SHELDON WHITEHOUSE, RHODE ISLAND
CHAIRMAN
PATTY MURRAY, WASHINGTON
RON WYDEN, OREGON
DEBBIE STABENOW, MICHIGAN
BERNARD SANDERS, VERMONT
MARK R. WARNER, VIRGINIA
JEFF MERKLEY, OREGON
TIM KAINE, VIRGINIA
CHRIS VAN HOLLEN, MARYLAND
BEN RAY LUJÁN, NEW MEXICO
ALEX PADILLA, CALIFORNIA

United States Senate
COMMITTEE ON THE BUDGET
WASHINGTON, DC 20510–6100
TELEPHONE: (202) 224–0642

CHARLES E. GRASSLEY, IOWA
RANKING REPUBLICAN
MIKE CRAPO, IDAHO
LINDSEY O. GRAHAM, SOUTH CAROLINA
RON JOHNSON, WISCONSIN
MITT ROMNEY, UTAH
ROGER MARSHALL, KANSAS
MIKE BRAUN, INDIANA
JOHN KENNEDY, LOUISIANA
RICK SCOTT, FLORIDA
MIKE LEE, UTAH

June 26, 2024

Mr. John J. Christmann IV
Chief Executive Officer
APA Corporation
2000 W Sam Houston Parkway S, Suite 200
Houston, TX 77042

Dear Mr. Christmann:

I write to seek information and documents concerning communications of APA Corporation, including but not limited to its subsidiary Apache, with members of the Secretariat of—and national representatives of countries belonging to—the Organization of the Petroleum Exporting Countries (OPEC)[1] regarding oil production output, crude oil prices, and the relationship between the production and pricing of oil products. Based on recent events involving Pioneer Natural Resources Company (Pioneer), soon to merge with ExxonMobil Corporation (Exxon), I am concerned about the possibility that oil and gas companies could be engaging in collusive, anti-competitive activities with OPEC+ that would raise crude oil prices, resulting in higher costs not only for American families, but also for the U.S. government when it acquires crude oil for the Strategic Petroleum Reserve.

On December 5, 2023, the *Wall Street Journal* reported that the Federal Trade Commission (FTC) had opened an investigation into Exxon's plans to acquire Pioneer, a $64.5 billion deal that would represent the largest fossil fuel merger in twenty years.[2] On May 2, 2024, the FTC issued a Decision and Order in its investigation of the proposed merger. Notably, although FTC resolved its outstanding antitrust concerns, the Decision and Order prohibited former Pioneer CEO Scott Sheffield, one of the company's founders and a current member of its board of directors, from holding a seat on Exxon's board of directors or serving in an advisory capacity for Exxon following the acquisition.[3] As the FTC explained in announcing the Decision and Order, "public statements and private communications," including "hundreds of text messages" demonstrated that Sheffield "attempted to collude with the representatives of the Organization of

[1] For the purposes of this letter, we also include representatives of the so-called OPEC+ countries.

[2] Dave Michaels & Collin Eaton, "FTC Investigates Exxon's $60 Billion Deal for Pioneer," *The Wall Street Journal* (Dec. 5, 2023) (online at https://www.wsj.com/business/energy-oil/ftc-investigating-exxons-60-billion-deal-for-pioneer-e79c9d75); ExxonMobil, *Press Release: ExxonMobil announces merger with Pioneer Natural Resources in an all-stock transaction* (Oct. 11, 2023) (online at https://corporate.exxonmobil.com/news/news-releases/2023/1011_exxonmobil-announces-merger-with-pioneer-natural-resources-in-an-all-stock-transaction).

[3] Decision and Order, *In the Matter of Exxon Mobil Corporation*, Docket No. C-_____ (May 2, 2024) (online at https://www.ftc.gov/system/files/ftc_gov/pdf/2410004exxonpioneerorderredacted.pdf); Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

Petroleum Exporting Countries (OPEC) and a related cartel of other oil-producing countries known as OPEC+ to reduce output of oil and gas . . . to inflate profits for his company."[4]

Following the FTC's Decision & Order, *Fortune* reported that Pioneer released a statement noting only that "Sheffield and Pioneer believe that the FTC's complaint reflects a fundamental misunderstanding of the U.S. and global oil markets and misreads the nature and intent of Mr. Sheffield's actions."[5] The FTC's concerns bring added relevance to allegations made in separate, private class action lawsuits filed in January and May 2024 against Pioneer and other oil producers operating in the Permian Basin region that assert that those producers engaged in a "conspiracy to coordinate, and ultimately constrain, domestic shale oil production, which has had the effect of fixing, raising, and maintaining the price of retail gasoline (gasoline purchased by consumers at gas stations) in and throughout the United States of America."[6]

Price fixing concerns such as those set out by the FTC and in the private class action lawsuit are of significant concern to the United States given the very real risk that collusion can raise energy costs for the federal government and the American people.

First, colluding to reduce output and increase the price of crude oil directly inflates prices that the federal government pays in its current energy planning needs. Since 2022, the United States has purchased 35.6 million barrels of crude oil as part of its plan to refill its Strategic Petroleum Reserve (SPR), which had been drawn down following Vladimir Putin's illegal invasion of Ukraine.[7] In addition to its refilling of the SPR, the federal government is also the largest energy

---

[4] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

[5] "Oil founder's reams of text message and meetings with OPEC weren't collusion, Exxon merger partner says, claiming 'fundamental misunderstanding,'" *Fortune* (May 2, 2024) (online at https://fortune.com/2024/05/02/exxon-pioneer-60-billion-merger-collusion-opec-ftc-oil-gas/).

[6] Class Action Complaint, *Rosenbaum v. Permian Resources Corp.*, No. 2:24-cv-00103 (D. Nev. Jan 12, 2024) (online at https://fingfx.thomsonreuters.com/gfx/legaldocs/klpydgkmovg/Shale-oil-antitrust-202401-Nevada.pdf); *see also* Class Action Complaint, *Andrew Caplen Installations LLC v. Permian Resources Corp.*, No. 2:24-cv-00150 (D. Nev. Jan. 22, 2024) (online at https://images.law.com/contrib/content/uploads/documents/292/174470/Andrew-Caplen-Installations-LLC-v.-Permian-Resources-Corp.-fka-Centennial-Resource-Development-Inc..pdf); Complaint, *Brown v. Permian Resources Corp.*, No. 1:2024-cv-00430 (D. N.M. May 6, 2024) (online at https://dockets.justia.com/docket/new-mexico/nmdce/1:2024cv00430/501422); Josh Sisco, "FTC to approve major Exxon deal—but exclude key executive over OPEC contacts," *Politico* (May 1, 2024) (online at https://www.politico.com/news/2024/05/01/ftc-to-approve-major-exxon-deal-but-exclude-key-executive-00155515).

[7] "U.S. Purchases 3.3 Million Barrels of Oil for Strategic Petroleum Reserve," *Pipeline & Gas Journal* (May 19, 2024) (online at https://pgjonline.com/news/2024/may/us-purchases-33-million-barrels-of-oil-for-strategic-petroleum-reserve#:~:text=U.S.%20Purchases%203.3%20Million%20Barrels%20of%20Oil%20for%20Strategic%20Petroleum%20Reserve,-5%2F19%2F2024&text=(Reuters)%20%E2%80%94%20The%20U.S.%20awarded,of%20Energy%20said%20on%20Friday).

consumer in the United States, currently needing to purchase significant amounts of gasoline and diesel to fuel the U.S. military as well as the massive federal fleet of vehicles.[8]

Second, increased crude prices are passed on to consumers in the form of higher gasoline and home heating oil prices. A 2024 report from the Bureau of Labor Statistics found that higher gasoline prices were one of the main drivers of inflation in March 2024, combining with shelter to "contribute[] over half of the monthly increase in the [consumer price] index."[9] A recent analysis by the Research Director of the American Economic Liberties Project found that illegal crude oil price-fixing schemes may have caused over 25% of the increase in inflation that hurt so many American families throughout 2021 in the wake of the COVID-19 pandemic.[10]

The FTC's findings indicate that Sheffield and Pioneer may not have been the only individual or entity engaging in such collusive activities. For example, the FTC noted that, "[t]hrough public statements, text messages, in-person meetings, WhatsApp conversations and other communications while at Pioneer, Sheffield sought to *align oil production across the Permian Basin in West Texas and New Mexico with OPEC+*."[11] Similarly, the FTC also indicated that Sheffield had discussed with OPEC representatives and officials "his *efforts to coordinate with Texas producers* under a production cut mandated by the Railroad Commission of Texas."[12] In view of the findings against Sheffield, I seek to understand whether other oil producers operating in the United States may also have been coordinating with OPEC and OPEC+ representatives concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products.

Accordingly, to assist the Committee in its investigation, please produce the following documents by no later than July 12, 2024:

---

[8] *See, e.g.,* David Shepardson & Ben Klayman, "U.S. government to end gas-powered vehicle purchases by 2-35 under Biden order," *Reuters* (Dec. 8, 2021) (online at https://www.reuters.com/world/us/biden-pledges-end-gas-powered-federal-vehicle-purchases-by-2035-2021-12-08/#:~:text=The%20order%20noted%20the%20U.S.,to%20be%20clean%20and%20sustainable.%22).

