Default with respect to the DECS as if and, for all purposes under the Indenture, to the same extent as if the same were specified in paragraph (d) of such Section 501 of the Indenture.

Section 2.02. Exchange at Maturity.

Subject to Section 2.04(b), at [*] Maturity the principal amount of each DECS shall be mandatorily exchanged by the Company into a number of shares of Devon Common Stock at the Exchange Rate; provided, however, that, pursuant to Section 2.03, no fraction of a share of Devon Common Stock shall be issued. The Holders of the DECS shall be responsible for the payment of any and all brokerage costs upon the subsequent sale of such shares. The Company may, at its option, in lieu of delivering Devon Common Stock, deliver cash in an amount (calculated to the nearest 1/100th of a dollar per DECS or, if there is not a nearest 1/100th of a dollar, then to the next higher 1/100th of a dollar) equal to the product of the number of shares of Devon Common Stock otherwise deliverable in respect of such DECS on the date of Maturity, multiplied by the Maturity Price; provided, however, that if such option is exercised, the Company shall deliver cash with respect to all, but not less than all, of the Devon Common Stock that would otherwise be deliverable. In determining the amount of cash deliverable in exchange for the DECS in lieu of Devon Common Stock pursuant to the prior sentence hereof, if

more than one DECS shall be surrendered for exchange at one time by the same Holder, the amount of cash which shall be delivered upon exchange shall be computed on the basis of the aggregate number of DECS so surrendered at Maturity.

Section 2.03. No Fractional Shares.

If more than one DECS shall be surrendered for exchange pursuant to Section 2.02 at one time by the same Holder, the number of full shares of Devon Common Stock or Reported Securities which shall be delivered upon such exchange, in whole or in part, as the case may be, shall be computed on the basis of the aggregate number of DECS surrendered at Maturity. No fractional shares or [*] scrip representing fractional shares of Devon Common Stock or Reported Securities shall be issued or delivered upon any exchange pursuant to Section 2.02 of any DECS. In lieu of any fractional share of Devon Common Stock or [*] of Reported Securities which, but for the immediately preceding sentence, would

otherwise be deliverable upon such exchange, the Company, through any applicable Paying Agent, shall make a cash payment in respect of such fractional interest in an amount equal to the value of such fractional share of Devon Common Stock or [*] Reported Security at the Maturity Price. The Company shall, upon such exchange of any DECS, provide cash to any applicable Paying Agent in an amount equal to the cash payable with respect to any fractional shares of Devon Common Stock deliverable upon such exchange, and the Company shall retain such fractional shares of Devon Common Stock.

Section 2.04. Adjustment of Exchange Rate.

(a) Adjustment for Distributions, Reclassifications, etc. The Exchange Rate shall be subject to adjustment from time to time as follows:

(i) If Devon shall:

(A) pay a stock dividend or make a distribution, in [*] either case, with respect to the Devon Common Stock in shares of such stock;

(B) subdivide or split the outstanding shares of Devon Common Stock into a greater number of shares;

(C) combine [*] the outstanding shares of Devon Common Stock into a smaller number of shares; or

(D) issue by reclassification (other than a reclassification pursuant to clause (ii), (iii), (iv) or (v) of the definition of Adjustment Event in paragraph (b) of this Section) of [*] shares of Devon Common Stock any shares of common stock of Devon;

then, in any such event, the Exchange Rate shall be adjusted by adjusting each of the Share Components of the Exchange Rate in effect immediately prior to such event so that a holder of any DECS shall be entitled to receive, upon exchange pursuant to Section 2.02 of the principal amount of such DECS at Maturity, the number of shares of Devon Common Stock (or, in the case of a reclassification referred to in clause (D) of this sentence, the number of shares of other common stock of Devon issued pursuant thereto) which such holder of such DECS would have owned or been entitled to receive immediately following such event had such DECS been exchanged immediately prior to such event or any record date with respect thereto. Each such adjustment shall become effective at the opening of business on the Business Day next following the record date for determination of holders of Devon Common Stock entitled to receive such dividend or distribution in the case of a dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision,

split, [*] combination or reclassification. Each such adjustment shall be made successively.

