

**UNITED STATES OF AMERICA  
BEFORE THE FEDERAL TRADE COMMISSION**

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In the Matter of )	
)	
<b>EnCap Investments L.P.</b> )	
a limited partnership, )	
)	
<b>EnCap Energy Capital Fund XI, L.P.,</b> )	
a limited partnership, )	
)	File No. 211-0158
<b>Verdun Oil Company II LLC,</b> )	
a limited liability company, )	
)	
<b>XCL Resources Holdings, LLC,</b> )	
a limited liability company, )	
)	
<b>EP Energy Corporation,</b> )	
a corporation, and )	
)	
<b>EP Energy LLC,</b> )	
a limited liability company. )	
_____ )	

**AGREEMENT CONTAINING CONSENT ORDERS**

The Federal Trade Commission (“Commission”) initiated an investigation of the proposed acquisition by Verdun Oil Company II LLC and XCL Resources Holdings, LLC, each a subsidiary of EnCap Energy Capital Fund XI, L.P., whose general partner is EnCap Investments L.P., of EP Energy LLC, a subsidiary of EP Energy Corporation (collectively, “Proposed Respondents”). The Commission’s Bureau of Competition prepared a draft administrative complaint (“Draft Complaint”). The Bureau of Competition, Proposed Respondents, and proposed acquirer Crescent Energy Company (“Crescent”) enter into this Agreement Containing Consent Orders (“Consent Agreement”). Proposed Respondents enter into the Consent Agreement to divest certain assets and to provide for other relief to resolve the allegations in the Draft Complaint through a proposed Decision and Order and Order to Maintain Assets, all of which are attached, to present to the Commission. Crescent enters into the Consent Agreement to receive prior Commission approval before it sells certain assets that it acquires from the Proposed Respondents.

**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 EnCap Investments L.P. is a limited partnership organized, existing, and doing business under and by virtue of the laws of the State of Texas with its executive offices and principal place of business located at 9651 Katy Freeway, Suite 600, Houston, Texas 77024.
2. Proposed Respondent EnCap Energy Capital Fund XI, L.P. is a limited partnership organized, existing, and doing business under and by virtue of the laws of the State of Texas with its executive offices and principal place of business located at 9651 Katy Freeway, Suite 600, Houston, Texas 77024.
3. Proposed Respondent Verdun Oil Company II LLC is a limited liability company organized, existing, and doing business under and by virtue of the laws of the State of Texas with its executive offices and principal place of business located at 55 Waugh Drive, Suite 400, Houston, Texas 77007.
4. Proposed Respondent XCL Resources Holdings, LLC is a limited liability company organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its executive offices and principal place of business located at 600 N Shepherd Drive, Suite 390, Houston, Texas 77007.
5. Proposed Respondent EP Energy Corporation is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware with its executive offices and principal place of business located at 601 Travis Street, Suite 1400, Houston, Texas 77002.
6. Proposed Respondent EP Energy LLC is a limited liability company organized, existing, and doing business under and by virtue of the laws of the State of Delaware with its executive offices and principal place of business located at 601 Travis Street, Suite 1400, Houston, Texas 77002.
7. Proposed Respondents admit all the jurisdictional facts set forth in the Draft Complaint.
8. Proposed Respondents waive:
  - a. any further procedural steps;
  - b. the requirement that the Decision and Order and the Order to Maintain Assets 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 Decision and Order or the Order to Maintain Assets entered pursuant to this Consent Agreement; and
  - d. any claim under the Equal Access to Justice Act.

9. 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 Complaint, or that the facts as alleged in the Draft Complaint, other than jurisdictional facts, are true.
10. Proposed Respondents shall submit an initial compliance report, pursuant to Commission Rule 2.33, 16 C.F.R. § 2.33, no later than 30 days after the date on which Proposed Respondents execute this Consent Agreement and subsequent compliance reports every 30 days thereafter until the Order to Maintain Assets becomes final. After the Order to Maintain Assets becomes final, the reporting obligations contained in the Order to Maintain Assets shall control and the reporting obligations under this Consent Agreement shall cease. Each compliance report shall set forth in detail the manner in which Proposed Respondents have complied, have prepared to comply, are complying, and will comply with the Consent Agreement, Decision and Order, and the Order to Maintain Assets. Proposed Respondents shall provide sufficient information and documentation to enable the Commission to determine independently whether Proposed Respondents are in compliance with the Consent Agreement, the Decision and Order, and the Order to Maintain Assets.
11. Each compliance report submitted pursuant to Paragraph 10 above shall be verified in the manner set forth in 28 U.S.C. § 1746 by the Chief Executive Officer or another officer or employee specifically authorized to perform this function. Commission Rule 2.41(a), 16 C.F.R. § 2.41(a), requires that the Commission receive an original and one copy of each compliance report. Proposed Respondents shall electronically file an original of each compliance report with the Secretary of the Commission at [ElectronicFilings@ftc.gov](mailto:ElectronicFilings@ftc.gov), and a copy with the Compliance Division at [bccompliance@ftc.gov](mailto:bccompliance@ftc.gov). In addition, Proposed Respondents shall provide a copy of each compliance report to the Monitor, if one has been appointed pursuant to the Decision and Order and/or the Order to Maintain Assets.
12. This Consent Agreement, and any compliance reports filed pursuant to this Consent Agreement, shall not become part of the public record of the proceeding unless and until the Commission accepts the Consent Agreement. If the Commission accepts this Consent Agreement, the Commission will place it, together with the Complaint, the proposed Decision and Order, the Order to Maintain Assets, an explanation of the provisions of the proposed Decision and Order and the Order to Maintain Assets, and any other information that may help interested persons understand the orders on the public record for the receipt of comments for 30 days.
13. Because there may be interim competitive harm, the Commission may issue and serve its Complaint (in such form as circumstances may require) and the Order to Maintain Assets in this matter at any time after it accepts the Consent Agreement for public comment.
14. This Consent Agreement contemplates that, if the Commission accepts the Consent Agreement, the Commission thereafter may withdraw its acceptance of this Consent Agreement and notify Proposed Respondents, in which event the Commission will take

