

UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION



[REDACTED]

a corporation,)

and)

Phillips Petroleum Company,)
a corporation.)

Docket No. C-4058

File No. 021-0040

Consent Orders that included the Decision and Order and an Order to Hold Securities and

[REDACTED]

Maintain Assets (collectively, the "Consent Agreement") to settle the 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

[REDACTED]

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.² The Consent Agreement is presently before the

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).

ConocoPhillips desires to complete the proposed divestiture of the New Mexico Assets as soon as possible following Commission approval, and by no later than May 2, 2003. Prompt consummation will further the purposes of the Decision and Order and is in the interests of the public, Frontier, and ConocoPhillips, because it will allow Frontier to move forward with its business plans for the competitive operation of the assets to be divested. It will also allow ConocoPhillips to fulfill its obligations under the Consent

commence the period of public comment pursuant to Section 2.41(f)(2) of the

Commission's Rules of Practice and Procedure. 16 C.F.R. § 2.41(f)(2) (2002). limit the

On _____, ConocoPhillips entered into an Asset Purchase and Sale

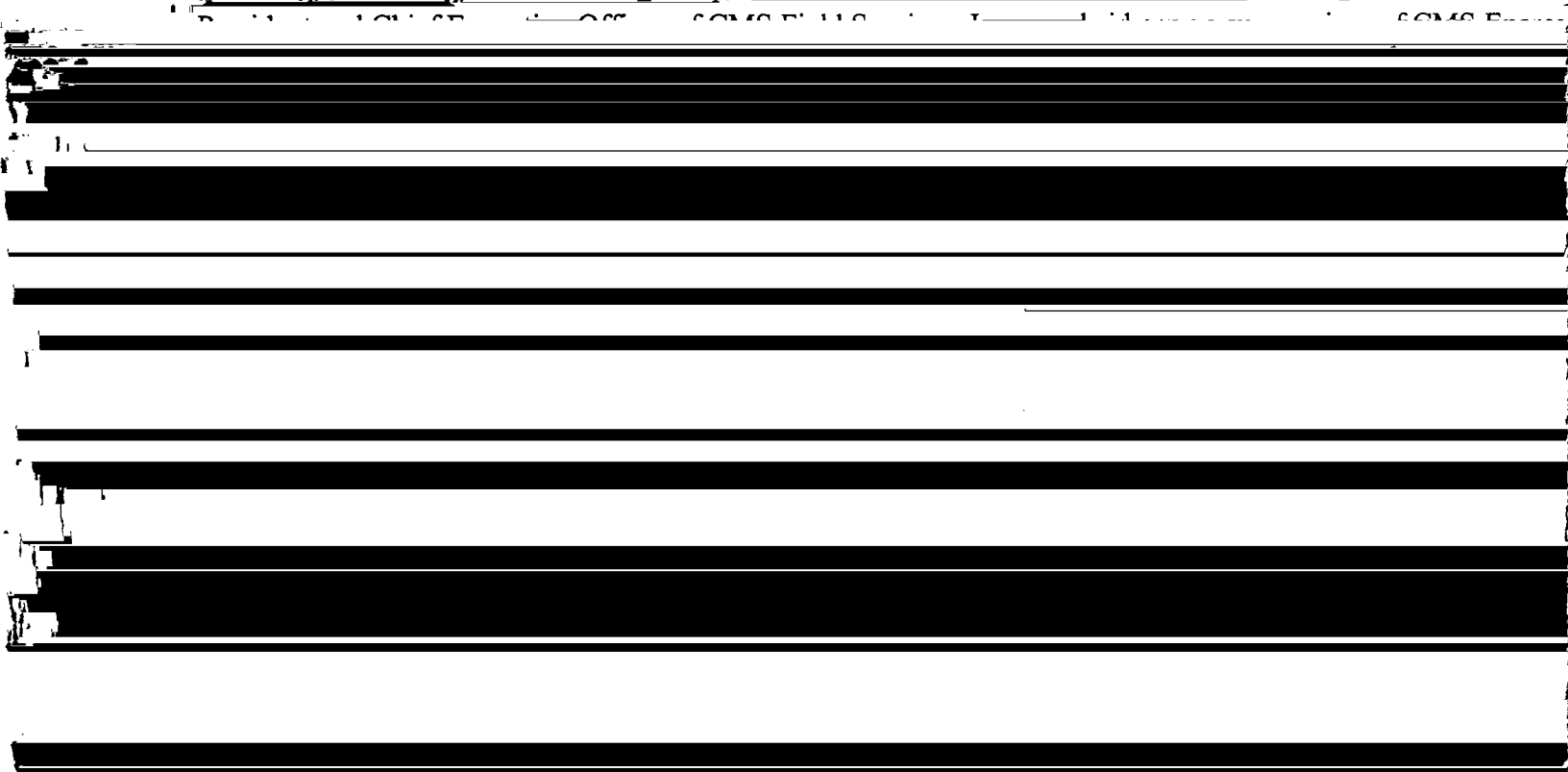
Commission approval, requires ConocoPhillips to sell the New Mexico Assets to Frontier Field Services, LLC. The Sale Agreement is attached at Confidential Exhibit 1. ConocoPhillips and

Frontier Field Services, LLC has also entered into a number of agreements that are ancillary to

engaged at the time of the announcement of the proposed merger, and to remedy the lessening of competition in Gas Gathering alleged in the Commission's complaint. As discussed in greater detail below, Frontier will control, operate and manage the New Mexico Association and

gatherer, processor, and marketer of natural gas. The Frontier management team consists of a