(ii) If Devon shall, after the date hereof, issue rights or warrants to all holders of Devon Common Stock entitling them to subscribe for or purchase shares of Devon Common Stock (other than rights to purchase Devon Common Stock pursuant to a plan for the reinvestment of dividends) at a price per share less than the Market Price of the Devon Common Stock on the Business Day next following the record date for the determination of holders of shares of Devon Common Stock entitled to receive such rights or warrants, then in each case, the Exchange Rate shall be adjusted by multiplying each of the Share Components of the Exchange Rate in effect on the record date for the determination of holders of Devon Common Stock entitled to receive such rights or warrants, by a fraction, of which the numerator shall be (A) the number of shares of Devon Common Stock outstanding on such record date plus (B) the number of additional shares of Devon Common Stock offered for subscription or purchase pursuant to such rights or warrants, and of which the denominator shall be (x) the number of shares of Devon Common Stock outstanding on such record date plus (y) the number of additional shares of Devon Common Stock which the aggregate offering price of the total number of shares of Devon Common Stock so offered for subscription or purchase pursuant to such rights or warrants would purchase at the Market Price of the Devon Common Stock on the Business Day next following such record date, which number of additional shares shall be determined by multiplying such total number of shares by the exercise price of such rights or warrants and dividing the product so obtained by such Market Price of Devon Common Stock. Such adjustment shall become effective at the opening of business on the Business Day next following the record date for the determination of holders of Devon Common Stock entitled to receive such rights or warrants. To the extent that such rights or warrants expire prior to the Maturity of the DECS and shares of Devon Common Stock are not delivered pursuant to such rights or warrants prior to such expiration, the Exchange Rate shall be readjusted to the Exchange Rate which would then

be in effect had such adjustments for the issuance of such rights or warrants been made upon the basis of delivery of only the number of shares of Devon Common Stock actually delivered pursuant to such rights or warrants. Each such adjustment shall be made successively.

(iii) Any shares of Devon Common Stock issuable in payment of a dividend shall be deemed to have been issued immediately prior to the close of business on the record date for such dividend for purposes of calculating the number of outstanding shares of Devon Common Stock under paragraph (a)(ii) of this Section.

(iv) All adjustments to the Exchange Rate will be calculated to the nearest 1/10,000th of a share of Devon Common Stock (or, if there is not a nearest 1/10,000th of a share of Devon Common Stock, to the next lower 1/10,000th of a share of Devon Common Stock). No adjustment in the Exchange Rate shall be required unless such adjustment would require an

increase or decrease of at least one percent therein; provided, however, that any adjustments which by reason of [*] this paragraph (a) (iv) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. If an adjustment is made to the Exchange Rate pursuant to paragraphs (a)(i) or (a)(ii) of this Section, an adjustment shall also be made to the Maturity Price as such term is used throughout the definition of Exchange Rate set forth in Section 1.01. The required adjustment to the Maturity Price shall be made at Maturity by multiplying the original Maturity Price by the [*] number or fraction determined under paragraphs (a)(i) and/or (a)(ii) of this Section by which the original Exchange Rate was multiplied to adjust such rate. In the case of a reclassification of any shares of Devon Common Stock into any common stock of Devon other than Devon Common Stock, such common stock shall be deemed to be shares of Devon Common Stock solely to determine the Maturity Price and to apply the Exchange Rate at Maturity. [*] Each such adjustment to the Exchange Rate and the Maturity Price shall be made successively.

(b) Other Adjustment Events. In the event of (i) any dividend or distribution by Devon to all holders of Devon Common Stock of evidences of its indebtedness or other assets (excluding any dividends or distributions referred to in clause (A) of paragraph (a)(i) of this Section, any common shares issued pursuant to a reclassification referred to in clause (D) of paragraph (a)(i) of this Section and any Ordinary Cash Dividends (as defined below)) or any issuance by Devon to all holders of Devon Common Stock of rights or warrants to subscribe or purchase any of as Securities (other than rights or warrants referred to in paragraph (a)(ii) of this Section), (ii) any consolidation or merger of Devon or any surviving entity or subsequent surviving entity of Devon (a "Devon Successor")with or into another entity (other than a merger or consolidation in which Devon is the continuing corporation and in which the Devon Common Stock outstanding immediately prior to the merger or consolidation [*] is not exchanged for cash, securities or other property of Devon or another corporation), (iii) any sale, transfer, lease or conveyance to another corporation of the property of Devon or any Devon Successor as an entirety or substantially as an entirety, (iv) any statutory exchange of securities of Devon or any

Devon Successor with another corporation (other than in connection with a merger or acquisition) or (v) any liquidation, dissolution or winding up of Devon (any such event, an "Adjustment Event"), the property receivable by Holders of DECS at Maturity shall be subject to adjustment from time to time as follows:

(1) Each [*] Holder of a DECS will receive at Maturity, in lieu of or

(in the case of an Adjustment Event described in clause (i) of this paragraph (b)) in addition to, the shares of Devon Common Stock that it would otherwise receive as required by Section 2.02, cash in an amount equal to (A) if the Maturity Price is greater than or equal to the Threshold Appreciation Price, ** multiplied by the Transaction Value, (B) if the Maturity Price is less than the Threshold Appreciation Price but is greater than the Initial Price, the product of (x) the Initial Price divided by the Maturity Price multiplied by (y) the Transaction Value and (C) if the Maturity Price is less than or equal to the Initial Price, the Transaction Value.

