UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA, *Plaintiff*, v. XCL RESOURCES HOLDINGS, LLC, VERDUN OIL COMPANY II LLC, and EP ENERGY LLC *Defendants*.	Civil Action No. 1:25-cv-00041-TSC

FINAL JUDGMENT

WHEREAS the United States of America filed its Complaint on January 7, 2025, alleging that Defendants XCL Resources Holdings, LLC, Verdun Oil Company II LLC, and EP Energy LLC violated Section 7A of the Clayton Act, 15 U.S.C. § 18a, commonly known as the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "Hart-Scott-Rodino Act"), and the United States and Defendants XCL Resources Holdings, LLC, Verdun Oil Company II LLC, and EP Energy LLC, by their respective attorneys, have consented to the entry of this Final Judgment without trial or adjudication of any issue of fact or law, and without this Final Judgment constituting any evidence against or an admission by any party regarding any issue of fact or law;

AND WHEREAS Defendants agree to be bound by the provisions of this Final Judgment pending its approval by the Court;

NOW, THEREFORE, before any testimony is taken, without trial or adjudication of any issue of fact or law, and upon the consent of the parties hereto, it is ORDERED, ADJUDGED, AND DECREED:

I. JURISDICTION

The Court has jurisdiction over the subject matter of this action. The Defendants consent solely for the purpose of this action and the entry of this Final Judgment that this Court has jurisdiction over each of the parties to this action. The Complaint states a claim upon which relief may be granted against the Defendants under Section 7A of the Clayton Act, 15 U.S.C. § 18a.

II. DEFINITIONS

A. "XCL" means XCL Resources Holdings, LLC, a limited liability company organized, existing, and doing business under 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, including its successors and assigns, and its subsidiaries and divisions.

B. "Verdun" means Verdun Oil Company II LLC, a limited liability company organized, existing, and doing business under the laws of the state of Texas, with its executive offices and principal place of business located at 945 Bunker Hill Road, Suite 1300, Houston, Texas 77024, including its successors and assigns, and its subsidiaries and divisions.

C. "EP Energy" means EP Energy LLC, a limited liability company organized, existing, and doing business under the laws of the state of Delaware, with its executive offices and

principal place of business located at 945 Bunker Hill Road, Suite 100, Houston, Texas 77024, including its successors and assigns, and its subsidiaries and divisions.

D. "Agreement" means any agreement, contract, or mutual understanding, whether formal or informal, written, or unwritten.

E. "Antitrust Laws" means the Federal Trade Commission Act, as amended, 15 U.S.C. § 41 et seq., the Sherman Act, 15 U.S.C. § 1 et seq., the Clayton Act, 15 U.S.C. § 12 et seq., and the Hart-Scott-Rodino Act, 15 U.S.C. § 18a.

F. "Competing Product" means any product, service, or technology included in a Reportable Transaction that is offered for sale, license, or distribution to customers in the same state, or produced in the same state or geological basin, by a Defendant and any other party to the Reportable Transaction.

G. "Farm-in agreement" or "Farm-out agreement" means an agreement in which the owner or lessee of mineral rights assigns an interest in such mineral rights to another party, in exchange for such other party providing specified exploration and/or development activities, funding for such exploration and/or development activities, or contributing or swapping mineral acreage, regardless of whether the owner or lessee retains working interests, overriding royalty interests, or other types of economic interests. The agreement is termed a "Farm-in agreement" from the viewpoint of the party acquiring such interest, and a "Farm-out agreement" from the viewpoint of the owner or lessee of the mineral rights assigning such interest.

H. "Non-Public Information" means any information related to the assets and businesses included in a Reportable Transaction known by the Defendant or another party to the Reportable Transaction, excluding any information that was or becomes available to the public through means other than disclosure by the receiving party.

I. "Pre-consummation Period" means the period between the signing of an agreement or letter of intent for a Reportable Transaction, and the earlier of the expiration or termination of the applicable waiting period, and the abandonment of the Reportable Transaction.

J. "Regulations" means any rule, regulation, statement, or interpretation relating to the Hart-Scott-Rodino Act that has binding legal effect with respect to the implementation or application of the Hart-Scott-Rodino Act or any section or subsection within 16 C.F.R. §§ 801-803.