While Frontier has only been in operation since December 2001, it is managed by a successful team of entrepreneurs with extensive experience in gas gathering and processing. President, CEO, and major interest owner, Dave Presley has served with highly successful gas gathering, processing, and marketing companies for more than 27 years, most recently serving as

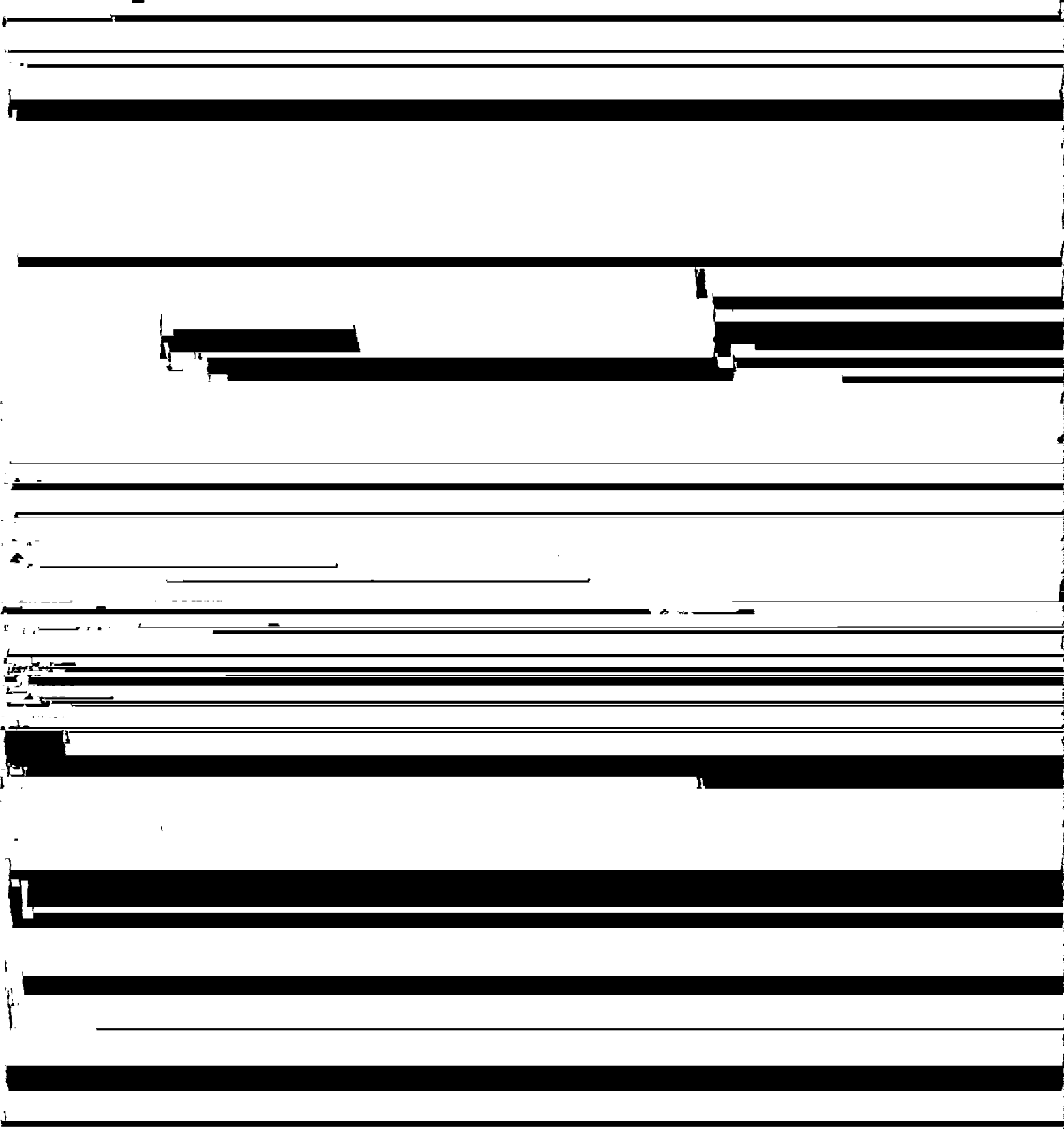


Proposed systems in West Texas and the Neely Gas Transmission system in Arkansas. A copy

of Mr. Lind's resume is attached hereto at Exhibit 2.

Following the divestiture, Impact Energy Services, LLC (“Impact”) will hold, through a ten percent (10%) ownership in Frontier Field Services, LLC, an ownership interest in

~~the New Mexico Assets. Impact was formed as an Oklahoma limited liability company in~~

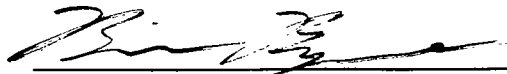


Conclusion

From the foregoing, ConocoPhillips respectfully requests that the

Commission expeditiously approve the proposed divestiture of the New Mexico Assets to Frontier Field Services, LLC, as in the manner provided in the Agreements, as soon as practicable after expiration of the public comment period.

Respectfully submitted,



George S. Cary

Brian Byrne

Wesley B. Brown

Cleary, Gottlieb, Steen & Hamilton

2000 Pennsylvania Ave., NW

Washington, DC 20006

(202) 974-1500

Counsel for ConocoPhillips

Dated: February 12, 2003

Confidential Exhibit 1
Purchase and Sale Agreement

[REDACTED]

Confidential Exhibit 2

Map of Chaves and Santa Niño Gathering Systems

[REDACTED]