(2) Following an Adjustment Event, the Maturity Price, as such term is used in subparagraph (b)(1) above and throughout the definition of Exchange Rate, shall be deemed to equal (A) if shares of Devon Common Stock are outstanding at Maturity, subject to Section 2.04(b)(2)(B), the Maturity Price [*] of Devon Common Stock, as adjusted pursuant to the provisions of paragraph (a)(iv) of this Section, plus the Transaction Value or (B) if shares of Devon Common Stock are not outstanding at maturity (or if the Devon Common Stock, as a result of an Adjustment Event, is not (i) listed on a United States national securities exchange, (ii) reported on a United States national securities system subject to last sale reporting or (iii) traded in the over-the-counter market and reported on the National Quotation Bureau or similar organization, and for which bid and ask prices are not available from at least three nationally recognized investment banking firms), the Transaction Value.

(3) Notwithstanding the foregoing, with respect to any securities received in an Adjustment Event that (A) are (i) listed on a United States national securities exchange, (ii) reported on a United States national securities system subject to last sale reporting, (iii) traded in the over-the-counter market and reported on the National Quotation Bureau or similar organization or (iv) for which bid and ask prices are available from at least three nationally recognized investment banking firms and (B) are either (x) perpetual equity securities or (y) non-perpetual equity or debt securities with a stated maturity after the Stated Maturity ("Reported Securities"), the Company may, at its option, in lieu of delivering the amount of cash deliverable in respect of Reported Securities received in an Adjustment Event, as determined in accordance with subparagraph (b)(1), deliver a number of such Reported Securities with a value equal to such cash amount, as determined in accordance with clause (b) of the definition of Transaction Value set forth in Section 1.01; provided, however, that (i) if such option is exercised, the Company shall deliver Reported Securities in respect of all, but not less than all, cash amounts that would otherwise be deliverable in respect of Reported Securities received in an Adjustment

Event, (ii) the Company may not exercise such option if the Company has elected to deliver cash in lieu of Devon Common Stock, if any, deliverable upon Maturity or if such Reported Securities have not yet been delivered to the holders entitled thereto following such Adjustment Event or any record date with respect thereto, and (iii) subject to clause (ii) of this proviso, the Company must exercise such option if the Company does not

elect to deliver cash in lieu of Devon Common Stock, if any, deliverable upon Maturity. If the Company elects to deliver Reported Securities, each [*] Holder of a DECS will be responsible for the payment of any and all brokerage and other transaction costs upon the sale of such Reported Securities. If, following any Adjustment Event, any Reported Security ceases to qualify as a Reported Security, then (x) the Company may no longer elect to deliver such Reported Security in lieu of an equivalent amount of cash and (y) notwithstanding clause (b) of the definition of Transaction Value, the Transaction Value of such Reported Security shall mean the fair market value of such Reported Security on the date such security ceases to qualify as a Reported Security, as determined by a nationally recognized investment banking firm retained for this purpose by the Company.

(4) The amount of cash and/or the kind and number of securities into which the DECS shall be exchangeable after an Adjustment Event shall be subject to adjustment following such Adjustment Event in the same manner and upon the occurrence of the same type of events as described in paragraphs (a) and (b) of this Section with respect to Devon Common Stock and Devon.

(5) For purposes of the foregoing, the term "Ordinary Cash Dividend" means, with respect to any consecutive 365-day period, any dividend with respect to Devon Common Stock paid in cash to the extent that the amount of such dividend, together with the aggregate amount of all other dividends on Devon Common Stock paid in cash during such 365-day period, does not exceed on a per-share basis 10% of the average of the Closing Prices of Devon Common Stock over such 365-day period. For purposes of this subparagraph (b)(5), any cash dividend shall be deemed to be paid as of the record date for such cash dividend.

Section 2.05. Notice of Adjustment and Certain Other Events.

(a) Whenever the Exchange Rate is adjusted as herein provided or an Adjustment Event occurs, the Company shall:

(i) forthwith compute the adjusted Exchange Rate (or Transaction Value) in accordance with Section 2.04 and prepare a certificate signed by an officer of the Company setting forth the adjusted Exchange Rate (or Transaction Value), the method of calculation thereof in reasonable detail and the facts requiring such adjustment and upon which such adjustment is based, which certificate shall be conclusive, final and binding evidence of the correctness of the adjustment, and file such certificate forthwith with the Trustee; and

