

UNITED STATES OF AMERICA  
BEFORE FEDERAL TRADE COMMISSION



[REDACTED]

Commission's charges that the proposed merger of Conoco and Phillips, if consummated, would violate Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45

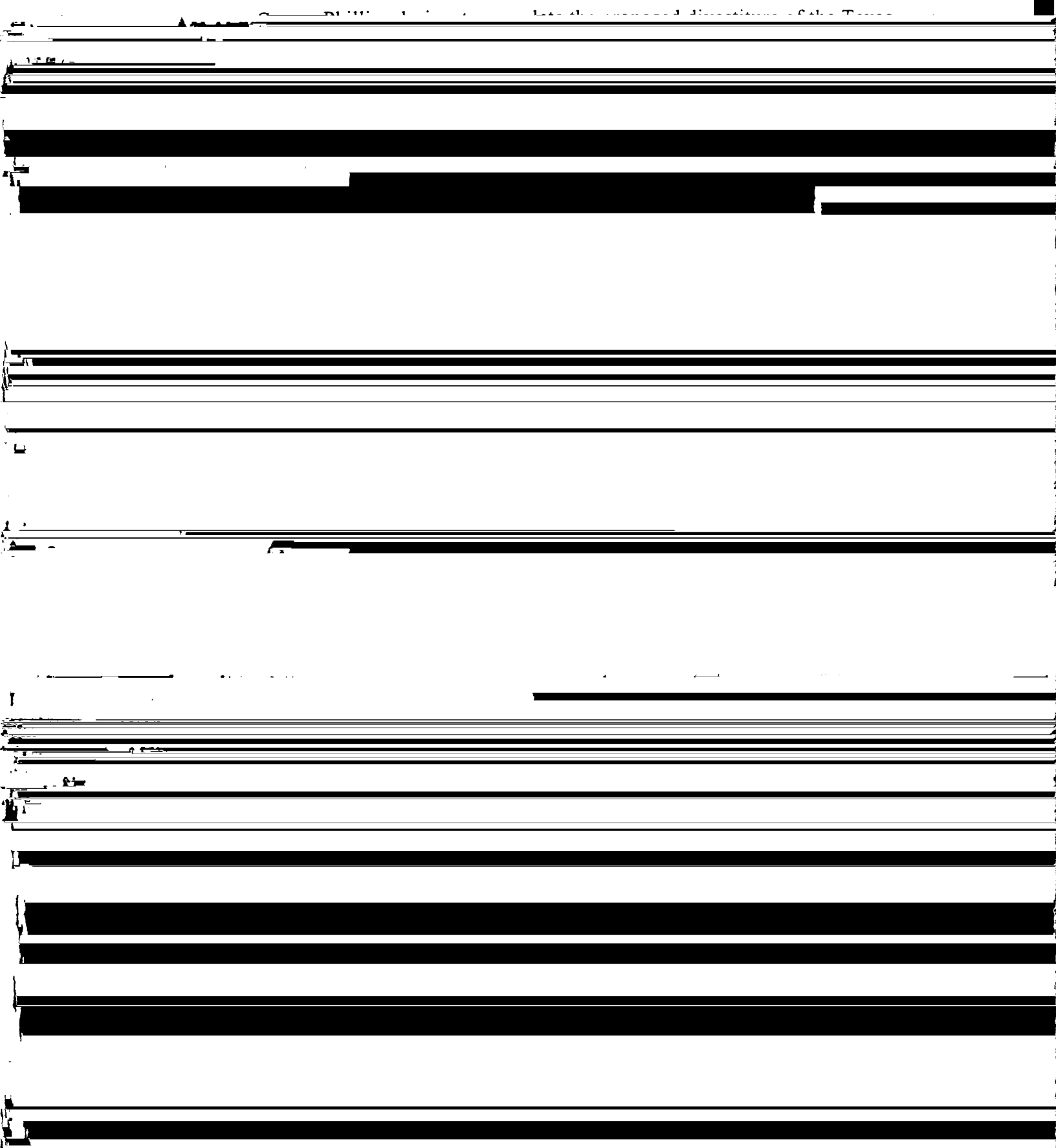
and Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18. On August 30, 2002, the Commission accepted the Consent Agreement for public comment, and Conoco and Phillips thereafter consummated their merger, thereby forming a new entity,

~~ConocoPhillips.~~<sup>2</sup> The Consent Agreement and the Consent Decree are attached as

7, 2003.