[9] U.S. Bureau of Labor Statistics, *Economic News Release: Consumer Price Index Summary* (June 12, 2024) (online at https://www.bls.gov/news.release/cpi.nr0.htm); Ines Ferré, "Higher gas prices helped drive hotter-than-expected inflation in March," *Yahoo!Finance* (Apr. 10, 2024) (online at https://finance.yahoo.com/news/higher-gas-prices-helped-drive-hotter-than-expected-inflation-in-march-131154274.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAHsy4WiWIJp1uQBwU6VBBvRb_oNaa1Lr-uBYnyh3qYsZpWYHRL34M1Lehmx1LpztjekG8yT4Mqn8PmV8dG7UeQBaH4mM1OYw0MGLfjQtWsO7QUSV-qtbRKpv3-GpmgPseIATFkX3jn0PUekgqQMMMDB5Yq8kniho9IjQkjQ9MCMf).

[10] Matt Stoller, "An Oil Price-Fixing Conspiracy Caused 27% of All Inflation Increases in 2021, *BIG by Matt Stoller* May 3, 2021) (online at https://www.thebignewsletter.com/p/an-oil-price-fixing-conspiracy-caused); Jessica Corbett, "Congress Urged to Tax Big Oil for Price Fixing and 'Issue Every American a Refund,'" *Common Dreams* (May 7, 2024) (online at https://www.commondreams.org/news/exxonmobil-pioneer).

[11] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal) (emphasis added).

[12] *Id.* (emphasis added).

1. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among APA Corporation's corporate and affiliate officers[13] and members of the OPEC Secretariat concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present; and

2. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among APA Corporation's corporate and affiliate officers[14] and national representatives of OPEC and/or OPEC+ countries and/or national oil companies in OPEC/OPEC+ countries concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present.

Thank you for your attention to this important issue. I look forward to further engagement with you on this topic.

* * *

The Senate Committee on the Budget has jurisdiction over Budget Act and budget process legislation, including concurrent resolutions on the budget and legislation changing the content or consideration of budget resolutions. In fulfilling its responsibilities, the Committee has broad authority to investigate the budgetary effects of existing and proposed legislation, as well as matters that affect the content or determination of amounts included in or excluded from the congressional budget or the calculation of such amounts, among other things. If you have any questions regarding this request, please contact Majority Staff at (202) 224-0642.

Sincerely,

Senator Sheldon Whitehouse
Chairman
Senate Committee on the Budget

---

[13] For the avoidance of any doubt, "corporate and affiliate officers" refers to the members of your company's leadership team identified on your website at this link. *See* APA Corporation, *Executive Leadership* (online at https://apacorp.com/about/leadership/) (last visited June 25, 2024).

[14] *Id.*

SHELDON WHITEHOUSE, RHODE ISLAND
CHAIRMAN
PATTY MURRAY, WASHINGTON
RON WYDEN, OREGON
DEBBIE STABENOW, MICHIGAN
BERNARD SANDERS, VERMONT
MARK R. WARNER, VIRGINIA
JEFF MERKLEY, OREGON
TIM KAINE, VIRGINIA
CHRIS VAN HOLLEN, MARYLAND
BEN RAY LUJÁN, NEW MEXICO
ALEX PADILLA, CALIFORNIA

United States Senate
COMMITTEE ON THE BUDGET
WASHINGTON, DC 20510–6100
TELEPHONE: (202) 224–0642

CHARLES E. GRASSLEY, IOWA
RANKING REPUBLICAN
MIKE CRAPO, IDAHO
LINDSEY O. GRAHAM, SOUTH CAROLINA
RON JOHNSON, WISCONSIN
MITT ROMNEY, UTAH
ROGER MARSHALL, KANSAS
MIKE BRAUN, INDIANA
JOHN KENNEDY, LOUISIANA
RICK SCOTT, FLORIDA
MIKE LEE, UTAH

June 26, 2024

Mr. Murray Auchincloss
Chief Executive Officer
BP p.l.c.
1 St James's Square
London
SW1Y4PD
United Kingdom

Mr. David C. Lawler
Chairman and President
BP America
501 Westlake Park Boulevard
Houston, TX 77079

Dear Mr. Auchincloss and Mr. Lawler:

I write to seek information and documents concerning BP's communications with members of the Secretariat of—and national representatives of countries belonging to—the Organization of the Petroleum Exporting Countries (OPEC)[1] regarding oil production output, crude oil prices, and the relationship between the production and pricing of oil products. Based on recent events involving Pioneer Natural Resources Company (Pioneer), soon to merge with ExxonMobil Corporation (Exxon), I am concerned about the possibility that oil and gas companies could be engaging in collusive, anti-competitive activities with OPEC+ that would raise crude oil prices, resulting in higher costs not only for American families, but also for the U.S. government when it acquires crude oil for the Strategic Petroleum Reserve.

On December 5, 2023, the *Wall Street Journal* reported that the Federal Trade Commission (FTC) had opened an investigation into Exxon's plans to acquire Pioneer, a $64.5 billion deal that would represent the largest fossil fuel merger in twenty years.[2] On May 2, 2024, the FTC issued a Decision and Order in its investigation of the proposed merger. Notably, although FTC resolved its outstanding antitrust concerns, the Decision and Order prohibited former Pioneer CEO Scott Sheffield, one of the company's founders and a current member of its board of directors, from holding a seat on Exxon's board of directors or serving in an advisory capacity

[1] For the purposes of this letter, we also include representatives of the so-called OPEC+ countries.

[2] Dave Michaels & Collin Eaton, "FTC Investigates Exxon's $60 Billion Deal for Pioneer," *The Wall Street Journal* (Dec. 5, 2023) (online at https://www.wsj.com/business/energy-oil/ftc-investigating-exxons-60-billion-deal-for-pioneer-e79c9d75); ExxonMobil, *Press Release: ExxonMobil announces merger with Pioneer Natural Resources in an all-stock transaction* (Oct. 11, 2023) (online at https://corporate.exxonmobil.com/news/news-releases/2023/1011_exxonmobil-announces-merger-with-pioneer-natural-resources-in-an-all-stock-transaction).

for Exxon following the acquisition.[3] As the FTC explained in announcing the Decision and Order, "public statements and private communications," including "hundreds of text messages" demonstrated that Sheffield "attempted to collude with the representatives of the Organization of Petroleum Exporting Countries (OPEC) and a related cartel of other oil-producing countries known as OPEC+ to reduce output of oil and gas . . . to inflate profits for his company."[4]

Following the FTC's Decision & Order, *Fortune* reported that Pioneer released a statement noting only that "Sheffield and Pioneer believe that the FTC's complaint reflects a fundamental misunderstanding of the U.S. and global oil markets and misreads the nature and intent of Mr. Sheffield's actions."[5] The FTC's concerns bring added relevance to allegations made in separate, private class action lawsuits filed in January and May 2024 against Pioneer and other oil producers operating in the Permian Basin region that assert that those producers engaged in a "conspiracy to coordinate, and ultimately constrain, domestic shale oil production, which has had the effect of fixing, raising, and maintaining the price of retail gasoline (gasoline purchased by consumers at gas stations) in and throughout the United States of America."[6]

Price fixing concerns such as those set out by the FTC and in the private class action lawsuit are of significant concern to the United States given the very real risk that collusion can raise energy costs for the federal government and the American people.

First, colluding to reduce output and increase the price of crude oil directly inflates prices that the federal government pays in its current energy planning needs. Since 2022, the United States has purchased 35.6 million barrels of crude oil as part of its plan to refill its Strategic Petroleum Reserve (SPR), which had been drawn down following Vladimir Putin's illegal invasion of Ukraine.[7] In addition to its refilling of the SPR, the federal government is also the largest energy

---

[3] Decision and Order, *In the Matter of Exxon Mobil Corporation*, Docket No. C-_____ (May 2, 2024) (online at https://www.ftc.gov/system/files/ftc_gov/pdf/2410004exxonpioneerorderredacted.pdf); Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

[4] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

[5] "Oil founder's reams of text message and meetings with OPEC weren't collusion, Exxon merger partner says, claiming 'fundamental misunderstanding,'" *Fortune* (May 2, 2024) (online at https://fortune.com/2024/05/02/exxon-pioneer-60-billion-merger-collusion-opec-ftc-oil-gas/).

[6] Class Action Complaint, *Rosenbaum v. Permian Resources Corp.*, No. 2:24-cv-00103 (D. Nev. Jan 12, 2024) (online at https://fingfx.thomsonreuters.com/gfx/legaldocs/klpydgkmovg/Shale-oil-antitrust-202401-Nevada.pdf); *see also* Class Action Complaint, *Andrew Caplen Installations LLC v. Permian Resources Corp.*, No. 2:24-cv-00150 (D. Nev. Jan. 22, 2024) (online at https://images.law.com/contrib/content/uploads/documents/292/174470/Andrew-Caplen-Installations-LLC-v.-Permian-Resources-Corp.-fka-Centennial-Resource-Development-Inc..pdf); Complaint, *Brown v. Permian Resources Corp.*, No. 1:2024-cv-00430 (D. N.M. May 6, 2024) (online at https://dockets.justia.com/docket/new-mexico/nmdce/1:2024cv00430/501422); Josh Sisco, "FTC to approve major Exxon deal—but exclude key executive over OPEC contacts," *Politico* (May 1, 2024) (online at https://www.politico.com/news/2024/05/01/ftc-to-approve-major-exxon-deal-but-exclude-key-executive-00155515).