(ii) within ten Business Days following the occurrence of an event that permits or requires an adjustment to the Exchange Rate pursuant to Section 2.04(a) (each, a "Dilution Event") or an Adjustment Event that permits or requires a change in the consideration to be received by Holders pursuant to Section 2.04(b) (or, in [*] either case, if the Company is not aware of such occurrence, as soon as practicable after becoming so aware),

provide written notice to the Trustee and to the Holders of the outstanding DECS of the occurrence of such Dilution Event or Adjustment Event including a statement in reasonable detail setting forth the method by which any adjustment to the Exchange Rate or change in the consideration to be received by Holders of DECS following the Adjustment Event was determined and setting forth the revised Exchange Rate or consideration, as the case may be; provided, however, that in respect of any adjustment of the
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Maturity Price, such notice need only disclose the factor by which the Maturity Price is to be multiplied pursuant to Section 2.04(a)(iv) in order to determine which clause of the definition of the Exchange Rate will apply at Maturity, it being understood that, until Maturity, the Exchange Rate itself cannot be determined.

(b) In case at any time while any of the DECS are outstanding the Company [*] becomes aware that:

(i) Devon will declare a dividend (or any other distribution) on or in respect of the Devon Common Stock to which Section 2.04(a)(i) or (ii) shall apply (other than any cash dividends and distributions, if any, paid from time to time by Devon that constitute Ordinary Cash Dividends);

(ii) Devon will authorize the issuance to all holders of Devon Common Stock of rights or warrants to subscribe for or purchase shares of Devon Common Stock or of any other subscription rights or warrants;

(iii) there will occur any conversion or reclassification of Devon Common Stock (other than a subdivision or combination of outstanding shares of such Devon Common Stock) or any consolidation, merger or reorganization to which Devon is a party and for which approval of any stockholders of Devon is required, or the sale or transfer of all or substantially all of the assets of Devon; or

(iv) there will occur the voluntary or involuntary dissolution, liquidation or winding up of Devon;

then, if the [*] Company becomes aware of the information described in
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clause (x) and (y) below [*] a reasonable amount of time in advance of the delivery and filing requirements set forth in this subparagraph (b), the Company shall cause to be delivered to the Trustee and any applicable Paying Agent and filed at the office or agency maintained for the purpose of exchange of DECS at Maturity in the Borough of

Manhattan, in The City of New York by the Trustee (or any applicable Paying Agent), and shall promptly cause to be mailed to the Holders of DECS
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at their last addresses as they shall appear upon the registration books of the Security Registrar, at least ten days before the date hereinafter specified (or the earlier of the dates hereinafter specified, in the event that more than one is specified), a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution or grant of rights or warrants or, if a record is not to be taken, the date as

of which holders of Devon Common Stock of record to be entitled to such dividend, distribution or grant of rights or warrants are to be determined, ----------- or (y) the date, if known by the Company, on which such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up is expected to become effective. Following any Adjustment Event, the provisions of this paragraph (b) shall apply with respect to any Reported Securities in the same manner as with respect to Devon and the Devon Common Stock.

(c) On or prior to the fourth Business Day preceding the Stated Maturity of the DECS the Company shall notify the Trustee and will publish a notice in a daily newspaper of national circulation stating whether the Company will deliver, in accordance with Section 2.02, shares of Devon Common Stock or cash (and/or, in accordance with Section 2.04(b), cash or Reported Securities) upon the mandatory exchange of the principal amount of the DECS. The Trustee shall notify DTC of the form of consideration to be delivered by the Company. After the close of business on the Business Day immediately preceding the Stated Maturity of the DECS, the Company shall notify the Trustee in writing of the number of shares of Devon Common Stock and/or Reported Securities, or the amount of cash to be paid per DECS.

Section 2.06. Taxes.

(a) The Company will pay any and all documentary, stamp, transfer or similar taxes that may be payable in respect of the transfer and delivery of Devon Common Stock (or Reported Securities) pursuant hereto; provided, however, -------- ------- that the Company shall not be required to pay any such tax which may be payable in respect of any transfer involved in the delivery of Devon Common Stock (or Reported Securities) in a name other than that in which the DECS so exchanged were registered, and no such transfer or delivery shall be made unless and until the person requesting such transfer has paid to the Company the amount of any such tax, or has established, to the satisfaction of the Company, that such tax has been paid.

(b) The parties hereto hereby agree, and each Holder of a DECS by its purchase of a DECS hereby agrees:

(i) to treat, for U.S. federal income tax purposes, each DECS as a forward purchase contract to purchase Devon Common Stock at Maturity (including as a result of acceleration or otherwise) [*](the "forward - purchase contract characterization"), under the terms of which contract (a) at the time of issuance of the DECS the Holder deposits irrevocably with the Company a fixed amount of cash equal to the purchase price

of the DECS to assure the fulfillment of the Holder's purchase obligation described in clause (c) below, which deposit will unconditionally and irrevocably be applied at Maturity to satisfy such obligation, (b) until Maturity the Company will be obligated to pay interest on such deposit at a rate equal to the stated rate of interest on the DECS as compensation to the Holder for the Company's use of such cash deposit during the term of the DECS, and (c) at Maturity such cash deposit unconditionally and

irrevocably will be applied by the Company in full satisfaction of the Holder's obligation under the forward purchase contract, and the Company will deliver to the Holder the number of shares of Devon Common Stock that the Holder is entitled to receive at the time pursuant to the terms of the DECS (subject to the Company's right to deliver cash in lieu of the shares of Devon Common Stock);

