material in any such information or documents to which a claim of protection may be asserted under Rule 26(c)(7) of the Federal Rules of Civil Procedure, and the defendant marks each pertinent page of such material, "Subject to claim of protection under Rule 26(c)(7) of the Federal Rules of Civil Procedure," then 10 days' notice shall be given by plaintiff to the defendant prior to divulging such material in any legal proceeding (other than a grand jury proceeding) to which the defendant is not a party.

IX

Further Elements of the Final Judgment

(A) This Final Judgment shall expire ten years from the date of entry.

(B) Jurisdiction is retained by this Court for the purpose of enabling any of the parties to this Final Judgment to apply to this Court at any time for further orders and directions as may be necessary or appropriate to carry out or construe this Final Judgment, to modify or terminate any of its provisions, to enforce compliance, and to punish violations of its provisions.

(C) Entry of this Final Judgment is in the public interest. ENTERED:

UNITED STATES DISTRICT JUDGE

Notice To El Paso Natural Gas Gathering Customers

Any customer seeking to connect a well to El Paso Natural Gas Company's (EPNG) gathering systems has the legal right to choose to provide meter installation subject to the conditions listed below, rather than to have EPNG provide for installation. See United States v. El Paso Natural Gas Company, 1994). D.D.C., No. (Dec. Meter installation includes the construction and connection of metering facilities (including the meter, the meter house, and the meter run) and the welltie line. If a customer chooses to perform its own meter installation, EPNG may:

1. Specify the type of metering facilities the customer must use when connecting a well or wells to the gathering system.

2. Specify standards and procedures that must be followed for meter installation. EPNG's standards and procedures will be applied uniformly to any persons providing such installations, including EPNG.

3. Require that all meter installation performed by customers be subject to inspection by EPNG to ensure compliance with any standards and procedures specified by EPNG. The inspection process will be uniform for all meter installations, including those meter installations EPNG provides. The EPNG inspectors will not unreasonably withhold any necessary approvals or impose any unreasonable compliance requirements. EPNG inspectors will keep a contemporaneously written log for all inspections they conduct, including any inspections of meter installations provided by EPNG.

4. Require the customer to pay a reasonable charge for any meter installation inspection that EPNG conducts pursuant to ¶ 3 above. Any such charge will be calculated on a uniform basis and uniformly applied to all meter installations, including those performed by EPNG.

In the United States District Court for the District of Columbia

United States of America, Plaintiff, v. El Paso Natural Gas Company, Defendant. Case Number 1: 95CV00067 Judge: Harold H. Greene Deck Type: Antitrust Date Stamp: 01/12/95

Competitive Impact Statement

Pursuant to Section 2(b) of the Antitrust Procedures and Penalties Act, 15 U.S.C. § 16(b)–(h), the United States submits this Competitive Impact Statement relating to the proposed Final Judgment submitted for entry with the consent of defendant El Paso Natural Gas Company ("El Paso") in this civil antitrust proceeding.

Nature and Purpose of the Proceeding

On January 12, 1995 the United States filed a civil antitrust Complaint alleging that El Paso had entered into a contract, combination or conspiracy in restraint of trade in violation of Section 1 of the Sherman Act, 15 U.S.C. § 1. The Complaint alleges that El Paso, which provides natural gas gathering services in the San Juan Basin area of New Mexico and Colorado, tied the installation of metering facilities to the provision of its gas gathering service.

On January 12, 1995 the United States and El Paso filed a Stipulation by which they consented to the entry of a proposed Final Judgment designed to prevent any recurrence of such tying activity in the future. Under the proposed Final Judgment, El Paso will be enjoined from conditioning the provision of gas gathering service upon the gathering customer also purchasing meter installation from El Paso. In addition, El Paso will be required affirmatively to inform its gathering customers that they have the option of using someone other than El Paso to provide installation of all or part of the metering facilities. The proposed Final

Judgment allows El Paso to continue to provide meter installation, but only after a customer has been explicitly informed that it has the option of using someone other than El Paso to provide this service. The decree also contains provisions to ensure that El Paso does not disadvantage well operators who choose competing meter installation providers.

T

Events Giving Rise to the Alleged Violation

In order to market natural gas, it must be carried by pipeline from the point of production to the point of use. Without transportation away from the well, natural gas has virtually no value, and no means of transportation other than via pipeline is economical. To market gas, it is first "gathered" from wells through small diameter pipes. The gas is then fed from the gathering system into one or more interstate pipelines that carry the gas to local distribution systems which in turn deliver the gas to the end users (consumers). Thus, gathering is an essential step in getting natural gas to market. Because of scale economies and network efficiencies associated with pipelines, it is often uneconomical associated with pipelines, it is often uneconomical for a producer to be served by more than one pipeline system.

The San Juan Basin is a natural gas production area located in northwestern New Mexico and southern Colorado. El Paso's gas gathering system permeates the basin. Many of the producers that have wells connected to El Paso's San Juan gathering system have no alternative means of transportation. El Paso's San Juan gathering system is regulated by the Federal Energy Regulatory Commission ("FERC"). FERC regulations require El Paso to limit to a published tariff rate the amount that it may charge for gathering. The FERC does not regulate the rate that El Paso charges for meter installation associated with the provision of its gathering service.

El Paso provides gathering at a charge based upon the volume of gas transported. A meter is a device used to measure the volume of gas flowing from a well into the gathering system.

Connecting a well to the gathering system involves laying pipe from the well-head to the gathering pipeline. At the same time, metering equipment is installed at the well-head or along the pipe leading to the gathering system. Connecting a well to the gathering system also includes placing a "tap", or break of the gathering pipeline wall at