[7] "U.S. Purchases 3.3 Million Barrels of Oil for Strategic Petroleum Reserve," *Pipeline & Gas Journal* (May 19, 2024) (online at https://pgjonline.com/news/2024/may/us-purchases-33-million-barrels-of-oil-for-strategic-petroleum-

consumer in the United States, currently needing to purchase significant amounts of gasoline and diesel to fuel the U.S. military as well as the massive federal fleet of vehicles.[8]

Second, increased crude prices are passed on to consumers in the form of higher gasoline and home heating oil prices. A 2024 report from the Bureau of Labor Statistics found that higher gasoline prices were one of the main drivers of inflation in March 2024, combining with shelter to "contribute[] over half of the monthly increase in the [consumer price] index."[9] A recent analysis by the Research Director of the American Economic Liberties Project found that illegal crude oil price-fixing schemes may have caused over 25% of the increase in inflation that hurt so many American families throughout 2021 in the wake of the COVID-19 pandemic.[10]

The FTC's findings indicate that Sheffield and Pioneer may not have been the only individual or entity engaging in such collusive activities. For example, the FTC noted that, "[t]hrough public statements, text messages, in-person meetings, WhatsApp conversations and other communications while at Pioneer, Sheffield sought to *align oil production across the Permian Basin in West Texas and New Mexico with OPEC+*."[11] Similarly, the FTC also indicated that Sheffield had discussed with OPEC representatives and officials "his *efforts to coordinate with Texas producers* under a production cut mandated by the Railroad Commission of Texas."[12] In view of the findings against Sheffield, I seek to understand whether other oil producers operating in the United States may also have been coordinating with OPEC and OPEC+ representatives concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products.

---

reserve#:~:text=U.S.%20Purchases%203.3%20Million%20Barrels%20of%20Oil%20for%20Strategic%20Petroleum%20Reserve,-5%2F19%2F2024&text=(Reuters)%20%E2%80%94%20The%20U.S.%20awarded,of%20Energy%20said%20on%20Friday).

[8] *See, e.g.,* David Shepardson & Ben Klayman, "U.S. government to end gas-powered vehicle purchases by 2-35 under Biden order," *Reuters* (Dec. 8, 2021) (online at https://www.reuters.com/world/us/biden-pledges-end-gas-powered-federal-vehicle-purchases-by-2035-2021-12-08/#:~:text=The%20order%20noted%20the%20U.S.,to%20be%20clean%20and%20sustainable.%22).

[9] U.S. Bureau of Labor Statistics, *Economic News Release: Consumer Price Index Summary* (June 12, 2024) (online at https://www.bls.gov/news.release/cpi.nr0.htm); Ines Ferré, "Higher gas prices helped drive hotter-than-expected inflation in March," *Yahoo!Finance* (Apr. 10, 2024) (online at https://finance.yahoo.com/news/higher-gas-prices-helped-drive-hotter-than-expected-inflation-in-march-131154274.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAHsy4WiWIJp1uQBwU6VBBvRb_oNaa1Lr-uBYnyh3qYsZpWYHRL34M1Lehmx1LpztjekG8yT4Mqn8PmV8dG7UeQBaH4mM1OYw0MGLfjQtWsO7QUSV-qtbRKpv3-GpmgPseIATFkX3jn0PUekgqQMMMDB5Yq8kniho9IjQkjQ9MCMf).

[10] Matt Stoller, "An Oil Price-Fixing Conspiracy Caused 27% of All Inflation Increases in 2021, *BIG by Matt Stoller* May 3, 2021) (online at https://www.thebignewsletter.com/p/an-oil-price-fixing-conspiracy-caused); Jessica Corbett, "Congress Urged to Tax Big Oil for Price Fixing and 'Issue Every American a Refund,'" *Common Dreams* (May 7, 2024) (online at https://www.commondreams.org/news/exxonmobil-pioneer).

[11] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal) (emphasis added).

[12] *Id.* (emphasis added).

Accordingly, to assist the Committee in its investigation, please produce the following documents by no later than July 12, 2024:

1. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among BP's corporate and affiliate officers[13] and members of the OPEC Secretariat concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present; and

2. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among BP's corporate and affiliate officers[14] and national representatives of OPEC and/or OPEC+ countries and/or national oil companies in OPEC/OPEC+ countries concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present.

Thank you for your attention to this important issue. I look forward to further engagement with you on this topic.

* * *

The Senate Committee on the Budget has jurisdiction over Budget Act and budget process legislation, including concurrent resolutions on the budget and legislation changing the content or consideration of budget resolutions. In fulfilling its responsibilities, the Committee has broad authority to investigate the budgetary effects of existing and proposed legislation, as well as matters that affect the content or determination of amounts included in or excluded from the congressional budget or the calculation of such amounts, among other things. If you have any questions regarding this request, please contact Majority Staff at (202) 224-0642.

Sincerely,

Senator Sheldon Whitehouse
Chairman
Senate Committee on the Budget

[13] For the avoidance of any doubt, "corporate and affiliate officers" refers to the members of your company's leadership team identified on your website at this link. *See* BP*, Leadership team* (https://www.bp.com/en/global/corporate/who-we-are/board-and-executive-management/leadership-team.html) (last visited June 25, 2024).

[14] *Id.*

SHELDON WHITEHOUSE, RHODE ISLAND
CHAIRMAN
PATTY MURRAY, WASHINGTON
RON WYDEN, OREGON
DEBBIE STABENOW, MICHIGAN
BERNARD SANDERS, VERMONT
MARK R. WARNER, VIRGINIA
JEFF MERKLEY, OREGON
TIM KAINE, VIRGINIA
CHRIS VAN HOLLEN, MARYLAND
BEN RAY LUJÁN, NEW MEXICO
ALEX PADILLA, CALIFORNIA

United States Senate
COMMITTEE ON THE BUDGET
WASHINGTON, DC 20510–6100
TELEPHONE: (202) 224–0642

CHARLES E. GRASSLEY, IOWA
RANKING REPUBLICAN
MIKE CRAPO, IDAHO
LINDSEY O. GRAHAM, SOUTH CAROLINA
RON JOHNSON, WISCONSIN
MITT ROMNEY, UTAH
ROGER MARSHALL, KANSAS
MIKE BRAUN, INDIANA
JOHN KENNEDY, LOUISIANA
RICK SCOTT, FLORIDA
MIKE LEE, UTAH

June 26, 2024

Mr. Domenic J. Dell'Osso, Jr.
President and Chief Executive Officer
Chesapeake Energy Corporation
6100 North Western Avenue
Oklahoma City, OK 73118

Dear Mr. Dell'Osso:

I write to seek information and documents concerning Chesapeake Energy Corporation's communications with members of the Secretariat of—and national representatives of countries belonging to—the Organization of the Petroleum Exporting Countries (OPEC)[1] regarding oil production output, crude oil prices, and the relationship between the production and pricing of oil products. Based on recent events involving Pioneer Natural Resources Company (Pioneer), soon to merge with ExxonMobil Corporation (Exxon), I am concerned about the possibility that oil and gas companies could be engaging in collusive, anti-competitive activities with OPEC+ that would raise crude oil prices, resulting in higher costs not only for American families, but also for the U.S. government when it acquires crude oil for the Strategic Petroleum Reserve.

On December 5, 2023, the *Wall Street Journal* reported that the Federal Trade Commission (FTC) had opened an investigation into Exxon's plans to acquire Pioneer, a $64.5 billion deal that would represent the largest fossil fuel merger in twenty years.[2] On May 2, 2024, the FTC issued a Decision and Order in its investigation of the proposed merger. Notably, although FTC resolved its outstanding antitrust concerns, the Decision and Order prohibited former Pioneer CEO Scott Sheffield, one of the company's founders and a current member of its board of directors, from holding a seat on Exxon's board of directors or serving in an advisory capacity for Exxon following the acquisition.[3] As the FTC explained in announcing the Decision and Order, "public statements and private communications," including "hundreds of text messages" demonstrated that Sheffield "attempted to collude with the representatives of the Organization of

[1] For the purposes of this letter, we also include representatives of the so-called OPEC+ countries.

[2] Dave Michaels & Collin Eaton, "FTC Investigates Exxon's $60 Billion Deal for Pioneer," *The Wall Street Journal* (Dec. 5, 2023) (online at https://www.wsj.com/business/energy-oil/ftc-investigating-exxons-60-billion-deal-for-pioneer-e79c9d75); ExxonMobil, *Press Release: ExxonMobil announces merger with Pioneer Natural Resources in an all-stock transaction* (Oct. 11, 2023) (online at https://corporate.exxonmobil.com/news/news-releases/2023/1011_exxonmobil-announces-merger-with-pioneer-natural-resources-in-an-all-stock-transaction).