(ii) to treat, consistent with the above characterization, (x) amounts paid to the Company in respect of the original issue of a DECS as allocable in their entirety to the amount of the cash deposit attributable to such DECS, and (y) amounts denominated as interest that are payable with respect to the DECS as interest payable on the amount of such deposit, includible annually in the income of the Holder as interest income in accordance with its method of accounting; and

(iii) to file all U.S. federal, state and local income and franchise tax returns consistent with the forward purchase contract characterization (unless required otherwise by an applicable taxing authority).

Section 2.07. Delivery of Securities upon Maturity.

All Devon Common Stock and Reported Securities deliverable to Holders upon the Maturity of the DECS shall be delivered to such Holders, whenever practicable, in such manner (such as by book-entry transfer) so as to assure same-day transfer of such securities to Holders and otherwise in the manner customary at such time for delivery of such securities and securities of the same type.

ARTICLE III
Covenants

Section 3.01. Shares Free and Clear; No Rights in the Stock.

With respect to the DECS only and for the benefit of only the Holders thereof, the Company covenants and warrants that upon exchange of a DECS at Maturity pursuant to the Indenture and this Supplemental Indenture, the Holder of a DECS shall receive valid title to the Devon Common Stock (and, in the event an Adjustment Event has occurred, the Reported Securities, if Reported Securities are delivered) for which such DECS is at such time exchangeable pursuant to this Indenture, free and clear of any and all liens, claims, charges and

encumbrances whatsoever, except to the extent such liens, claims, charges and encumbrances [*] may have been placed on any Devon Energy Common Stock by the prior owner thereof, prior to the time such Devon Energy Common Stock was acquired by the Company, or are caused by the Holders. In addition, the Company further warrants that any Devon Common Stock (and Reported Securities) so

delivered in exchange for DECS hereunder shall be free of any transfer restrictions (other than such as are solely attributable to any Holder's status as an affiliate of Devon or the issuer of such Reported Securities). Except as provided in Section 2.06(a), the Company shall pay all taxes and charges with respect to the delivery of Devon Common Stock (and Reported Securities) delivered in exchange for DECS hereunder. Until such time, if any, as the Company shall deliver shares of Devon Common Stock to Holders of the DECS at Maturity, the Holders shall not be entitled to any rights with respect to the Devon Common Stock (including, without limitation, voting rights and the rights to receive any dividends or other distributions in respect thereof.

Section 3.02. Discharge of Indenture.

With respect to the DECS only and for the benefit of only the Holders thereof, [*] Article Four of the Indenture is amended to read in its entirety as follows:

(a) If at any time (i) the Company shall have delivered to the Trustee for cancellation all of the DECS theretofore authenticated and delivered (other than (1) any DECS which shall have been destroyed, lost or stolen and which shall have been replaced or paid as provided in Section 306 and (2) DECS for whose payment money has theretofore been deposited in trust and thereafter repaid to the Company as provided in Section 1003) or (ii) all DECS not theretofore delivered to the Trustee for cancellation shall have become due and payable, and the Company shall deposit with the Trustee in trust the number of shares of Devon Energy Common Stock (and/or Reported Securities) or the entire amount of money in Dollars sufficient to pay all DECS not theretofore delivered to the Trustee for cancellation, including principal and interest due, in accordance with the terms of such DECS, and if in either case the Company shall also pay or cause to be paid all other the sums payable hereunder by the Company, then this Second Supplemental Indenture shall cease to be of further effect (except as to any surviving rights of registration of transfer or exchange of such DECS herein expressly provided for and rights to receive payments of principal of, and interest on, the DECS with respect to the DECS), and the Trustee, on demand

of the Company accompanied by an Officers' Certificate and an Opinion of Counsel and the cost and expense of the Company, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture.

ARTICLE IV

Miscellaneous

Section 4.01. Confirmation of Indenture.

The Indenture, as supplemented and amended by this Supplemental Indenture and all other indentures supplemental thereto, is in all respects ratified and confirmed, and the Indenture, this Supplemental Indenture and all indentures supplemental thereto shall be read, taken and construed as one and the same instrument.

Section 4.02. Concerning the Trustee.

The Trustee assumes no duties, responsibilities or liabilities by reason of this Supplemental Indenture other than as set forth in the Indenture.