Because this petition and its attachments contain confidential and competitively sensitive business information relating to the divestiture of the Texas Assets the disclosure of which may prejudice ConocoPhillips and WTC, [redacted]

552(b)(7)(A), 552(b)(7)(B), & 552(b)(7)(C), and the Hart-Scott-Rodino Antitrust  
Improvements Act of 1976, as amended, 15 U.S.C. § 18a(h).



On [redacted] ConocoPhillips entered into a Purchase and Sale Agreement (the "Sale Agreement") with WTG, which, subject to Commission approval, requires ConocoPhillips to sell the Texas Assets to WTG, and a Gas Processing Contract (the "Processing Agreement"), under which ConocoPhillips will process for WTG gas gathered by WTG on the Texas Assets. The Sale Agreement is attached as Confidential Exhibit 1,

*A. The Sale Agreement is Consistent with the Terms of the Decision and Order*

1. Paragraphs VIII.A. and VIII.B. of the Decision and Order require that Respondents divest the Texas Assets absolutely and in good faith to an acquirer within nine months from the date Respondents executed the Agreement Containing Consent Orders. Pursuant to the Sale Agreement, WTG will acquire all of the Texas Assets.

. The assets described in the Sale Agreement comprise all of the Texas Assets as defined in Paragraph I.BM. of the Decision and Order.

2. Paragraph VIII.E. of the Decision and Order provides that the purpose of the Decision and Order's provisions concerning the divestiture of the Texas Assets is to ensure the continued use of the Texas Assets in the same business in which they were [redacted]

1. [REDACTED]

2. [REDACTED]

3. [REDACTED]

4. [REDACTED]

5. [REDACTED]

6. [REDACTED]

7. [REDACTED]

8. [REDACTED]

9. [REDACTED]

10. [REDACTED]

11. [REDACTED]

12. [REDACTED]

13. [REDACTED]

14. [REDACTED]

15. [REDACTED]

16. [REDACTED]

17. [REDACTED]

18. [REDACTED]

19. [REDACTED]

20. [REDACTED]

21. [REDACTED]

22. [REDACTED]

23. [REDACTED]

24. [REDACTED]

25. [REDACTED]

26. [REDACTED]

27. [REDACTED]

28. [REDACTED]

29. [REDACTED]

30. [REDACTED]

31. [REDACTED]

32. [REDACTED]

33. [REDACTED]

34. [REDACTED]

35. [REDACTED]

36. [REDACTED]

37. [REDACTED]

38. [REDACTED]

39. [REDACTED]

40. [REDACTED]

41. [REDACTED]

42. [REDACTED]

43. [REDACTED]

44. [REDACTED]

45. [REDACTED]

46. [REDACTED]

47. [REDACTED]

48. [REDACTED]

49. [REDACTED]

50. [REDACTED]

51. [REDACTED]

52. [REDACTED]

53. [REDACTED]

54. [REDACTED]

55. [REDACTED]

56. [REDACTED]

57. [REDACTED]

58. [REDACTED]

