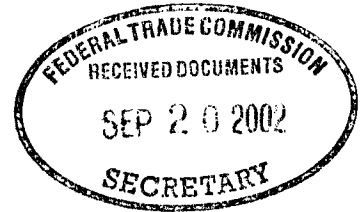


UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION



In the Matter of)
Conoco Inc.,)
a corporation,)
)
And)
)
Phillips Petroleum Company,)
a corporation.)
_____)

Docket No. C-4058

File No. 021-0040

**PETITION OF CONOCOPHILLIPS FOR APPROVAL OF PROPOSED
WICHITA REFINED PRODUCTS THROUGHPUT AGREEMENT**

Pursuant to Section 2.41(f) of the Federal Trade Commission (“Commission”) Rules of Practice and Procedure, 16 C.F.R. § 2.41(f) (2002), and Paragraph VI.A of the Decision and Order contained in the Agreement Containing Consent Orders accepted for public comment in this matter (“Decision and Order”), ConocoPhillips hereby petitions the Commission to approve the Wichita Refined Products Throughput Agreement (as such term is defined in the Decision and Order) between Phillips Pipe Line Company (“PPL”) and Williams Pipe Line Company, LLC (“Williams”).

Background

On August 2, 2002, Conoco Inc. (“Conoco”) and Phillips Petroleum Company (“Phillips”) (individually and collectively, “Respondents”) executed an Agreement Containing Consent Orders that included the Decision and Order and an Order to Hold Separate and 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, 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.¹ The Consent Agreement is presently before the Commission for final approval and issuance of the orders contained therein.

Because this petition and its attachment contain confidential and competitively sensitive business information relating to the Wichita Refined Products Throughput Agreement – the disclosure of which may prejudice ConocoPhillips and Williams, cause harm to the ongoing competitiveness of PPL’s Wichita, Kansas, terminal, and impair ConocoPhillips’ ability to comply with its obligations under the Consent Agreement – ConocoPhillips has redacted such confidential information from the public version of this petition and its attachment. Pursuant to Sections 2.41(f)(4) and 4.9(c) of the Commission’s Rules of Practice and Procedure, 16 C.F.R. § 2.41(f)(4) & 4.9(c) (2002), ConocoPhillips requests that the confidential version of this petition and its attachment and the information contained herein be accorded confidential treatment. The confidential version of this petition should be accorded such confidential treatment under 5 U.S.C. § 552 and Section 4.10(a)(2) of the Commission’s Rules of Practice and Procedure, 16 C.F.R. § 4.10(a)(2) (2002). The confidential version of this petition is also exempt from disclosure under Exemptions 4, 7(A), 7(B), and 7(C) of the Freedom of Information Act, 5 U.S.C. §§ 552(b)(4), 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).

¹ After the merger, Conoco and Phillips remain as corporate entities, but both are now wholly-owned subsidiaries of and included within ConocoPhillips.

ConocoPhillips and Williams desire to initiate terminaling services under the Wichita Refined Products Throughput Agreement as soon as possible, following Commission approval thereof, and in any event no later than November 1, 2002. Prompt consummation will further the purposes of the Decision and Order and is in the interests of the public, Williams, and ConocoPhillips, because it will allow Williams to begin receiving terminaling services at PPL's Wichita, Kansas, terminal. ConocoPhillips accordingly requests that the Commission promptly 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 public comment period to the customary 30-day period, and grant this petition by approving the Wichita Refined Products Throughput Agreement as soon as practicable after the close of the public comment period.

I. The Agreements Are Final and Consistent with the Decision and Order's Terms

Paragraph VI of the Decision and Order requires Respondents to enter into a Wichita Refined Products Throughput Agreement with Williams Pipe Line Company, LLC ("Williams") or another Commission-approved customer within six months from the date Respondents executed the Consent Agreement. Pursuant to this requirement, Respondents have diligently negotiated a Wichita Refined Products Throughput Agreement with Williams. On September 18, 2002, PPL (a wholly owned subsidiary of Phillips) and Williams entered into a Terminaling Agreement (the "Terminaling Agreement"), which requires PPL to provide terminaling services to Williams at PPL's Wichita, Kansas, refined products terminal for a period of ten (10) years. The Terminaling Agreement is attached at Confidential Attachment A.

