

Aspects of ConocoPhillip's Acquisition of Burlington Resources

Background

On December 13, 2005, the *Wall Street Journal* (*WSJ*) reported that [ConocoPhillips Company](#) had agreed to acquire [Burlington Resources Inc.](#) for about \$35.6 billion of cash and stock (see "Conoco Sets Pact To Buy Burlington Deal Valued at \$35 Billion Represents 9.9% Premium, Underlining Energy Demand" (December 13, 2005)). ConocoPhillips will additionally assume approximately \$1,078 million¹ of Burlington Resources debt in gaining Burlington's assets.

According to the *WSJ*, "... ConocoPhillips Chairman and Chief Executive James Mulva ... said in an interview ... [on December 12, 2005] that he was attracted to Burlington's natural-gas assets in North America, which balance political risks in [ConocoPhillips'] Venezuelan and Russian ventures." Based on 2004 filings of U.S. Securities and Exchange Commission Form 10-K, the post-transaction ConocoPhillips would have been the second-largest producer of natural gas and the third-largest producer of crude oil and natural gas liquids in the United States.

The following tables provide company-level data from various public sources to inform discussions of ConocoPhillip's acquisition of Burlington Resources. This data presentation is similar to data presentations that have been previously requested from EIA for other significant energy company mergers and/or corporate alliances.

¹Note: This was the value of Burlington Resources' publicly disclosed net debt as of September 30, 2005 (Burlington Resources Inc., "Burlington Resources Declares Quarterly Dividend on Common Stock, Restores Share Repurchase Authorization to \$1 Billion" (October 26, 2005)).

Table 1. ConocoPhillips* - Burlington Resources U.S. Crude Oil and Natural Gas Reserves and Production, 2004

	ConocoPhillips	Burlington Resources	ConocoPhillips /Burlington Total	U.S. Total	Share of U.S. Total		
					ConocoPhillips	Burlington Resources	ConocoPhillips /Burlington Total
Oil and Natural Gas Liquids	(million barrels)				(percent)		
Production	145.0	29.0	174.0	2,801	5.2	1.0	6.2
Reserves	1,947.0	482.9	2,429.9	29,299.0	6.6	1.6	8.3
Dry Natural Gas	(billion cubic feet)				(percent)		
Production	617.0	333.0	950.0	19,219.0	3.2	1.7	4.9
Reserves	7,578.0	5,076.0	12,654.0	192,513.0	3.9	2.6	6.6

Note: Reserves are at year-end.

Sources: **Company information:** [John S. Herold, Inc.](#), Reserves Disclosure Database. See also, ConocoPhillips Company, 2004 report to the Securities and Exchange Commission on Form 10-K (February 25, 2005); and Burlington Resources Inc., 2004 report to the Securities and Exchange Commission on Form 10-K (February 28,

2005); and **U.S. totals:** Energy Information Administration, [Advance Summary: U.S. Crude Oil, Natural Gas, and Natural Gas Liquids Reserves 2004 Annual Report](#) (September 2005), Table 1 (PDF format).

Table 2. ConocoPhillips - Burlington Resources Petroleum Foreign Crude Oil and Natural Gas Reserves and Production, 2004

	ConocoPhillips	Burlington Resources	ConocoPhillips /Burlington Total	Foreign Total	Share of Foreign Total		
					ConocoPhillips	Burlington Resources	ConocoPhillips /Burlington Total
Oil and Natural Gas Liquids Production	(million barrels)				(percent)		
Canada	20.7	10.6	31.3	3,085.0	0.7	0.3	1.0
Asia/Pacific	38.0	0.0	38.0	2,893.7	1.3	0.0	1.3
Other Foreign**	22.0	15.5	37.5	26,651.9	0.1	0.1	0.1
Oil and Natural Gas Liquids Reserves	(million barrels)				(percent)		
Canada	330.3	72.0	402.3	16,800.0	2.0	0.4	2.4
Asia/Pacific	326.0	0.0	326.0	41,100.0	0.8	0.0	0.8
Other Foreign**	312.0	75.3	387.3	1,101,300.0	0.0	0.0	0.0
Dry Natural Gas Production	(billion cubic feet)				(percent)		
Canada	159.0	300.0	459.8	6,455.6	2.5	4.6	7.1
Asia/Pacific	121.0	0.0	121.0	11,413.8	1.1	0.0	1.1
Other Foreign**	41.0	68.0	109.0	58,008.4	0.1	0.1	0.2
Dry Natural Gas Reserves	(billion cubic feet)				(percent)		
Canada	975.0	2,330.0	3,305.0	56,600.0	1.7	4.1	5.8
Asia/Pacific	3,773.0	0.0	3,773.0	501,500.0	0.8	0.0	0.8
Other Foreign**	1,223.0	820.0	2,043.0	5,592,400.0	0.0	0.0	0.0

*: ConocoPhillips' volumes exclude its equity share of Lukoil production and reserves.

**: Other Foreign is the worldwide total minus the listed categories (i.e., U.S., Canada, and Asia/Pacific).

Note: Reserves are at year-end.

Sources: **Company information:** [John S. Herold, Inc.](#), Reserves Disclosure Database. See also, ConocoPhillips Company, 2004 report to the Securities and Exchange Commission on Form 10-K and Burlington Resources Inc., 2004 report to the Securities and Exchange Commission on Form 10-K; and **Foreign totals:** BP p.l.c., [BP Statistical Review of World Energy 2005](#) (June 2005), pp. 4, 6, 20, and 22 (Natural gas production is converted from cubic meters to cubic feet at the rate of 1 cubic meter equals 35.315 cubic feet).

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