such action as it may consider appropriate. If the Commission does not subsequently withdraw such acceptance pursuant to the provisions of Commission Rule 2.34, 16 C.F.R. § 2.34, and it has already issued the Complaint and the Order to Maintain Assets, the Commission may, without further notice to Proposed Respondents, issue the attached Decision and Order containing an order to divest and to provide for other relief in disposition of the proceeding.

15. The Decision and Order and the Order to Maintain Assets shall become final upon service. Delivery of the Complaint, the Decision and Order, and the Order to Maintain Assets to Proposed Respondents by any means provided in Commission Rule 4.4(a), 16 C.F.R. § 4.4(a), or by delivery to United States counsel for Proposed Respondents identified in this Consent Agreement, shall constitute service to Proposed Respondents. Proposed Respondents waive any rights they may have to any other manner of service. Proposed Respondents also waive any rights they may otherwise have to service of any appendices attached to or incorporated by reference into the Decision and Order or the Order to Maintain Assets, if Proposed Respondents are already in possession of such Appendices, and agree that they are bound to comply with and will comply with the Decision and Order and the Order to Maintain Assets to the same extent as if they had been served with copies of the Appendices.
16. 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, the Order to Maintain Assets, or the Consent Agreement may be used to vary or contradict the terms of the Decision and Order or the Order to Maintain Assets.
17. By signing this Consent Agreement, Proposed Respondents represent and warrant that:
  - a. they can fulfill all the terms of and accomplish the full relief contemplated by the Decision and Order and the Order to Maintain Assets, including, among other things, effectuating all required divestitures, assignments, and transfers, and obtaining any necessary approvals from governmental authorities, leaseholders, and other third parties to effectuate the divestitures, assignments, and transfers; and
  - b. all parents, subsidiaries, affiliates, and successors necessary to effectuate the full relief contemplated by this Consent Agreement, the Decision and Order, and the Order to Maintain Assets are parties to this Consent Agreement and are bound as if they had signed this Consent Agreement and were made parties to this proceeding, or are within the control of parties to this Consent Agreement, the Decision and Order and the Order to Maintain Assets, or will be after the acquisition.
18. Proposed Respondents have read the Draft Complaint, the proposed Decision and Order, and the Order to Maintain Assets. From the date Proposed Respondents sign the Consent Agreement, each agrees to comply with the terms of the proposed Decision and Order and the Order to Maintain Assets. Proposed Respondents understand that once the Commission has issued the Decision and Order and the Order to Maintain Assets, they

will be required to file one or more compliance reports setting forth in detail the manner in which they have complied, have prepared to comply, are complying, and will comply with the Decision and Order and the Order to Maintain Assets. 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 as provided by statute for other orders. 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 of the Order to Maintain Assets.

**IT IS FURTHER HEREBY AGREED** by and between Crescent, by its duly authorized officers and attorneys, and counsel for the Commission that:

19. Crescent is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware with its executive offices and principal place of business located at 600 Travis Street, Suite 7200, Houston, Texas, 77002.
20. Crescent enters into this Consent Agreement solely for the purpose of agreeing to comply with the requirements of Section XI of the Decision and Order.
21. Crescent represents and warrants that it will comply with, and be bound by, the requirements of Section XI of the Decision and Order. Crescent further agrees that it will be liable for any relief available to enforce its compliance with the Consent Agreement and with Section XI of the Decision and Order.
22. Crescent represents and warrants that all parents, subsidiaries, partners, affiliates, and successors necessary to effectuate its compliance with Section XI of the Decision and Order are within its control.