The Terminaling Agreement with Williams fully complies with the requirements of Paragraph VI of the Decision and Order:

A. Paragraph VI.A. requires that Respondents shall enter into a Wichita Refined Products Throughput Agreement with Williams or another Commission-approved customer. Pursuant to the Terminaling Agreement, Phillips entered into such an agreement with Williams. See Terminaling Agreement.

B. Paragraph VI.B.1. requires that the Wichita Refined Products Throughput Agreement shall include no minimum volume requirement. Through the Terminaling Agreement, PPL and Williams have agreed that Williams shall have no obligation to deliver into PPL's Wichita, Kansas, terminal any minimum volume of commodities. See Terminaling Agreement .

C. Paragraph VI.B.2. requires that the Wichita Refined Products Throughput Agreement shall include a maximum throughput volume of 8,500 barrels per day. Through the Terminaling Agreement, PPL and Williams have agreed that Phillips shall redeliver out of storage across the truck loading rack at PPL's Wichita, Kansas, terminal . See Terminaling Agreement .

D. Paragraph VI.B.3. requires that the Wichita Refined Products Throughput Agreement shall include a term of no less than ten years.

See Terminaling Agreement .

E. Paragraph VI.B.4. requires that the Wichita Refined Products Throughput Agreement shall include a term for the acquisition of additive and information technology services. Through the Terminaling Agreement,

, see Terminaling Agreement

. See Terminaling

Agreement . Further, through the Terminaling Agreement,

. See Terminaling Agreement .

F. Paragraph VI.B.5. requires that the Wichita Refined Products Throughput Agreement shall include an option to purchase the Phillips Wichita Terminal Assets (as such term is defined in the Decision and Order), including, if the acquirer exercises such option, a right to expand the capacity of such loading racks and storage tanks on the terminal property at the acquirer's own risk, cost, and expense, provided that Phillips may remain the operator of the Phillips Wichita Terminal Assets. of the Terminaling Agreement, which grants to Williams such an option to purchase, and , which provides Williams the right to expand the loading racks' and storage tanks' capacity, comply with the requirements of Paragraph VI.B.5.

* * *

As demonstrated above and in the accompanying Terminaling Agreement, PPL and Williams have entered into a Wichita Refined Products Throughput Agreement that fully complies with the Commission's Decision and Order. Accordingly, ConocoPhillips hereby seeks Commission approval of the proposed Terminaling Agreement pursuant to Paragraph VI.A. of the Decision and Order.

II. The Proposed Terminaling Agreement Will Achieve the Purposes of the Decision and Order

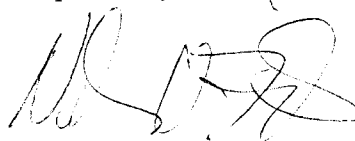
The proposed Wichita Refined Products Throughput Agreement, as embodied in the Terminaling Agreement, will achieve the purposes of the Decision and Order. In Paragraph

VI.A. of the Decision and Order, the Commission has already approved Williams as the throughput customer. Furthermore, as described above, the Terminaling Agreement fully complies with the requirements of the Decision and Order. Thus, the Terminaling Agreement will achieve the Commission's stated purposes of ensuring "the continued use of the Phillips Wichita Terminal Assets in the same business in which they were engaged at the time of the announcement of the proposed Merger," and will remedy any "lessening of competition in the Terminaling of gasoline and other petroleum products in Wichita, Kansas, resulting from the proposed Merger."

Conclusion

For the foregoing reasons, ConocoPhillips respectfully requests that the Commission approve the proposed Wichita Refined Products Throughput Agreement with Williams, as embodied in the Terminaling Agreement, as soon as practicable after expiration of the public comment period.

Respectfully submitted,



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Dated: September 19, 2002