The recitals contained herein shall be taken as the statements of the Company, and the Trustee assumes no responsibility for the correctness of same, except for the recital indicating the Trustee's approval of the form of this Second Supplemental Indenture. The Trustee makes no representation as to the validity of this Second Supplemental Indenture.

The Trustee accepts the trust created by the Indenture, as supplemented by this Second Supplemental Indenture, and agrees to perform the same upon the terms and conditions in the Indenture, as supplemented by this Second Supplemental Indenture.

Section 4.03. Payment of Principal.

Each reference in the Indenture to the payment by the Company of the principal of any Security (or words of like import) shall be deemed, for purposes of the DECS only, to mean the delivery of the Devon Common Stock (or, at the Company's option, the cash equivalent thereof) at the time, rate and

manner set forth herein.

This Supplemental Indenture may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

KERR-McGEE CORPORATION

By:

Name:
Title:

[CORPORATE SEAL]

Attest: [*]

Name:
Title:

CITIBANK, N.A.,
as Trustee

By:

Name:
Title:

Attest: [*]

Name:
Title:

STATE OF OKLAHOMA)
) SS.:
COUNTY OF OKLAHOMA)

On the ____ day of ____________, 1999, before me personally came , to me known, who, being by me duly sworn, did depose and

say that she/he is the ---------- of KERR-McGEE CORPORATION, one of the corporations described in and which executed the foregoing instrument; that she/he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation, and that she/he signed her/his name thereto by like authority.

Notary Public

SEAL

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

On the --- day of --------,1999, before me personally came to me known, who, being by me duly sworn, did depose and say that she/he is the --------- of CITIBANK, N.A., one of the corporations described in and which executed the foregoing instrument; that she/he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation, and that she/he signed her/his name thereto by like authority.

Notary Public

SEAL

Exhibit A

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF THE DEPOSITARY OR A NOMINEE OF THE DEPOSITARY. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR THE INDIVIDUAL DEBT SECURITIES REPRESENTED HEREBY, THIS GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

UNLESS THIS SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SECURITY ISSUED IS REGISTERED IN THE NAME OF CEDE & CO., OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY AND

ANY PAYMENT HEREON IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY A PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

[Form of Face of DECS]

This Note is a Global Note within the meaning of the Indenture hereinafter referred to and is registered in the name of a Depositary or a nominee thereof. This DECS may not be transferred except as a whole by the Depositary to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary, unless and until this Note is exchanged in whole or in part for DECS in definitive form.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Company or the Trustee (each as hereafter defined) for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

NO. CUSIP NO.

KERR-McGEE CORPORATION

** DECS(SM)
(Debt Exchangeable for Common Stock(SM))

** % Exchangeable Note Due **, 2004

(Subject to Exchange at Maturity into Shares of Common Stock,
Par Value $.10 Per Share, of Devon Energy Corporation)

KERR-McGEE CORPORATION, a Delaware corporation (hereinafter called the "Company", which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to [*] pay to CEDE

& CO. or registered assigns, on **, 2004 a number of shares of Common Stock, par value $.10 per share (the "Devon Common Stock"), of Devon Energy Corporation ("Devon") (or, at the Company's option, the cash equivalent thereof and/or such other consideration as permitted or required by the terms of the DECS) at the Exchange Rate (as defined herein), and to pay interest (computed on the basis of a

360-day year of twelve 30-day months) on such principal amount from the date of original issuance or from the most recent Interest Payment Date (as defined below) to which interest has been paid or duly provided for, quarterly on **,

**, **, and **, of each year (each, an "Interest Payment Date" and, collectively, the "Interest Payment Dates"), commencing **, 1999, at the rate per annum specified in the title of this note, until Maturity. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in said Indenture, be paid to the person in whose name this DECS (or the DECS in exchange or substitution for which this DECS was issued) is registered at the close of business on the Regular Record Date (as defined below) for interest payable on such Interest Payment Date. The "Regular Record Date" for any interest payment is the close of business on the **, **, **, and **, immediately preceding the relevant Interest Payment Date, whether or not a Business Day (as defined below), provided that interest payable at Maturity shall be payable to the person to whom the Devon Common Stock is deliverable. In any case where such Interest Payment Date shall not be a Business Day, then (notwithstanding any other provision of said Indenture or this DECS) payment of such interest need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on such Interest Payment Date, and, if such payment is so made, no interest shall accrue for the period from and after such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered Holder on such Regular Record Date, and may be paid to the person in whose name this DECS (or the DECS in exchange or substitution for which this DECS was issued) is registered at the close of business on a record date for the payment of such interest to be fixed by the Trustee for the DECS, notice whereof shall be given to Holders of the DECS not less than ten days prior to such record date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the DECS may be listed and not deemed impracticable by the Trustee, and upon such notice as may be required by such exchange.

