

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Lina M. Khan, Chair
Noah Joshua Phillips
Rebecca Kelly Slaughter
Christine S. Wilson

_____)	
In the Matter of)	
)	
EnCap Investments L.P.,)	Docket No. C-4760
a limited partnership,)	
)	
EnCap Energy Capital Fund XI, L.P.,)	
a limited partnership,)	
)	
Verdun Oil Company II LLC,)	
a limited liability company,)	
)	
XCL Resources Holdings, LLC,)	
a limited liability company,)	
)	

_____)

COMPLAINT

Pursuant to the Clayton Act and the Federal Trade Commission Act (“FTC Act”), and its authority thereunder, the Federal Trade Commission (“Commission”), having reason to believe that Respondents EnCap Investments L.P. and EnCap Energy Capital Fund XI, L.P., through its subsidiary Respondent Verdun Oil Company II LLC, entered into an agreement to acquire Respondent EP Energy LLC from Respondent EP Energy Corporation (collectively, “EPE”), that such acquisition, if consummated, would violate Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45, and that a proceeding in respect thereof would be in the public interest, hereby issues this Complaint, stating its charges as follows.

I. THE PROPOSED ACQUISITION

11. On July 26, 2021, EnCap (through controlled entity Verdun Oil Company II LLC) and EP Energy (through controlled entity EPE Acquisition, LLC) entered into a Membership Interest Purchase Agreement, pursuant to which EnCap will acquire the issued and outstanding membership interests in various EPE holdings for \$1.445 billion.
12. The Acquisition is subject to Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18.

II. NATURE OF THE CASE

13. EnCap's subsidiary, XCL, and EPE are two of four significant oil and gas deve Td[(a)4 ([(ar)-1 (e)]TJ)-1 (s)1 (i(n)2

18. Salt Lake City area refiners have made significant investments in plant and equipment to optimize their refineries to run Uinta Basin yellow and black waxy crudes. Although other crudes are available to Salt Lake City area refiners, those crudes will not sufficiently constrain the price of waxy crude to the relevant customers.

19. The relevant geographic market in which to analyze the Acquisition is no broader than

receive from insulated tanker trucks. A small, but increasing, amount of Uinta

V. **BARRIERS TO ENTRY**

VI. **EFFECTS OF THE ACQUISITION**