**EnCap Investments LP**

By: Jason DeLorenzo  
Managing Partner

Dated: \_\_\_\_\_

**EnCap Energy Capital Fund XI, LP**

By: Jason DeLorenzo  
Managing Partner

Dated: \_\_\_\_\_

**Verdun Oil Company II, LLC**

By: Tim Nein  
President & CEO

Dated: \_\_\_\_\_

**XCL Resources Holdings, LLC**

By: Grayson Lisenby  
CEO

Dated: \_\_\_\_\_

Jeremy Calsyn  
Cleary Gottlieb Steen & Hamilton LLP  
Counsel for EnCap Investments LP; EnCap  
Energy Capital Fund XI, LP; Verdun Oil  
Company II, LLC; and XCL Resources  
Holdings, LLC

Dated: \_\_\_\_\_

**Federal Trade Commission**

NINA  
THANAWALA Digitally signed by NINA  
THANAWALA  
Date: 2022.03.10 16:20:14 -05'00'

By: Nina Thanawala  
Attorney  
Bureau of Competition

PETER RICHMAN Digitally signed by PETER  
RICHMAN  
Date: 2022.03.10 16:25:03 -05'00'

Peter Richman  
Assistant Director  
Bureau of Competition

HOLLY VEDOVA Digitally signed by HOLLY  
VEDOVA  
Date: 2022.03.10 16:45:22 -05'00'

Holly L. Vedova  
Director  
Bureau of Competition

Dated: \_\_\_\_\_

**EnCap Investments LP**



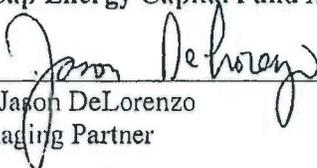
By: Jason DeLorenzo  
Managing Partner

Dated: 3-7-22

**Federal Trade Commission**

By: Nina Thanawala  
Attorney  
Bureau of Competition

**EnCap Energy Capital Fund XI, LP**



By: Jason DeLorenzo  
Managing Partner

Dated: 3-7-22

Peter Richman  
Assistant Director  
Bureau of Competition

Holly L. Vedova  
Director  
Bureau of Competition

**Verdun Oil Company II, LLC**

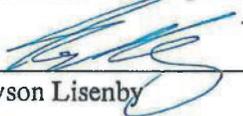


By: Tim Neih  
President & CEO

Dated: 3-7-22

Dated: \_\_\_\_\_

**XCL Resources Holdings, LLC**



By: Grayson Lisenby  
CEO

Dated: 3-7-22

Jeremy Calsyn  
Cleary Gottlieb Steen & Hamilton LLP  
Counsel for EnCap Investments LP; EnCap  
Energy Capital Fund XI, LP; Verdun Oil  
Company II, LLC; and XCL Resources  
Holdings, LLC

Dated: 3-7-22

**EP Energy Corporation**



By: Russell E. Parker  
President & CEO

Dated: 3/7/2022

**EP Energy LLC**



By: Russell E. Parker  
President & CEO

Dated: 3/7/2022



Jason Cruise  
Latham and Watkins LLP  
Counsel for EP Energy Corporation and EP  
Energy LLC

Dated: 3/7/2022

**Crescent Energy Company**

By: David Rockecharlie  
CEO

Dated: \_\_\_\_\_

Chuck Boyars  
Kirkland & Ellis LLP  
Counsel for Crescent Energy Company

Dated: \_\_\_\_\_

**EP Energy Corporation**

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By: Russell E. Parker  
President & CEO

Dated: \_\_\_\_\_

**EP Energy LLC**

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By: Russell E. Parker  
President & CEO

Dated: \_\_\_\_\_

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Jason Cruise  
Latham and Watkins LLP  
Counsel for EP Energy Corporation and EP  
Energy LLC

Dated: \_\_\_\_\_

**Crescent Energy Company**

  
\_\_\_\_\_  
By: David Rockecharlie  
CEO

Dated: 3-7-22

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Chuck Boyars  
Kirkland & Ellis LLP  
Counsel for Crescent Energy Company

Dated: \_\_\_\_\_

**EP Energy Corporation**

\_\_\_\_\_  
By: Russell E. Parker  
President & CEO

Dated: \_\_\_\_\_

**EP Energy LLC**

\_\_\_\_\_  
By: Russell E. Parker  
President & CEO

Dated: \_\_\_\_\_

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Jason Cruise  
Latham and Watkins LLP  
Counsel for EP Energy Corporation and EP  
Energy LLC

Dated: \_\_\_\_\_

**Crescent Energy Company**

\_\_\_\_\_  
By: David Rockecharlie  
CEO

Dated: \_\_\_\_\_

  
\_\_\_\_\_  
Chuck Boyars  
Kirkland & Ellis LLP  
Counsel for Crescent Energy Company

Dated: 3/7/22