At Maturity, the principal amount of this DECS will be mandatorily exchanged into a number of shares of Devon Common Stock, at the Exchange Rate. The "Exchange Rate" is equal to (a) if the Maturity Price (as defined below) is greater than or equal to $** (the "Threshold Appreciation Price"), ** shares of Devon Common Stock per DECS, (b) if the Maturity Price is less than the Threshold Appreciation Price but is greater than $** (the "Initial Price"), a fraction equal to the Initial Price divided by the Maturity Price of one share of Devon Common Stock per DECS (such fractional share being calculated to the nearest 1/10,000th of a share or, if there is not a nearest 1/10,000th of a share, to the next higher 1/10,000th of a share) and (c) if the Maturity Price is less than or equal to the Initial Price, one share of Devon Common Stock per DECS. Any shares of Devon Common Stock delivered by the Company to the Holders of the DECS that are not affiliated with Devon shall be free of any transfer restrictions except to the extent any transfer restrictions are caused by the Holders of DECS, and the holders of DECS will be responsible for the payment of any and all brokerage costs upon the subsequent sale of such shares. No fractional shares of Devon Common Stock will be issued at Maturity as provided in the Indenture.

The Company may at its option, in lieu of delivering shares of Devon Common Stock, deliver cash in an amount equal to the value of such number of shares of Devon Common Stock at the Maturity Price as provided in the Indenture;

provided, however, that if such option is exercised, the Company shall deliver cash with respect to all, but not less than all, of the shares of Devon Common Stock that would otherwise be deliverable.

Notwithstanding the foregoing, (i) in the case of certain dilution events, the Exchange Rate will be subject to adjustment and (ii) in the case of certain adjustment events, the consideration received by Holders of DECS at Maturity will be shares of Devon Common Stock, other securities and/or cash, each as provided in the Indenture.

The "Maturity Price" is defined as the average Closing Price per share of Devon Common Stock on the 20 Trading Days immediately prior to (but not including) the date of Maturity or, under certain circumstances as provided in the Indenture, the market value per share of Devon Common Stock as of the date of Maturity as determined by a nationally recognized independent investment
banking firm retained for this purpose by the Company. The "Closing Price" of any security on any date of determination means (i) the closing sale price (or, if no closing sale price is reported, the last reported sale price) of such security (regular way) on the New York Stock Exchange (the "NYSE") on such date, (ii) if such security is not listed for trading on the NYSE on any such date, as reported in the composite transactions for the principal United States securities exchange on which such security is so listed, (iii) if such security is not so listed on a United States national or regional securities exchange, as reported by the Nasdaq Stock Market, (iv) if such security is not so reported, the last quoted bid price for such security in the over-the- counter market as reported by the National Quotation Bureau or similar organization or (v) if such security is not so quoted, the average of the mid-point of the last bid and ask prices for such security from each of at least three nationally recognized investment banking firms selected for this purpose by the Company. A "Trading Day" is defined as a Business Day on which the security the Closing Price of which is being determined (i) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (ii) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of such security. "Business Day" means any day that is not a Saturday, a Sunday or a day on which the NYSE, banking institutions or trust companies in The City of New York, New York are authorized or obligated by law or executive order to close.

Interest on this DECS will be payable, and delivery of Devon Common Stock (or, at the Company's option, [*] the cash equivalent of such Devon Common
Stock and/or such other consideration as permitted or required herein and in the Indenture) in exchange for the principal amount of this DECS at Maturity will be made upon surrender of this DECS, at the office or agency of the Company maintained for that purpose in the City of New York, New York, and payment of
interest on (and, if the Company elects not to deliver Devon Common Stock and/or other [*] Reported Securities upon exchange at Maturity, the cash equivalent thereof payable upon exchange for the principal amount of) this DECS will be made in such coin or currency of

the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that at the option of the Company payment of interest may be made by check mailed to the persons in whose names the DECS are registered on the [*] Regular Record Date with respect to the relevant Interest Payment Date. Initially, such office shall be the principal corporate trust office of the Trustee in New York City, which is located at .

Reference is hereby made to the further provisions of this DECS set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as of set forth at this place.

Unless the certificate of authentication hereon has been executed by manual signature by the Trustee referred to on the reverse hereof, this DECS shall not be entitled to any benefit under the Indenture, or be valid or obligatory for any purpose.

"DECS" and "Debt Exchangeable for Common Stock" are service marks of Salomon Brothers Inc.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal by the manual or facsimile signatures of its officers thereunto duly authorized.

KERR-McGEE CORPORATION

By: _____

Attest:

By: _____

[CORPORATE SEAL]

[*] TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the series of Debt Securities issued under the within mentioned Indenture.