[3] Decision and Order, *In the Matter of Exxon Mobil Corporation*, Docket No. C-_____ (May 2, 2024) (online at https://www.ftc.gov/system/files/ftc_gov/pdf/2410004exxonpioneerorderredacted.pdf); Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

Petroleum Exporting Countries (OPEC) and a related cartel of other oil-producing countries known as OPEC+ to reduce output of oil and gas . . . to inflate profits for his company."[4]

Following the FTC's Decision & Order, *Fortune* reported that Pioneer released a statement noting only that "Sheffield and Pioneer believe that the FTC's complaint reflects a fundamental misunderstanding of the U.S. and global oil markets and misreads the nature and intent of Mr. Sheffield's actions."[5] The FTC's concerns bring added relevance to allegations made in separate, private class action lawsuits filed in January and May 2024 against Pioneer and other oil producers operating in the Permian Basin region that assert that those producers engaged in a "conspiracy to coordinate, and ultimately constrain, domestic shale oil production, which has had the effect of fixing, raising, and maintaining the price of retail gasoline (gasoline purchased by consumers at gas stations) in and throughout the United States of America."[6]

Price fixing concerns such as those set out by the FTC and in the private class action lawsuit are of significant concern to the United States given the very real risk that collusion can raise energy costs for the federal government and the American people.

First, colluding to reduce output and increase the price of crude oil directly inflates prices that the federal government pays in its current energy planning needs. Since 2022, the United States has purchased 35.6 million barrels of crude oil as part of its plan to refill its Strategic Petroleum Reserve (SPR), which had been drawn down following Vladimir Putin's illegal invasion of Ukraine.[7] In addition to its refilling of the SPR, the federal government is also the largest energy

---

[4] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

[5] "Oil founder's reams of text message and meetings with OPEC weren't collusion, Exxon merger partner says, claiming 'fundamental misunderstanding,'" *Fortune* (May 2, 2024) (online at https://fortune.com/2024/05/02/exxon-pioneer-60-billion-merger-collusion-opec-ftc-oil-gas/).

[6] Class Action Complaint, *Rosenbaum v. Permian Resources Corp.*, No. 2:24-cv-00103 (D. Nev. Jan 12, 2024) (online at https://fingfx.thomsonreuters.com/gfx/legaldocs/klpydgkmovg/Shale-oil-antitrust-202401-Nevada.pdf); *see also* Class Action Complaint, *Andrew Caplen Installations LLC v. Permian Resources Corp.*, No. 2:24-cv-00150 (D. Nev. Jan. 22, 2024) (online at https://images.law.com/contrib/content/uploads/documents/292/174470/Andrew-Caplen-Installations-LLC-v.-Permian-Resources-Corp.-fka-Centennial-Resource-Development-Inc..pdf); Complaint, *Brown v. Permian Resources Corp.*, No. 1:2024-cv-00430 (D. N.M. May 6, 2024) (online at https://dockets.justia.com/docket/new-mexico/nmdce/1:2024cv00430/501422); Josh Sisco, "FTC to approve major Exxon deal—but exclude key executive over OPEC contacts," *Politico* (May 1, 2024) (online at https://www.politico.com/news/2024/05/01/ftc-to-approve-major-exxon-deal-but-exclude-key-executive-00155515).

[7] "U.S. Purchases 3.3 Million Barrels of Oil for Strategic Petroleum Reserve," *Pipeline & Gas Journal* (May 19, 2024) (online at https://pgjonline.com/news/2024/may/us-purchases-33-million-barrels-of-oil-for-strategic-petroleum-reserve#:~:text=U.S.%20Purchases%203.3%20Million%20Barrels%20of%20Oil%20for%20Strategic%20Petroleum%20Reserve,-5%2F19%2F2024&text=(Reuters)%20%E2%80%94%20The%20U.S.%20awarded,of%20Energy%20said%20on%20Friday).

consumer in the United States, currently needing to purchase significant amounts of gasoline and diesel to fuel the U.S. military as well as the massive federal fleet of vehicles.[8]

Second, increased crude prices are passed on to consumers in the form of higher gasoline and home heating oil prices. A 2024 report from the Bureau of Labor Statistics found that higher gasoline prices were one of the main drivers of inflation in March 2024, combining with shelter to "contribute[] over half of the monthly increase in the [consumer price] index."[9] A recent analysis by the Research Director of the American Economic Liberties Project found that illegal crude oil price-fixing schemes may have caused over 25% of the increase in inflation that hurt so many American families throughout 2021 in the wake of the COVID-19 pandemic.[10]

The FTC's findings indicate that Sheffield and Pioneer may not have been the only individual or entity engaging in such collusive activities. For example, the FTC noted that, "[t]hrough public statements, text messages, in-person meetings, WhatsApp conversations and other communications while at Pioneer, Sheffield sought to *align oil production across the Permian Basin in West Texas and New Mexico with OPEC+*."[11] Similarly, the FTC also indicated that Sheffield had discussed with OPEC representatives and officials "his *efforts to coordinate with Texas producers* under a production cut mandated by the Railroad Commission of Texas."[12] In view of the findings against Sheffield, I seek to understand whether other oil producers operating in the United States may also have been coordinating with OPEC and OPEC+ representatives concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products.

Accordingly, to assist the Committee in its investigation, please produce the following documents by no later than July 12, 2024:

---

[8] *See, e.g.*, David Shepardson & Ben Klayman, "U.S. government to end gas-powered vehicle purchases by 2-35 under Biden order," *Reuters* (Dec. 8, 2021) (online at https://www.reuters.com/world/us/biden-pledges-end-gas-powered-federal-vehicle-purchases-by-2035-2021-12-08/#:~:text=The%20order%20noted%20the%20U.S.,to%20be%20clean%20and%20sustainable.%22).

[9] U.S. Bureau of Labor Statistics, *Economic News Release: Consumer Price Index Summary* (June 12, 2024) (online at https://www.bls.gov/news.release/cpi.nr0.htm); Ines Ferré, "Higher gas prices helped drive hotter-than-expected inflation in March," *Yahoo!Finance* (Apr. 10, 2024) (online at https://finance.yahoo.com/news/higher-gas-prices-helped-drive-hotter-than-expected-inflation-in-march-131154274.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAHsy4WiWIJp1uQBwU6VBBvRb_oNaa1Lr-uBYnyh3qYsZpWYHRL34M1Lehmx1LpztjekG8yT4Mqn8PmV8dG7UeQBaH4mM1OYw0MGLfjQtWsO7QUSV-qtbRKpv3-GpmgPseIATFkX3jn0PUekgqQMMMDB5Yq8kniho9IjQkjQ9MCMf).

[10] Matt Stoller, "An Oil Price-Fixing Conspiracy Caused 27% of All Inflation Increases in 2021, *BIG by Matt Stoller* May 3, 2021) (online at https://www.thebignewsletter.com/p/an-oil-price-fixing-conspiracy-caused); Jessica Corbett, "Congress Urged to Tax Big Oil for Price Fixing and 'Issue Every American a Refund,'" *Common Dreams* (May 7, 2024) (online at https://www.commondreams.org/news/exxonmobil-pioneer).

[11] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal) (emphasis added).

[12] *Id.* (emphasis added).

1. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among Chesapeake Energy Corporation's corporate and affiliate officers[13] and members of the OPEC Secretariat concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present; and

2. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among Chesapeake Energy Corporation's corporate and affiliate officers[14] and national representatives of OPEC and/or OPEC+ countries and/or national oil companies in OPEC/OPEC+ countries concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present.

Thank you for your attention to this important issue. I look forward to further engagement with you on this topic.

* * *

The Senate Committee on the Budget has jurisdiction over Budget Act and budget process legislation, including concurrent resolutions on the budget and legislation changing the content or consideration of budget resolutions. In fulfilling its responsibilities, the Committee has broad authority to investigate the budgetary effects of existing and proposed legislation, as well as matters that affect the content or determination of amounts included in or excluded from the congressional budget or the calculation of such amounts, among other things. If you have any questions regarding this request, please contact Majority Staff at (202) 224-0642.

Sincerely,

Senator Sheldon Whitehouse
Chairman
Senate Committee on the Budget

[13] For the avoidance of any doubt, "corporate and affiliate officers" refers to the members of your company's leadership team identified on your website at this link. *See* Chesapeake Energy, *Management Team* (online at https://www.chk.com/about/management-team/) (last visited June 25, 2024).