K. "Reportable Transaction" means a transaction to which a Defendant is a party that is reportable under Section 7A the Clayton Act, 15 U.S.C. § 18a, including the rules, regulations and formal interpretations implementing the section.

III. APPLICABILITY

This Final Judgment applies to XCL, Verdun, and EP Energy, as defined above, and all other persons in active concert or participation with any of them who receive actual notice of this Final Judgment by personal service or otherwise.

IV. CIVIL PENALTY

A. Judgment is hereby entered in this matter in favor of Plaintiff and against Defendants, and, pursuant to Section 7A(g)(1) of the Clayton Act, 15 U.S.C. § 18a(g)(1), the Debt Collection Improvement Act of 1996, Pub. L. 104134 § 31001(s) (amending the Federal Civil Penalties Inflation Adjustment Act of 1990, 28 U.S.C. § 2461), the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, Pub. L. 114-74 § 701 (further amending the Federal Civil Penalties Inflation Adjustment Act of 1990), and Federal Trade Commission Rule 1.98, 16 C.F.R. § 1.98, 89 Fed. Reg. 9764 (February 12, 2024), XCL and Verdun jointly and severally are hereby ordered to pay a civil penalty in the amount of $2,842,188.50, and EP Energy is hereby

ordered to pay a civil penalty in the amount of $2,842,188.50, for a total among all Defendants of $5,684,377.00. Payment of the civil penalty ordered hereby shall be made by wire transfer of funds or cashier's check. If the payment is to be made by wire transfer, prior to making the transfer, Defendant will contact the Budget and Fiscal Section of the Antitrust Division's Executive Office at ATR.EXO-Fiscal-Inquiries@usdoj.gov for instructions. If the payment is made by cashier's check, the check must be made payable to the United States Department of Justice – Antitrust Division and delivered to:

Chief, Budget & Fiscal Section
Executive Office, Antitrust Division
United States Department of Justice
Liberty Square Building
450 5th Street, NW
Room 3016
Washington, D.C. 20530

B. Defendants shall pay the full amount of the civil penalty within thirty (30) days of entry of this Final Judgment. In the event of a default or delay in payment, interest at the rate of eighteen (18) percent per annum shall accrue thereon from the date of the default or delay to the date of payment.

V. PROHIBITED CONDUCT

A. During the Pre-consummation Period for any Reportable Transaction, the Defendant shall not enter into any Agreement with any other party to the transaction to:

1. combine, merge, or transfer (in whole or in part) any operational or decision-making control over any aspect of the business, assets, or interests that are part of the Reportable Transaction including (a) the production, marketing, or distribution of any to-be-acquired product; or (b) any sales, service, or procurement terms for such products;

2. require one party to the Reportable Transaction to obtain approval from another party to the Reportable Transaction for any ordinary-course business activities or expenses, including planned capital expenditures;
3. delay or suspend ordinary-course sales or development efforts; or
4. disclose or seek the disclosure of the following information for any Competing Product:
    a. current or future prices or contract offers; or
    b. Non-Public Information relating to customers, current or future drilling and completions, production, sales, or shipments to customers.

Provided, however, that nothing in this Final Judgment prohibits Defendants from disclosing or seeking information relating to a Competing Product (i) that is publicly available at the time disclosure occurs, or (ii) that is necessary to conduct reasonable and customary due diligence of or integration planning for the proposed transaction, provided such activity by Defendants are supervised by antitrust counsel and occurs pursuant to a non-disclosure agreement that (a) limits use of the information to conducting due diligence or integration planning (including limiting dissemination of the information to individuals involved in or supervising due diligence or integration planning), (b) prohibits disclosure of the information to any employee of the receiving entity who is directly responsible for the marketing, pricing, or sales of a Competing Product, and (c) requires the recipient to delete or destroy the information if the Reportable Transaction does not close.

VI. PERMITTED CONDUCT

Nothing in this Final Judgment prohibits Defendants from:

A. Agreeing that a party to a transaction shall continue to operate in the ordinary course of business during the Pre-consummation Period;

B. Agreeing that a party to a transaction forgo conduct that would cause a material adverse change in the value of to-be-acquired assets during the Pre-consummation Period;

C. Negotiating, agreeing to, or participating in joint operating, joint development, Farm-in, or Farm-out agreements,

Provided, however, that the joint operating, joint development, Farm-in, or Farm-out agreements do not relate to assets included as part of any Reportable Transaction during the Pre-consummation Period; or

D. Disclosing Non-public Information related to Competing Products in the context of litigation or settlement discussions if the disclosure is subject to a protective order.

