

UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION

In the Matter of
DUKE ENERGY CORPORATION, a corporation,
PHILLIPS PETROLEUM COMPANY, a corporation,
and
DUKE ENERGY FIELD SERVICES L.L.C., a limited liability company.

FILE NO. 001-0080
AGREEMENT CONTAINING CONSENT ORDERS

The Federal Trade Commission ("Commission"), having initiated an investigation of the proposed merger of certain assets of Duke Energy Corporation and Phillips Petroleum Company into Duke Energy Field Services L.L.C. and of the proposed acquisition by Duke Energy Corporation of certain assets of Conoco Inc. and Mitchell Energy & Development Corporation, and it now appearing that Duke Energy Corporation, Phillips Petroleum Company, and Duke Energy Field Services L.L.C. (collectively, "Proposed Respondents") are willing to enter into this Agreement Containing Consent Orders ("Consent Agreement") to divest certain assets and providing for other relief:

IT IS HEREBY AGREED by and between Proposed Respondents, by their duly authorized officers and attorneys, and counsel for the Commission that:

1. Proposed Respondent Duke Energy Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of North Carolina, with its office and principal place of business located at 526 South Church Street, Charlotte, North Carolina 28202.
2. Proposed Respondent Phillips Petroleum Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at The Phillips Building, 4th and Keeler, Bartlesville, Oklahoma 74004.
3. Proposed Respondent Duke Energy Field Services L.L.C. is a limited liability company organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 370 17th Street, Suite 900, Denver, Colorado 80202.
4. Proposed Respondents admit all the jurisdictional facts set forth in the draft of complaint here attached.
5. Proposed Respondents waive:
 - a. any further procedural steps;
 - b. the requirement that the Commission's Order to Maintain Assets and Decision and Order, here attached and made a part hereof, contain a statement of findings of fact and conclusions of law;
 - c. all rights to seek judicial review or otherwise to challenge or contest the validity of the Order to Maintain Assets or Decision and Order entered pursuant to this Consent Agreement; and
 - d. any claim under the Equal Access to Justice Act.
6. Each Proposed Respondent shall submit an initial compliance report within two (2)

days of the date that it executes this Consent Agreement and shall submit additional compliance reports every thirty (30) days thereafter until the accompanying Decision and Order becomes final, pursuant to Commission Rule 2.33, 16 C.F.R. § 2.33, signed by the Proposed Respondent setting forth in detail the manner in which the Proposed Respondent has to date complied or has prepared to comply, and will comply with the accompanying Decision and Order and the Order to Maintain Assets. Such reports will not become part of the public record unless and until this Consent Agreement and the accompanying Decision and Order are accepted by the Commission for public comment.

7. Because there may be interim competitive harm, and divestiture or other relief resulting from a proceeding challenging the legality of the proposed transactions might not be possible, or might be less than an effective remedy, the Commission may issue an Order to Maintain Assets in this matter at any time after it accepts the Consent Agreement for public comment.

8. This Consent Agreement is for settlement purposes only and does not constitute an admission by Proposed Respondents that the law has been violated as alleged in the draft of complaint here attached, or that the facts as alleged in the draft complaint, other than jurisdictional facts, are true.

9. This Consent Agreement shall not become part of the public record of the proceeding unless and until it is accepted by the Commission. If this Consent Agreement is accepted by the Commission it, together with the draft of complaint contemplated thereby, will be placed on the public record for a period of thirty (30) days and information in respect thereto publicly released. The Commission thereafter may either withdraw its acceptance of this Consent Agreement and so notify the Proposed Respondents, in which event it will take such action as it may consider appropriate, or amend its Complaint if circumstances so require and issue its Decision and Order, in disposition of the proceeding.

10. This Consent Agreement contemplates that, if it is accepted by the Commission, the Commission may (1) issue its Complaint corresponding in form and substance with the draft complaint here attached, (2) issue and serve its Order to Maintain Assets, and (3) make information public with respect thereto. If such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission may, without further notice to Proposed Respondents, issue the Decision and Order in disposition of the proceeding. When final, the Decision and Order and the Order to Maintain Assets shall have the same force and effect, and may be altered, modified or set aside in the same manner and within the same time provided by statute for other orders. The Decision and Order and the Order to Maintain Assets shall become final upon service. Delivery of the Complaint, the Decision & Order, and the Order to Maintain Assets to Proposed Respondents by any means specified in Commission Rule 4.4(a), 16 C.F.R. § 4.4(a), shall constitute service. Proposed Respondents waive any right they may have to any other manner of service. The Complaint may be used in construing the terms of the Decision and Order and the Order to Maintain Assets, and no agreement, understanding, representation, or interpretation not contained in the Decision and Order, Order to Maintain Assets, or this Consent Agreement may be used to vary or contradict the terms of the Decision and Order or the Order to Maintain Assets.

11. By signing this Consent Agreement, Proposed Respondents represent and warrant that they can accomplish the full relief contemplated by the accompanying Decision and Order and the Order to Maintain Assets (including effectuating all required divestitures, assignments, and transfers and obtaining all necessary approvals from governmental

authorities, leaseholders, and other third parties to effectuate the divestitures, assignments and transfers), and that all parents, subsidiaries, affiliates, and successors necessary to effectuate the full relief contemplated by this Consent Agreement are parties to this Consent Agreement and are bound thereby as if they had signed this Consent Agreement and were made parties to this proceeding and to the orders.

12. By signing this Consent Agreement, Proposed Respondents represent and warrant that the assets to be divested pursuant to the "Mitchell Agreement," as defined in the accompanying Decision and Order, include all assets specified in Schedule B of that Decision and Order.

13. Proposed Respondents have read the proposed complaint, the Decision and Order, and the Order to Maintain Assets contemplated hereby. Proposed Respondents understand that once the Decision and Order and the Order to Maintain Assets have been issued, they will be required to file one or more compliance reports showing that they have fully complied with the Decision and Order and the Order to Maintain Assets. Proposed Respondents agree to comply with the terms of the proposed Decision and Order and the proposed Order to Maintain Assets from the date they sign this Consent Agreement. Proposed Respondents further understand that they may be liable for civil penalties in the amount provided by law for each violation of the Decision and Order and the Order to Maintain Assets after each of those orders become final.

DATED:

DUKE ENERGY CORPORATION

By:

J. W. Mogg
Senior Vice President
Duke Energy Corporation
Dated: _____, 2000

Paul L. Yde, Esq.
Vinson & Elkins
Counsel for Duke Energy Corporation
Dated: _____, 2000

DUKE ENERGY FIELD SERVICES L.L.C.,

By:

J. W. Mogg
Chief Executive Officer
Duke Energy Field Services L.L.C.
Dated: _____, 2000

Paul L. Yde, Esq.
Vinson & Elkins
Counsel for Duke Energy Field
Services L.L.C.
Dated: _____, 2000

PHILLIPS PETROLEUM COMPANY

By:

Phillips Petroleum Company

Dated: _____, 2000

William J. Kolasky

Eric J. Mahr

Wilmer, Cutler & Pickering

Counsel for Phillips Petroleum

Company

Dated: _____, 2000

FEDERAL TRADE COMMISSION

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Gary D. Kennedy

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Southwest Region

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Director

Bureau of Competition