[14] *Id.*

SHELDON WHITEHOUSE, RHODE ISLAND
CHAIRMAN
PATTY MURRAY, WASHINGTON
RON WYDEN, OREGON
DEBBIE STABENOW, MICHIGAN
BERNARD SANDERS, VERMONT
MARK R. WARNER, VIRGINIA
JEFF MERKLEY, OREGON
TIM KAINE, VIRGINIA
CHRIS VAN HOLLEN, MARYLAND
BEN RAY LUJÁN, NEW MEXICO
ALEX PADILLA, CALIFORNIA

United States Senate
COMMITTEE ON THE BUDGET
WASHINGTON, DC 20510–6100
TELEPHONE: (202) 224–0642

CHARLES E. GRASSLEY, IOWA
RANKING REPUBLICAN
MIKE CRAPO, IDAHO
LINDSEY O. GRAHAM, SOUTH CAROLINA
RON JOHNSON, WISCONSIN
MITT ROMNEY, UTAH
ROGER MARSHALL, KANSAS
MIKE BRAUN, INDIANA
JOHN KENNEDY, LOUISIANA
RICK SCOTT, FLORIDA
MIKE LEE, UTAH

June 26, 2024

Mr. Michael K. Wirth
Chairman of the Board and Chief Executive Officer
Chevron
6001 Bollinger Canyon Road
San Ramon, CA 94584

Dear Mr. Wirth:

I write to seek information and documents concerning Chevron's communications with members of the Secretariat of—and national representatives of countries belonging to—the Organization of the Petroleum Exporting Countries (OPEC)[1] regarding oil production output, crude oil prices, and the relationship between the production and pricing of oil products. Based on recent events involving Pioneer Natural Resources Company (Pioneer), soon to merge with ExxonMobil Corporation (Exxon), I am concerned about the possibility that oil and gas companies could be engaging in collusive, anti-competitive activities with OPEC+ that would raise crude oil prices, resulting in higher costs not only for American families, but also for the U.S. government when it acquires crude oil for the Strategic Petroleum Reserve.

On December 5, 2023, the *Wall Street Journal* reported that the Federal Trade Commission (FTC) had opened an investigation into Exxon's plans to acquire Pioneer, a $64.5 billion deal that would represent the largest fossil fuel merger in twenty years.[2] On May 2, 2024, the FTC issued a Decision and Order in its investigation of the proposed merger. Notably, although FTC resolved its outstanding antitrust concerns, the Decision and Order prohibited former Pioneer CEO Scott Sheffield, one of the company's founders and a current member of its board of directors, from holding a seat on Exxon's board of directors or serving in an advisory capacity for Exxon following the acquisition.[3] As the FTC explained in announcing the Decision and Order, "public statements and private communications," including "hundreds of text messages" demonstrated that Sheffield "attempted to collude with the representatives of the Organization of

[1] For the purposes of this letter, we also include representatives of the so-called OPEC+ countries.

[2] Dave Michaels & Collin Eaton, "FTC Investigates Exxon's $60 Billion Deal for Pioneer," *The Wall Street Journal* (Dec. 5, 2023) (online at https://www.wsj.com/business/energy-oil/ftc-investigating-exxons-60-billion-deal-for-pioneer-e79c9d75); ExxonMobil, *Press Release: ExxonMobil announces merger with Pioneer Natural Resources in an all-stock transaction* (Oct. 11, 2023) (online at https://corporate.exxonmobil.com/news/news-releases/2023/1011_exxonmobil-announces-merger-with-pioneer-natural-resources-in-an-all-stock-transaction).

[3] Decision and Order, *In the Matter of Exxon Mobil Corporation*, Docket No. C-_____ (May 2, 2024) (online at https://www.ftc.gov/system/files/ftc_gov/pdf/2410004exxonpioneerorderredacted.pdf); Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

Petroleum Exporting Countries (OPEC) and a related cartel of other oil-producing countries known as OPEC+ to reduce output of oil and gas . . . to inflate profits for his company."[4]

Following the FTC's Decision & Order, *Fortune* reported that Pioneer released a statement noting only that "Sheffield and Pioneer believe that the FTC's complaint reflects a fundamental misunderstanding of the U.S. and global oil markets and misreads the nature and intent of Mr. Sheffield's actions."[5] The FTC's concerns bring added relevance to allegations made in separate, private class action lawsuits filed in January and May 2024 against Pioneer and other oil producers operating in the Permian Basin region that assert that those producers engaged in a "conspiracy to coordinate, and ultimately constrain, domestic shale oil production, which has had the effect of fixing, raising, and maintaining the price of retail gasoline (gasoline purchased by consumers at gas stations) in and throughout the United States of America."[6]

Price fixing concerns such as those set out by the FTC and in the private class action lawsuit are of significant concern to the United States given the very real risk that collusion can raise energy costs for the federal government and the American people.

First, colluding to reduce output and increase the price of crude oil directly inflates prices that the federal government pays in its current energy planning needs. Since 2022, the United States has purchased 35.6 million barrels of crude oil as part of its plan to refill its Strategic Petroleum Reserve (SPR), which had been drawn down following Vladimir Putin's illegal invasion of Ukraine.[7] In addition to its refilling of the SPR, the federal government is also the largest energy

---

[4] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

[5] "Oil founder's reams of text message and meetings with OPEC weren't collusion, Exxon merger partner says, claiming 'fundamental misunderstanding,'" *Fortune* (May 2, 2024) (online at https://fortune.com/2024/05/02/exxon-pioneer-60-billion-merger-collusion-opec-ftc-oil-gas/).

[6] Class Action Complaint, *Rosenbaum v. Permian Resources Corp.*, No. 2:24-cv-00103 (D. Nev. Jan 12, 2024) (online at https://fingfx.thomsonreuters.com/gfx/legaldocs/klpydgkmovg/Shale-oil-antitrust-202401-Nevada.pdf); *see also* Class Action Complaint, *Andrew Caplen Installations LLC v. Permian Resources Corp.*, No. 2:24-cv-00150 (D. Nev. Jan. 22, 2024) (online at https://images.law.com/contrib/content/uploads/documents/292/174470/Andrew-Caplen-Installations-LLC-v.-Permian-Resources-Corp.-fka-Centennial-Resource-Development-Inc..pdf); Complaint, *Brown v. Permian Resources Corp.*, No. 1:2024-cv-00430 (D. N.M. May 6, 2024) (online at https://dockets.justia.com/docket/new-mexico/nmdce/1:2024cv00430/501422); Josh Sisco, "FTC to approve major Exxon deal—but exclude key executive over OPEC contacts," *Politico* (May 1, 2024) (online at https://www.politico.com/news/2024/05/01/ftc-to-approve-major-exxon-deal-but-exclude-key-executive-00155515).

[7] "U.S. Purchases 3.3 Million Barrels of Oil for Strategic Petroleum Reserve," *Pipeline & Gas Journal* (May 19, 2024) (online at https://pgjonline.com/news/2024/may/us-purchases-33-million-barrels-of-oil-for-strategic-petroleum-reserve#:~:text=U.S.%20Purchases%203.3%20Million%20Barrels%20of%20Oil%20for%20Strategic%20Petroleum%20Reserve,-5%2F19%2F2024&text=(Reuters)%20%E2%80%94%20The%20U.S.%20awarded,of%20Energy%20said%20on%20Friday).

consumer in the United States, currently needing to purchase significant amounts of gasoline and diesel to fuel the U.S. military as well as the massive federal fleet of vehicles.[8]

Second, increased crude prices are passed on to consumers in the form of higher gasoline and home heating oil prices. A 2024 report from the Bureau of Labor Statistics found that higher gasoline prices were one of the main drivers of inflation in March 2024, combining with shelter to "contribute[] over half of the monthly increase in the [consumer price] index."[9] A recent analysis by the Research Director of the American Economic Liberties Project found that illegal crude oil price-fixing schemes may have caused over 25% of the increase in inflation that hurt so many American families throughout 2021 in the wake of the COVID-19 pandemic.[10]

The FTC's findings indicate that Sheffield and Pioneer may not have been the only individual or entity engaging in such collusive activities. For example, the FTC noted that, "[t]hrough public statements, text messages, in-person meetings, WhatsApp conversations and other communications while at Pioneer, Sheffield sought to *align oil production across the Permian Basin in West Texas and New Mexico with OPEC+*."[11] Similarly, the FTC also indicated that Sheffield had discussed with OPEC representatives and officials "his *efforts to coordinate with Texas producers* under a production cut mandated by the Railroad Commission of Texas."[12] In view of the findings against Sheffield, I seek to understand whether other oil producers operating in the United States may also have been coordinating with OPEC and OPEC+ representatives concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products.

Accordingly, to assist the Committee in its investigation, please produce the following documents by no later than July 12, 2024:

---

[8] *See, e.g.*, David Shepardson & Ben Klayman, "U.S. government to end gas-powered vehicle purchases by 2-35 under Biden order," *Reuters* (Dec. 8, 2021) (online at https://www.reuters.com/world/us/biden-pledges-end-gas-powered-federal-vehicle-purchases-by-2035-2021-12-08/#:~:text=The%20order%20noted%20the%20U.S.,to%20be%20clean%20and%20sustainable.%22).

[9] U.S. Bureau of Labor Statistics, *Economic News Release: Consumer Price Index Summary* (June 12, 2024) (online at https://www.bls.gov/news.release/cpi.nr0.htm); Ines Ferré, "Higher gas prices helped drive hotter-than-expected inflation in March," *Yahoo!Finance* (Apr. 10, 2024) (online at https://finance.yahoo.com/news/higher-gas-prices-helped-drive-hotter-than-expected-inflation-in-march-131154274.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAHsy4WiWIJp1uQBwU6VBBvRb_oNaa1Lr-uBYnyh3qYsZpWYHRL34M1Lehmx1LpztjekG8yT4Mqn8PmV8dG7UeQBaH4mM1OYw0MGLfjQtWsO7QUSV-qtbRKpv3-GpmgPseIATFkX3jn0PUekgqQMMMDB5Yq8kniho9IjQkjQ9MCMf).