VII. COMPLIANCE

A. Defendants shall design, maintain, and operate an antitrust compliance program to ensure compliance with this Final Judgment and the Antitrust Laws, and as part of such program shall:

1. within 30 days of entry of this Final Judgment, appoint or retain a qualified antitrust compliance officer ("Antitrust Compliance Officer") to supervise the design, maintenance, and operation of the program, and shall authorize the Antitrust Compliance Officer to perform all tasks necessary to fulfill these obligations. Defendants may replace the Antitrust Compliance Officer with another qualified person at any time;

2. within 45 days of entry of this Final Judgment, distribute a copy of this Final Judgment to each current officer and director, and each employee, agent, or other person who has responsibility or authority over sales, marketing, strategic planning, exploration and development, or mergers and acquisitions;
3. distribute a copy of this Final Judgment to any person who takes a position described in Paragraph VII(A)(2) within 30 days of the date the person takes such position;
4. provide in-person or online training concerning Defendants' obligations under this Final Judgment and the Antitrust Laws as they apply to Defendants' activities, to each person designated in Paragraphs VII(A)(2) or (3):
    a. no later than 45 days after this Final Judgment is entered;
    b. no later than 30 days after a person first takes a position described in Paragraph VII(A)(2); and
    c. at least annually.

    Provided, however, that as to any person on extended leave (*e.g.*, parental, family, or disability leave), the training for such person under the above schedule shall be completed within 30 days of the date the person returns to work;
5. obtain within 60 days from the entry of this Final Judgment, and annually thereafter, and retain for the duration of this Final Judgment, a written certification from each person designated in Paragraphs VII(A)(2) & (3) that the person: (a) has received, read, understands, and agrees to abide by the terms of this Final Judgment; (b) understands that failure to comply with this Final

Judgment may result in conviction for criminal contempt of court; and (c) is not aware of any violation of the Final Judgment; and

6. provide a copy of this Final Judgment (or a hyperlink to a copy of this Final Judgment) to each party to a Reportable Transaction no later than signing of the definitive agreement.

B. Within 60 days of entry of this Final Judgment, Defendants shall certify to Plaintiff that they have (1) designed, established, and are maintaining an antitrust compliance program; (2) designated an Antitrust Compliance Officer, specifying their name, business address, and telephone number; (3) distributed this Final Judgment as required in Paragraph VII(A)(2); and (4) provided training as required in Paragraph VII(A)(4).

C. For the term of this Final Judgment, on or before its anniversary date, Defendants shall file with Plaintiff an annual statement verifying that they are complying with the requirements of this Final Judgment and describing in detail the manner of their compliance with the provisions of Sections V and VII.

D. If any of Defendants' directors or officers, or the Antitrust Compliance Officer, learns of any violation of this Final Judgment, Defendants shall within three (3) business days take appropriate action to assure continued compliance with this Final Judgment, and shall notify the Plaintiff in writing of the violation within 10 business days of learning of the violation.

VIII. COMPLIANCE INSPECTION

A. For the purposes of determining or securing compliance with this Final Judgment, or of determining whether the Final Judgment should be modified or vacated, and subject to any legally-recognized privilege, from time to time authorized representatives of the United States, including agents and consultants retained by the United States, shall, upon written request of an

authorized representative of the Assistant Attorney General in charge of the Antitrust Division, and on reasonable notice to Defendants, be permitted:

(1) access during Defendants' office hours to inspect and copy, or at the option of the United States, to require Defendants to provide electronic copies of all books, ledgers, accounts, records, data, and documents in the possession, custody, or control of Defendants, relating to any matters contained in this Final Judgment; and

(2) to interview, either informally or on the record, Defendants' officers, employees, or agents, who may have their individual counsel present, regarding such matters. The interviews shall be subject to the reasonable convenience of the interviewee and without restraint or interference by Defendants.

B. Upon the written request of an authorized representative of the Assistant Attorney General in charge of the Antitrust Division, Defendants shall submit written reports or response to written interrogatories, under oath if requested, relating to any of the matters contained in this Final Judgment as may be requested.

