

PUBLIC VERSION

UNITED STATES OF AMERICA

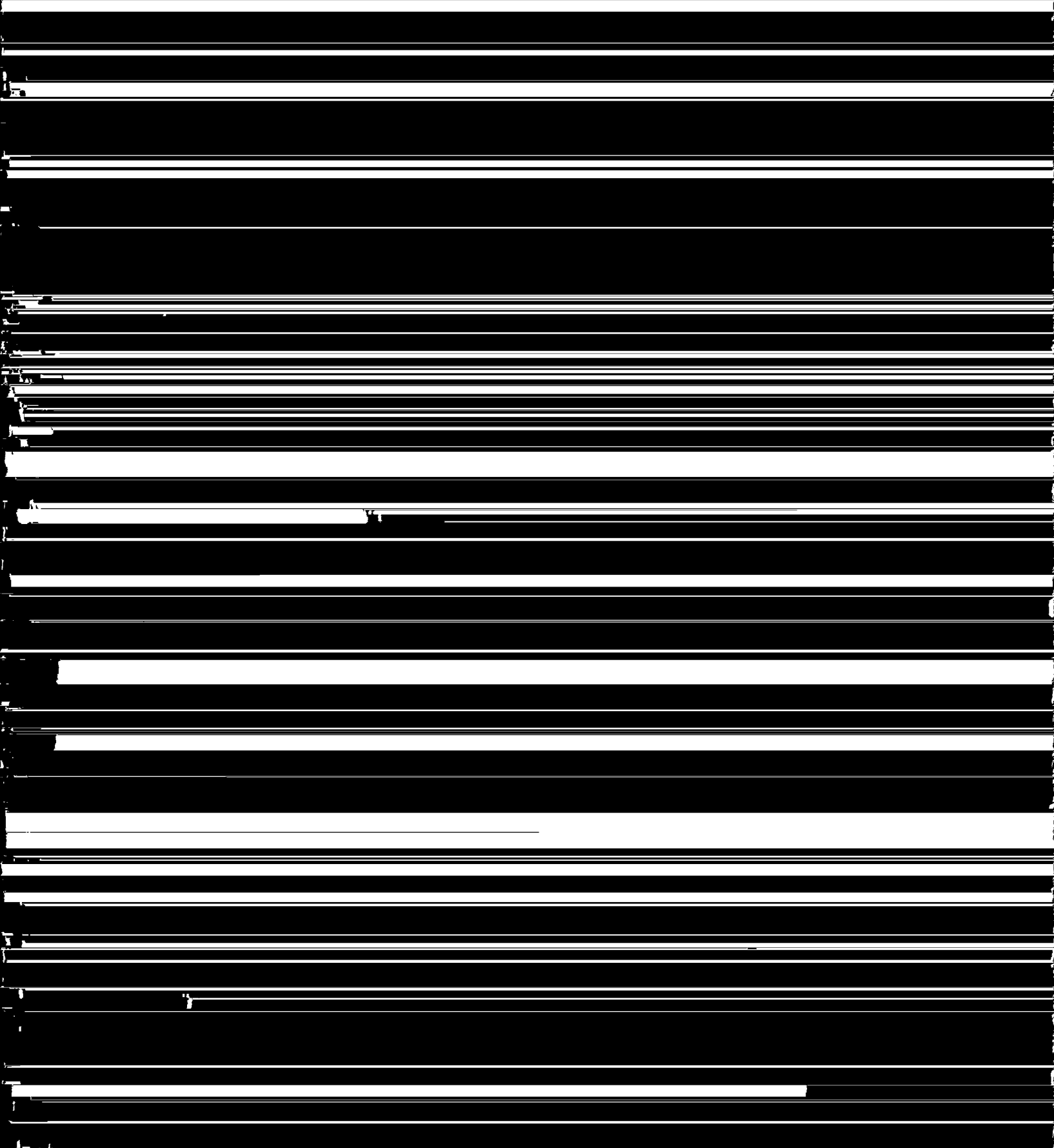
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Agreement"). On September 27, 2002, the Commission accepted the Consent Agreement for public comment, and placed the Consent Agreement and the Complaint on the public record. On November 18, 2002, the Commission issued its Complaint and Order as final.

On October 1, 2002, Shell Oil consummated its acquisition of Pennzoil. Currently, Pennzoil is a

wholly owned subsidiary of Shell Oil Company.

Paralubes Interest, and impair Shell's ability to comply with its obligations under the Order. St. H



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Interest. The purchase and sale described in the Purchase Agreement comprise all of the Pennzoil Excel Paralubes Interest as defined and described in Paragraph I.P of the Order.

Paragraph II.B of the Order requires that, at the acquirer's option, Shell negotiate an agreement to

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Merger as alleged in the Commission's Complaint. The proposed divestiture to FHR is consistent with the purpose of the Order.

As discussed in greater detail in Section IV of this application, FHR is an established refining and chemicals company that is a leading producer of fuels and other petrochemical and commodity products. Currently, FHR does not own any Group II Base Oil refineries. Consequently, by acquiring the Pennzoil Excel Paralubes Interest, FHR will become an independent competitor in the refining and

**IV. THE PROPOSED ACQUIRER IS A STRONG, EXPERIENCED AND VIABLE COMPETITOR**

**A. FHR Is Financially Capable**

FHR, based in Wichita, Kansas, is wholly-owned by Koch. Koch, also headquartered in Wichita, Kansas, is a privately owned company that owns a diverse

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According to FHR's President, the acquisition of the Pennzoil Excel Paralubes Interest is a growth opportunity, a great fit for FHR, and "a natural extension of [FHR's] existing refining business activities."<sup>4</sup>

### C. FHR Will Be A Viable Competitor

FHR intends to be a viable competitor in the Group II Base Oil market in the United States and Canada. FHR appears well positioned to use its experience in refining and marketing other natural