[10] Matt Stoller, "An Oil Price-Fixing Conspiracy Caused 27% of All Inflation Increases in 2021, *BIG by Matt Stoller* May 3, 2021) (online at https://www.thebignewsletter.com/p/an-oil-price-fixing-conspiracy-caused); Jessica Corbett, "Congress Urged to Tax Big Oil for Price Fixing and 'Issue Every American a Refund,'" *Common Dreams* (May 7, 2024) (online at https://www.commondreams.org/news/exxonmobil-pioneer).

[11] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal) (emphasis added).

[12] *Id.* (emphasis added).

1. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among Chevron's corporate and affiliate officers[13] and members of the OPEC Secretariat concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present; and

2. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among Chevron's corporate and affiliate officers[14] and national representatives of OPEC and/or OPEC+ countries and/or national oil companies in OPEC/OPEC+ countries concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present.

Thank you for your attention to this important issue. I look forward to further engagement with you on this topic.

* * *

The Senate Committee on the Budget has jurisdiction over Budget Act and budget process legislation, including concurrent resolutions on the budget and legislation changing the content or consideration of budget resolutions. In fulfilling its responsibilities, the Committee has broad authority to investigate the budgetary effects of existing and proposed legislation, as well as matters that affect the content or determination of amounts included in or excluded from the congressional budget or the calculation of such amounts, among other things. If you have any questions regarding this request, please contact Majority Staff at (202) 224-0642.

Sincerely,

Senator Sheldon Whitehouse
Chairman
Senate Committee on the Budget

[13] For the avoidance of any doubt, "corporate and affiliate officers" refers to the members of your company's leadership team identified on your website at this link. *See* Chevron, *Corporate Officers* (online at https://www.chevron.com/who-we-are/leadership#corporateofficers) (last visited June 25, 2024).

[14] *Id.*

SHELDON WHITEHOUSE, RHODE ISLAND
CHAIRMAN
PATTY MURRAY, WASHINGTON
RON WYDEN, OREGON
DEBBIE STABENOW, MICHIGAN
BERNARD SANDERS, VERMONT
MARK R. WARNER, VIRGINIA
JEFF MERKLEY, OREGON
TIM KAINE, VIRGINIA
CHRIS VAN HOLLEN, MARYLAND
BEN RAY LUJÁN, NEW MEXICO
ALEX PADILLA, CALIFORNIA

United States Senate
COMMITTEE ON THE BUDGET
WASHINGTON, DC 20510–6100
TELEPHONE: (202) 224–0642

CHARLES E. GRASSLEY, IOWA
RANKING REPUBLICAN
MIKE CRAPO, IDAHO
LINDSEY O. GRAHAM, SOUTH CAROLINA
RON JOHNSON, WISCONSIN
MITT ROMNEY, UTAH
ROGER MARSHALL, KANSAS
MIKE BRAUN, INDIANA
JOHN KENNEDY, LOUISIANA
RICK SCOTT, FLORIDA
MIKE LEE, UTAH

June 26, 2024

Mr. Ryan Lance
Chairman and Chief Executive Officer
ConocoPhillips Company
925 N. Eldridge Parkway
Houston, TX 77084

Dear Mr. Lance:

I write to seek information and documents concerning communications of ConocoPhillips Company, including but not limited to its subsidiaries COG Operating and Burlington Resources, with members of the Secretariat of—and national representatives of countries belonging to—the Organization of the Petroleum Exporting Countries (OPEC)[1] regarding oil production output, crude oil prices, and the relationship between the production and pricing of oil products. Based on recent events involving Pioneer Natural Resources Company (Pioneer), soon to merge with ExxonMobil Corporation (Exxon), I am concerned about the possibility that oil and gas companies could be engaging in collusive, anti-competitive activities with OPEC+ that would raise crude oil prices, resulting in higher costs not only for American families, but also for the U.S. government when it acquires crude oil for the Strategic Petroleum Reserve.

On December 5, 2023, the *Wall Street Journal* reported that the Federal Trade Commission (FTC) had opened an investigation into Exxon's plans to acquire Pioneer, a $64.5 billion deal that would represent the largest fossil fuel merger in twenty years.[2] On May 2, 2024, the FTC issued a Decision and Order in its investigation of the proposed merger. Notably, although FTC resolved its outstanding antitrust concerns, the Decision and Order prohibited former Pioneer CEO Scott Sheffield, one of the company's founders and a current member of its board of directors, from holding a seat on Exxon's board of directors or serving in an advisory capacity for Exxon following the acquisition.[3] As the FTC explained in announcing the Decision and Order, "public statements and private communications," including "hundreds of text messages" demonstrated that Sheffield "attempted to collude with the representatives of the Organization of

[1] For the purposes of this letter, we also include representatives of the so-called OPEC+ countries.

[2] Dave Michaels & Collin Eaton, "FTC Investigates Exxon's $60 Billion Deal for Pioneer," *The Wall Street Journal* (Dec. 5, 2023) (online at https://www.wsj.com/business/energy-oil/ftc-investigating-exxons-60-billion-deal-for-pioneer-e79c9d75); ExxonMobil, *Press Release: ExxonMobil announces merger with Pioneer Natural Resources in an all-stock transaction* (Oct. 11, 2023) (online at https://corporate.exxonmobil.com/news/news-releases/2023/1011_exxonmobil-announces-merger-with-pioneer-natural-resources-in-an-all-stock-transaction).

[3] Decision and Order, *In the Matter of Exxon Mobil Corporation*, Docket No. C-_____ (May 2, 2024) (online at https://www.ftc.gov/system/files/ftc_gov/pdf/2410004exxonpioneerorderredacted.pdf); Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

Petroleum Exporting Countries (OPEC) and a related cartel of other oil-producing countries known as OPEC+ to reduce output of oil and gas . . . to inflate profits for his company."[4]

Following the FTC's Decision & Order, *Fortune* reported that Pioneer released a statement noting only that "Sheffield and Pioneer believe that the FTC's complaint reflects a fundamental misunderstanding of the U.S. and global oil markets and misreads the nature and intent of Mr. Sheffield's actions."[5] The FTC's concerns bring added relevance to allegations made in separate, private class action lawsuits filed in January and May 2024 against Pioneer and other oil producers operating in the Permian Basin region that assert that those producers engaged in a "conspiracy to coordinate, and ultimately constrain, domestic shale oil production, which has had the effect of fixing, raising, and maintaining the price of retail gasoline (gasoline purchased by consumers at gas stations) in and throughout the United States of America."[6]

Price fixing concerns such as those set out by the FTC and in the private class action lawsuit are of significant concern to the United States given the very real risk that collusion can raise energy costs for the federal government and the American people.

First, colluding to reduce output and increase the price of crude oil directly inflates prices that the federal government pays in its current energy planning needs. Since 2022, the United States has purchased 35.6 million barrels of crude oil as part of its plan to refill its Strategic Petroleum Reserve (SPR), which had been drawn down following Vladimir Putin's illegal invasion of Ukraine.[7] In addition to its refilling of the SPR, the federal government is also the largest energy

---

[4] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

[5] "Oil founder's reams of text message and meetings with OPEC weren't collusion, Exxon merger partner says, claiming 'fundamental misunderstanding,'" *Fortune* (May 2, 2024) (online at https://fortune.com/2024/05/02/exxon-pioneer-60-billion-merger-collusion-opec-ftc-oil-gas/).

[6] Class Action Complaint, *Rosenbaum v. Permian Resources Corp.*, No. 2:24-cv-00103 (D. Nev. Jan 12, 2024) (online at https://fingfx.thomsonreuters.com/gfx/legaldocs/klpydgkmovg/Shale-oil-antitrust-202401-Nevada.pdf); *see also* Class Action Complaint, *Andrew Caplen Installations LLC v. Permian Resources Corp.*, No. 2:24-cv-00150 (D. Nev. Jan. 22, 2024) (online at https://images.law.com/contrib/content/uploads/documents/292/174470/Andrew-Caplen-Installations-LLC-v.-Permian-Resources-Corp.-fka-Centennial-Resource-Development-Inc..pdf); Complaint, *Brown v. Permian Resources Corp.*, No. 1:2024-cv-00430 (D. N.M. May 6, 2024) (online at https://dockets.justia.com/docket/new-mexico/nmdce/1:2024cv00430/501422); Josh Sisco, "FTC to approve major Exxon deal—but exclude key executive over OPEC contacts," *Politico* (May 1, 2024) (online at https://www.politico.com/news/2024/05/01/ftc-to-approve-major-exxon-deal-but-exclude-key-executive-00155515).