Date of Authentication:

CITIBANK, N.A.,
as Trustee

By:

Authorized Signatory

[Form of Reverse of DECS]

KERR-McGEE CORPORATION

** % Exchangeable Note Due **, 2004

(Subject to Exchange at Maturity into Shares of Common Stock,
Par Value $.10 Per Share, of Devon Energy Corporation)

This DECS is one of a duly authorized issue of notes of the Company of the series designated ** % Exchangeable Notes due **, 2004, [*](herein called the [*]"DECS"), limited in aggregate principal amount of $** [*] issued and to be issued under an Indenture dated as of August 1, 1982, between the Company and Citibank, N.A., as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), as supplemented by the First Supplemental Indenture dated as of May 7, 1996 and the Second Supplemental Indenture thereto dated July , 1999 (said Indenture, as so supplemented, herein and it may be further supplemental from time to time, called the "Indenture"), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties, obligations and immunities thereunder of the Company, the Trustee and the Holders of the DECS, and of the terms upon which the DECS are, and are to be, authenticated and delivered.

The DECS may not be redeemed prior to Stated Maturity and are not entitled to the benefit of any sinking fund.

The provisions contained in the Indenture for defeasance of the Company's obligations and discharge of the entire principal of all the Securities of any series upon compliance by the Company with certain conditions set forth therein will not be applicable to the DECS. Certain other provisions contained in the Indenture pertaining to satisfaction and discharge of the Indenture upon deposit of funds with the Trustee shall apply to the DECS in the manner set forth in the Second Supplemental Indenture referred to above.

If an Event of Default with respect to the DECS, as defined in the Indenture, shall occur and be continuing, the principal of all DECS may be declared due and payable and therefore will result in the mandatory exchange of

the principal amount thereof for Devon Common Stock (or, at the Company's option, cash and/or such other consideration as permitted or required herein), all in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company with

respect to the DECS and the rights of the Holders of each series of the DECS under the Indenture at any time by the Company and the Trustee with the consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding DECS of the series to be affected thereby. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the DECS of any series at the time Outstanding, on behalf of the Holders of all the DECS of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences with respect to such series. Any such consent or waiver by the Holder of this DECS shall be conclusive and binding upon such Holder and upon all future Holders of this DECS and of any DECS issued upon the registration of transfer hereof or in exchange here for or in lieu hereof, whether or not notation of such consent or waiver is made upon this DECS.

Holders of DECS may not enforce their rights pursuant to the Indenture or the DECS except as provided in the Indenture. No reference herein to the Indenture and no provision of this DECS or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this DECS at the times, place, and rate, and in the [*] manner herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, this DECS is transferable on the Security Register of the Company, upon surrender of this DECS for registration of transfer at the office of the Company maintained for such purpose in the Borough of Manhattan, the City and State of New York, duly endorsed, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed, by the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new DECS of like aggregate principal amount of such denominations as are authorized for DECS and of a like Stated Maturity and with like terms and conditions will be issued in the name of the designated transferee or transferees.

The DECS are issuable in registered form without coupons, in denominations of $1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, DECS are exchangeable for other DECS of like aggregate principal amount and of a like

Stated Maturity and with like terms and conditions, as requested by the Holder surrendering the same.

No service charge shall be made for any registration [*] of transfer
--
or exchange of DECS, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith.

The Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this DECS is registered as the owner hereof for all purposes, whether or not this DECS be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this DECS which are defined in the Indenture shall have the meanings assigned to them therein.

THIS DECS SHALL FOR ALL PURPOSES BE GOVERNED BY, AND CONSTRUED IN

ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.
---

[*]

The following abbreviations, when used in the inscription on the face of the within DECS, shall be construed as though they were written out in full according to applicable laws or regulations.

<TABLE>
<CAPTION>

<S>	<C>
TEN COM - as tenants in common -	
TEN ENT - as tenants by the entireties	
JT TEN - as joint tenants with right of survivorship and not as tenants in common	UNIF GIFT MIN ACT Custodian ---------- (Cust) (Minor) Under Uniform Gifts to Minors Act ---------- (State)

</TABLE>

Additional abbreviations may also be used though not in the above list
---

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY
OR OTHER IDENTIFYING NUMBER [*] OF ASSIGNEE

(Name and Address of Assignee, including zip code,
must be printed or typewritten)

the within DECS, and all rights thereunder, hereby irrevocably constituting and appointing Attorney to transfer said DECS on the books of the Company, with full power of substitution in the premises.

Dated:
---------- ----------
Signature

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within DECS in every particular, without alteration or enlargement or any change whatever.

KERR-McGEE CORPORATION

to

CITIBANK, N.A.,
as Trustee

Second Supplemental Indenture

Dated ** , 1999

Supplementing and Amending the Indenture
Dated as of August 1, 1982