C. No information or documents obtained pursuant to any provision of this Final Judgment may be divulged by the United States to any person other than an authorized representative of the executive branch of the United States, except in the course of legal proceedings to which the United States is a party, including grand jury proceedings, for the purpose of securing compliance with this Final Judgment, or as otherwise required by law.

D. In the event of a request by a third party, pursuant to the Freedom of Information Act, 5 U.S.C. § 552, for disclosure of information obtained pursuant to any provision of this Final Judgment, the Antitrust Division will act in accordance with that statute, and the Department of Justice regulations at 28 C.F.R. part 16, including the provision on confidential commercial information, at 28 C.F.R. § 16.7. Designations of confidentiality expire 10 years after

submission, "unless the submitter requests and provides justification for a longer designation period." See 28 C.F.R. § 16.7(b).

E. If at the time that Defendants furnish information or documents to the United States pursuant to any provision of this Final Judgment, Defendants represent and identify in writing information or documents for which a claim of protection may be asserted under Rule 26(c)(1)(G) of the Federal Rules of Civil Procedure, and Defendants mark each pertinent page of such material, "Subject to claim of protection under Rule 26(c)(1)(G) of the Federal Rules of Civil Procedure," the United States must give Defendants 10 calendar days' notice before divulging the material in any legal proceeding (other than a grand jury proceeding).

IX. RETENTION OF JURISDICTION

This Court retains jurisdiction to enable 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.

X. ENFORCEMENT OF FINAL JUDGMENT

A. The United States retains and reserves all rights to enforce the provisions of this Final Judgment, including the right to seek an order of contempt from the Court. Defendants agree that in any civil contempt action, any motion to show cause, or any similar action brought by the United States regarding an alleged violation of this Final Judgment, the United States may establish a violation of this Final Judgment and the appropriateness of any remedy therefor by a preponderance of the evidence, and Defendants waive any argument that a different standard of proof should apply.

B. The Final Judgment should be interpreted to give full effect to the procompetitive purposes of the antitrust laws, including Section 7A of the Clayton Act and Regulations promulgated thereunder. Defendants agree that they may be held in contempt of, and that the Court may enforce, any provision of this Final Judgment that, as interpreted by the Court in light of these procompetitive principles and applying ordinary tools of interpretation, is stated specifically and in reasonable detail, whether or not it is clear and unambiguous on its face. In any such interpretation, the terms of this Final Judgment should not be construed against either party as the drafter.

C. In any enforcement proceeding in which the Court finds that a Defendant has violated this Final Judgment, the United States may apply to the Court for a one-time extension of this Final Judgment for that Defendant, together with such other relief as may be appropriate. In connection with any successful effort by the United States to enforce this Final Judgment against a Defendant, whether litigated or resolved prior to litigation, each Defendant agrees to reimburse the United States for the fees and expenses of its attorneys, as well as any other costs including experts' fees, incurred in connection with that enforcement effort, including in the investigation of the potential violation.

D. For a period of four (4) years after the expiration of this Final Judgment pursuant to Section XI, if the United States has evidence that a Defendant violated this Final Judgment before it expired, the United States may file an action against that Defendant in this Court requesting that the Court order (1) Defendant to comply with the terms of this Final Judgment for an additional term of at least four years following the filing of the enforcement action under this Section, (2) any appropriate contempt remedies, (3) any additional relief needed to ensure the

Defendant complies with the terms of the Final Judgment, and (4) fees or expenses as called for in Paragraph X(C).

XI. EXPIRATION OF FINAL JUDGMENT

Unless this Court grants an extension, this Final Judgment shall expire ten (10) years from the date of its entry if each Defendant has paid the civil penalty in full.

XII. COSTS

Each party shall bear its own costs of this action.

XIII. PUBLIC INTEREST DETERMINATION

Entry of this Final Judgment is in the public interest. The parties have complied with the requirements of the Antitrust Procedures and Penalties Act, 15 U.S.C. § 16, including making copies available to the public of this Final Judgment, the Competitive Impact Statement, and any comments thereon and the United States' responses to comments. Based upon the record before the Court, which includes the Competitive Impact Statement and any comments and responses to comments filed with the Court, entry of this Final Judgment is in the public interest.

Dated: 2/4/2026

Tanya S. Chutkan
United States District Judge