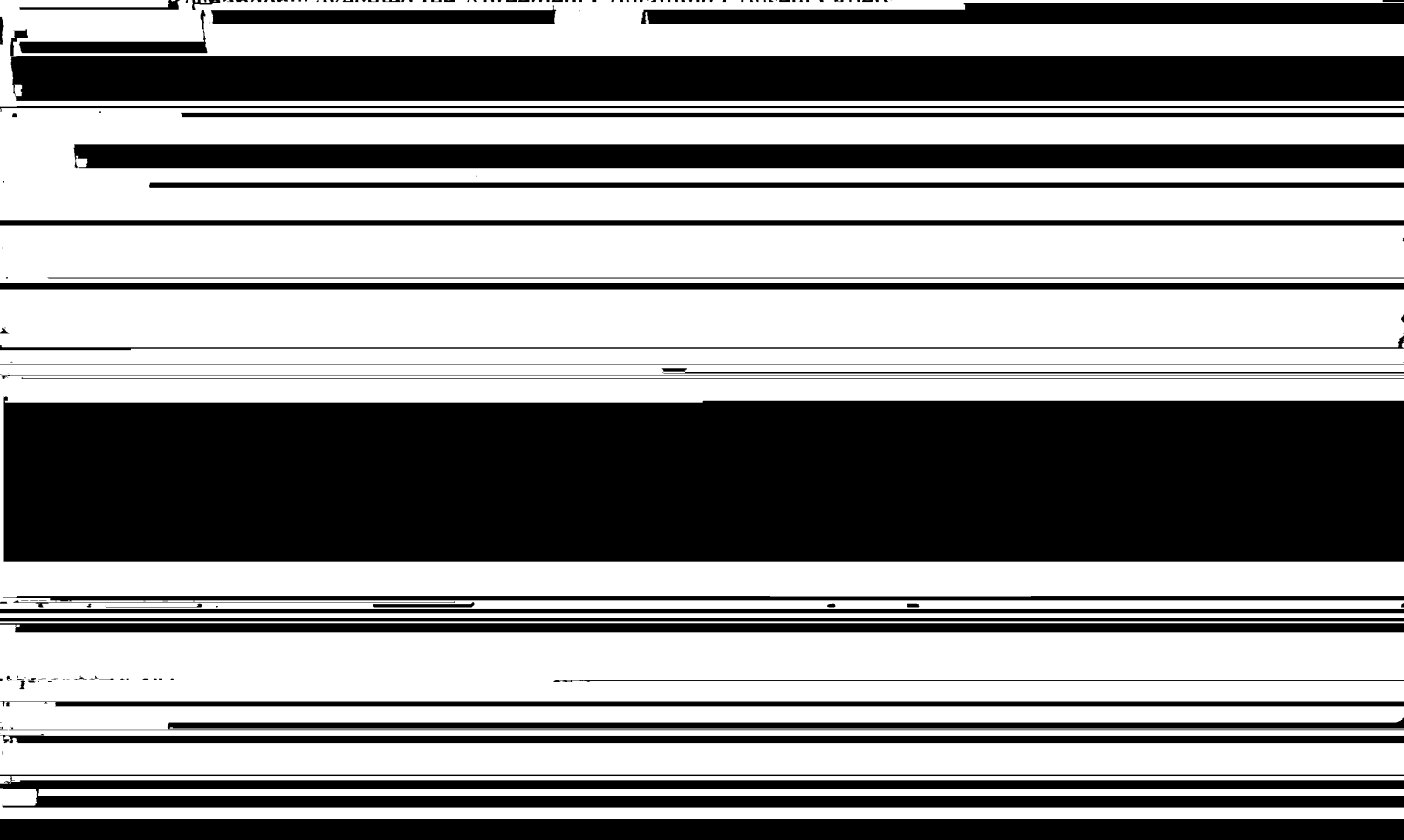
59. [REDACTED]

60. [REDACTED]

3. Paragraph VIII.C.2. of the Decision and Order provides that the gas processing fee shall not exceed Respondents' Cost (as defined in Paragraph I.U. of the Decision and Order) of processing.

4. Paragraph VIII.C.3. of the Decision and Order provides that the amount of gas to be processed shall be up to the amount gathered by the Texas Assets as of the date

Respondents executed the Agreement Containing Consent Orders



7. Paragraph VIII.C.6. of the Decision and Order provides that, at the acquirer's option and subject to the prior approval of the Commission, the Processing Agreement

Texas Assets.

The Bureau of Competition's A Study of the Commission's Divestiture Process (1999) (the "Divestiture Study") discussed a number of factors that help to identify a promising divestiture buyer. The Divestiture Study cited the buyer's experience in the relevant industry and knowledge of the assets to be purchased as key to a successful divestiture. "Frequently, the most knowledgeable and best buyer was the fringe competitor or an entrant expanding geographically." Divestiture Study, p. 34.

\* \* \*

ConocoPhillips and WTG have entered into agreements relating to the divestiture of the Texas Assets that fully comply with the Commission's Decision and Order. Accordingly,



1. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**Confidential Exhibit 1**  
**Purchase and Sale Agreement**

**[REDACTED]**