[7] "U.S. Purchases 3.3 Million Barrels of Oil for Strategic Petroleum Reserve," *Pipeline & Gas Journal* (May 19, 2024) (online at https://pgjonline.com/news/2024/may/us-purchases-33-million-barrels-of-oil-for-strategic-petroleum-reserve#:~:text=U.S.%20Purchases%203.3%20Million%20Barrels%20of%20Oil%20for%20Strategic%20Petroleum%20Reserve,-5%2F19%2F2024&text=(Reuters)%20%E2%80%94%20The%20U.S.%20awarded,of%20Energy%20said%20on%20Friday).

consumer in the United States, currently needing to purchase significant amounts of gasoline and diesel to fuel the U.S. military as well as the massive federal fleet of vehicles.[8]

Second, increased crude prices are passed on to consumers in the form of higher gasoline and home heating oil prices. A 2024 report from the Bureau of Labor Statistics found that higher gasoline prices were one of the main drivers of inflation in March 2024, combining with shelter to "contribute[] over half of the monthly increase in the [consumer price] index."[9] A recent analysis by the Research Director of the American Economic Liberties Project found that illegal crude oil price-fixing schemes may have caused over 25% of the increase in inflation that hurt so many American families throughout 2021 in the wake of the COVID-19 pandemic.[10]

The FTC's findings indicate that Sheffield and Pioneer may not have been the only individual or entity engaging in such collusive activities. For example, the FTC noted that, "[t]hrough public statements, text messages, in-person meetings, WhatsApp conversations and other communications while at Pioneer, Sheffield sought to *align oil production across the Permian Basin in West Texas and New Mexico with OPEC+*."[11] Similarly, the FTC also indicated that Sheffield had discussed with OPEC representatives and officials "his *efforts to coordinate with Texas producers* under a production cut mandated by the Railroad Commission of Texas."[12] In view of the findings against Sheffield, I seek to understand whether other oil producers operating in the United States may also have been coordinating with OPEC and OPEC+ representatives concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products.

Accordingly, to assist the Committee in its investigation, please produce the following documents by no later than July 12, 2024:

---

[8] *See, e.g.,* David Shepardson & Ben Klayman, "U.S. government to end gas-powered vehicle purchases by 2-35 under Biden order," *Reuters* (Dec. 8, 2021) (online at https://www.reuters.com/world/us/biden-pledges-end-gas-powered-federal-vehicle-purchases-by-2035-2021-12-08/#:~:text=The%20order%20noted%20the%20U.S.,to%20be%20clean%20and%20sustainable.%22).

[9] U.S. Bureau of Labor Statistics, *Economic News Release: Consumer Price Index Summary* (June 12, 2024) (online at https://www.bls.gov/news.release/cpi.nr0.htm); Ines Ferré, "Higher gas prices helped drive hotter-than-expected inflation in March," *Yahoo!Finance* (Apr. 10, 2024) (online at https://finance.yahoo.com/news/higher-gas-prices-helped-drive-hotter-than-expected-inflation-in-march-131154274.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAHsy4WiWIJp1uQBwU6VBBvRb_oNaa1Lr-uBYnyh3qYsZpWYHRL34M1Lehmx1LpztjekG8yT4Mqn8PmV8dG7UeQBaH4mM1OYw0MGLfjQtWsO7QUSV-qtbRKpv3-GpmgPseIATFkX3jn0PUekgqQMMMDB5Yq8kniho9IjQkjQ9MCMf).

[10] Matt Stoller, "An Oil Price-Fixing Conspiracy Caused 27% of All Inflation Increases in 2021, *BIG by Matt Stoller* May 3, 2021) (online at https://www.thebignewsletter.com/p/an-oil-price-fixing-conspiracy-caused); Jessica Corbett, "Congress Urged to Tax Big Oil for Price Fixing and 'Issue Every American a Refund,'" *Common Dreams* (May 7, 2024) (online at https://www.commondreams.org/news/exxonmobil-pioneer).

[11] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal) (emphasis added).

[12] *Id.* (emphasis added).

1. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among ConocoPhillips Company's corporate and affiliate officers[13] and members of the OPEC Secretariat concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present; and

2. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among ConocoPhillips Company's corporate and affiliate officers[14] and national representatives of OPEC and/or OPEC+ countries and/or national oil companies in OPEC/OPEC+ countries concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present.

Thank you for your attention to this important issue. I look forward to further engagement with you on this topic.

* * *

The Senate Committee on the Budget has jurisdiction over Budget Act and budget process legislation, including concurrent resolutions on the budget and legislation changing the content or consideration of budget resolutions. In fulfilling its responsibilities, the Committee has broad authority to investigate the budgetary effects of existing and proposed legislation, as well as matters that affect the content or determination of amounts included in or excluded from the congressional budget or the calculation of such amounts, among other things. If you have any questions regarding this request, please contact Majority Staff at (202) 224-0642.

Sincerely,

Senator Sheldon Whitehouse
Chairman
Senate Committee on the Budget

[13] For the avoidance of any doubt, "corporate and affiliate officers" refers to the members of your company's leadership team identified on your website at this link. See ConocoPhillips Company, *Leadership Team* (online at https://www.conocophillips.com/about-us/leadership/) (last visited June 25, 2024).

[14] *Id.*

SHELDON WHITEHOUSE, RHODE ISLAND
CHAIRMAN
PATTY MURRAY, WASHINGTON
RON WYDEN, OREGON
DEBBIE STABENOW, MICHIGAN
BERNARD SANDERS, VERMONT
MARK R. WARNER, VIRGINIA
JEFF MERKLEY, OREGON
TIM KAINE, VIRGINIA
CHRIS VAN HOLLEN, MARYLAND
BEN RAY LUJÁN, NEW MEXICO
ALEX PADILLA, CALIFORNIA

United States Senate
COMMITTEE ON THE BUDGET
WASHINGTON, DC 20510–6100
TELEPHONE: (202) 224–0642

CHARLES E. GRASSLEY, IOWA
RANKING REPUBLICAN
MIKE CRAPO, IDAHO
LINDSEY O. GRAHAM, SOUTH CAROLINA
RON JOHNSON, WISCONSIN
MITT ROMNEY, UTAH
ROGER MARSHALL, KANSAS
MIKE BRAUN, INDIANA
JOHN KENNEDY, LOUISIANA
RICK SCOTT, FLORIDA
MIKE LEE, UTAH

June 26, 2024

Mr. Robert D. Lawler
Presdient and Chief Executive Officer
Continental Resources, Inc.
20 N. Broadway
Oklahoma City, OK 73102

Dear Mr. Lawler:

I write to seek information and documents concerning Continental Resources, Inc.'s communications with members of the Secretariat of—and national representatives of countries belonging to—the Organization of the Petroleum Exporting Countries (OPEC)[1] regarding oil production output, crude oil prices, and the relationship between the production and pricing of oil products. Based on recent events involving Pioneer Natural Resources Company (Pioneer), soon to merge with ExxonMobil Corporation (Exxon), I am concerned about the possibility that oil and gas companies could be engaging in collusive, anti-competitive activities with OPEC+ that would raise crude oil prices, resulting in higher costs not only for American families, but also for the U.S. government when it acquires crude oil for the Strategic Petroleum Reserve.

On December 5, 2023, the *Wall Street Journal* reported that the Federal Trade Commission (FTC) had opened an investigation into Exxon's plans to acquire Pioneer, a $64.5 billion deal that would represent the largest fossil fuel merger in twenty years.[2] On May 2, 2024, the FTC issued a Decision and Order in its investigation of the proposed merger. Notably, although FTC resolved its outstanding antitrust concerns, the Decision and Order prohibited former Pioneer CEO Scott Sheffield, one of the company's founders and a current member of its board of directors, from holding a seat on Exxon's board of directors or serving in an advisory capacity for Exxon following the acquisition.[3] As the FTC explained in announcing the Decision and Order, "public statements and private communications," including "hundreds of text messages" demonstrated that Sheffield "attempted to collude with the representatives of the Organization of

[1] For the purposes of this letter, we also include representatives of the so-called OPEC+ countries.

[2] Dave Michaels & Collin Eaton, "FTC Investigates Exxon's $60 Billion Deal for Pioneer," *The Wall Street Journal* (Dec. 5, 2023) (online at https://www.wsj.com/business/energy-oil/ftc-investigating-exxons-60-billion-deal-for-pioneer-e79c9d75); ExxonMobil, *Press Release: ExxonMobil announces merger with Pioneer Natural Resources in an all-stock transaction* (Oct. 11, 2023) (online at https://corporate.exxonmobil.com/news/news-releases/2023/1011_exxonmobil-announces-merger-with-pioneer-natural-resources-in-an-all-stock-transaction).

[3] Decision and Order, *In the Matter of Exxon Mobil Corporation*, Docket No. C-_____ (May 2, 2024) (online at https://www.ftc.gov/system/files/ftc_gov/pdf/2410004exxonpioneerorderredacted.pdf); Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

Petroleum Exporting Countries (OPEC) and a related cartel of other oil-producing countries known as OPEC+ to reduce output of oil and gas . . . to inflate profits for his company."[4]

Following the FTC's Decision & Order, *Fortune* reported that Pioneer released a statement noting only that "Sheffield and Pioneer believe that the FTC's complaint reflects a fundamental misunderstanding of the U.S. and global oil markets and misreads the nature and intent of Mr. Sheffield's actions."[5] The FTC's concerns bring added relevance to allegations made in separate, private class action lawsuits filed in January and May 2024 against Pioneer and other oil producers operating in the Permian Basin region that assert that those producers engaged in a "conspiracy to coordinate, and ultimately constrain, domestic shale oil production, which has had the effect of fixing, raising, and maintaining the price of retail gasoline (gasoline purchased by consumers at gas stations) in and throughout the United States of America."[6]

Price fixing concerns such as those set out by the FTC and in the private class action lawsuit are of significant concern to the United States given the very real risk that collusion can raise energy costs for the federal government and the American people.

First, colluding to reduce output and increase the price of crude oil directly inflates prices that the federal government pays in its current energy planning needs. Since 2022, the United States has purchased 35.6 million barrels of crude oil as part of its plan to refill its Strategic Petroleum Reserve (SPR), which had been drawn down following Vladimir Putin's illegal invasion of Ukraine.[7] In addition to its refilling of the SPR, the federal government is also the largest energy

---

[4] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

[5] "Oil founder's reams of text message and meetings with OPEC weren't collusion, Exxon merger partner says, claiming 'fundamental misunderstanding,'" *Fortune* (May 2, 2024) (online at https://fortune.com/2024/05/02/exxon-pioneer-60-billion-merger-collusion-opec-ftc-oil-gas/).

[6] Class Action Complaint, *Rosenbaum v. Permian Resources Corp.*, No. 2:24-cv-00103 (D. Nev. Jan 12, 2024) (online at https://fingfx.thomsonreuters.com/gfx/legaldocs/klpydgkmovg/Shale-oil-antitrust-202401-Nevada.pdf); *see also* Class Action Complaint, *Andrew Caplen Installations LLC v. Permian Resources Corp.*, No. 2:24-cv-00150 (D. Nev. Jan. 22, 2024) (online at https://images.law.com/contrib/content/uploads/documents/292/174470/Andrew-Caplen-Installations-LLC-v.-Permian-Resources-Corp.-fka-Centennial-Resource-Development-Inc..pdf); Complaint, *Brown v. Permian Resources Corp.*, No. 1:2024-cv-00430 (D. N.M. May 6, 2024) (online at https://dockets.justia.com/docket/new-mexico/nmdce/1:2024cv00430/501422); Josh Sisco, "FTC to approve major Exxon deal—but exclude key executive over OPEC contacts," *Politico* (May 1, 2024) (online at https://www.politico.com/news/2024/05/01/ftc-to-approve-major-exxon-deal-but-exclude-key-executive-00155515).

[7] "U.S. Purchases 3.3 Million Barrels of Oil for Strategic Petroleum Reserve," *Pipeline & Gas Journal* (May 19, 2024) (online at https://pgjonline.com/news/2024/may/us-purchases-33-million-barrels-of-oil-for-strategic-petroleum-reserve#:~:text=U.S.%20Purchases%203.3%20Million%20Barrels%20of%20Oil%20for%20Strategic%20Petroleum%20Reserve,-5%2F19%2F2024&text=(Reuters)%20%E2%80%94%20The%20U.S.%20awarded,of%20Energy%20said%20on%20Friday).

consumer in the United States, currently needing to purchase significant amounts of gasoline and diesel to fuel the U.S. military as well as the massive federal fleet of vehicles.[8]

Second, increased crude prices are passed on to consumers in the form of higher gasoline and home heating oil prices. A 2024 report from the Bureau of Labor Statistics found that higher gasoline prices were one of the main drivers of inflation in March 2024, combining with shelter to "contribute[] over half of the monthly increase in the [consumer price] index."[9] A recent analysis by the Research Director of the American Economic Liberties Project found that illegal crude oil price-fixing schemes may have caused over 25% of the increase in inflation that hurt so many American families throughout 2021 in the wake of the COVID-19 pandemic.[10]

The FTC's findings indicate that Sheffield and Pioneer may not have been the only individual or entity engaging in such collusive activities. For example, the FTC noted that, "[t]hrough public statements, text messages, in-person meetings, WhatsApp conversations and other communications while at Pioneer, Sheffield sought to *align oil production across the Permian Basin in West Texas and New Mexico with OPEC+*."[11] Similarly, the FTC also indicated that Sheffield had discussed with OPEC representatives and officials "his *efforts to coordinate with Texas producers* under a production cut mandated by the Railroad Commission of Texas."[12] In view of the findings against Sheffield, I seek to understand whether other oil producers operating in the United States may also have been coordinating with OPEC and OPEC+ representatives concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products.

Accordingly, to assist the Committee in its investigation, please produce the following documents by no later than July 12, 2024:

---

[8] *See, e.g.*, David Shepardson & Ben Klayman, "U.S. government to end gas-powered vehicle purchases by 2-35 under Biden order," *Reuters* (Dec. 8, 2021) (online at https://www.reuters.com/world/us/biden-pledges-end-gas-powered-federal-vehicle-purchases-by-2035-2021-12-08/#:~:text=The%20order%20noted%20the%20U.S.,to%20be%20clean%20and%20sustainable.%22).

[9] U.S. Bureau of Labor Statistics, *Economic News Release: Consumer Price Index Summary* (June 12, 2024) (online at https://www.bls.gov/news.release/cpi.nr0.htm); Ines Ferré, "Higher gas prices helped drive hotter-than-expected inflation in March," *Yahoo!Finance* (Apr. 10, 2024) (online at https://finance.yahoo.com/news/higher-gas-prices-helped-drive-hotter-than-expected-inflation-in-march-131154274.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAHsy4WiWIJp1uQBwU6VBBvRb_oNaa1Lr-uBYnyh3qYsZpWYHRL34M1Lehmx1LpztjekG8yT4Mqn8PmV8dG7UeQBaH4mM1OYw0MGLfjQtWsO7QUSV-qtbRKpv3-GpmgPseIATFkX3jn0PUekgqQMMMDB5Yq8kniho9IjQkjQ9MCMf).

[10] Matt Stoller, "An Oil Price-Fixing Conspiracy Caused 27% of All Inflation Increases in 2021, *BIG by Matt Stoller* May 3, 2021) (online at https://www.thebignewsletter.com/p/an-oil-price-fixing-conspiracy-caused); Jessica Corbett, "Congress Urged to Tax Big Oil for Price Fixing and 'Issue Every American a Refund,'" *Common Dreams* (May 7, 2024) (online at https://www.commondreams.org/news/exxonmobil-pioneer).

[11] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal) (emphasis added).

[12] *Id.* (emphasis added).

1. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among Continental Resources's corporate and affiliate officers[13] and members of the OPEC Secretariat concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present; and

2. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among Continental Resources's corporate and affiliate officers[14] and national representatives of OPEC and/or OPEC+ countries and/or national oil companies in OPEC/OPEC+ countries concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present.

Thank you for your attention to this important issue. I look forward to further engagement with you on this topic.

* * *

The Senate Committee on the Budget has jurisdiction over Budget Act and budget process legislation, including concurrent resolutions on the budget and legislation changing the content or consideration of budget resolutions. In fulfilling its responsibilities, the Committee has broad authority to investigate the budgetary effects of existing and proposed legislation, as well as matters that affect the content or determination of amounts included in or excluded from the congressional budget or the calculation of such amounts, among other things. If you have any questions regarding this request, please contact Majority Staff at (202) 224-0642.

Sincerely,

Senator Sheldon Whitehouse
Chairman
Senate Committee on the Budget

[13] For the avoidance of any doubt, "corporate and affiliate officers" refers to the members of your company's leadership team identified on your website at this link. *See* Continental Resources, *Leadership* (online at https://www.clr.com/about-continental/leadership/) (last visited June 25, 2024).

[14] *Id.*

SHELDON WHITEHOUSE, RHODE ISLAND
CHAIRMAN
PATTY MURRAY, WASHINGTON
RON WYDEN, OREGON
DEBBIE STABENOW, MICHIGAN
BERNARD SANDERS, VERMONT
MARK R. WARNER, VIRGINIA
JEFF MERKLEY, OREGON
TIM KAINE, VIRGINIA
CHRIS VAN HOLLEN, MARYLAND
BEN RAY LUJÁN, NEW MEXICO
ALEX PADILLA, CALIFORNIA

United States Senate
COMMITTEE ON THE BUDGET
WASHINGTON, DC 20510–6100
TELEPHONE: (202) 224–0642

CHARLES E. GRASSLEY, IOWA
RANKING REPUBLICAN
MIKE CRAPO, IDAHO
LINDSEY O. GRAHAM, SOUTH CAROLINA
RON JOHNSON, WISCONSIN
MITT ROMNEY, UTAH
ROGER MARSHALL, KANSAS
MIKE BRAUN, INDIANA
JOHN KENNEDY, LOUISIANA
RICK SCOTT, FLORIDA
MIKE LEE, UTAH

June 26, 2024

Mr. Timothy Dunn
Chief Executive Officer
CrownQuest Operating, LLC
18 Desta Drive
Midland, TX 79705

Dear Mr. Dunn:

I write to seek information and documents concerning CrownQuest Operating, LLC's communications with members of the Secretariat of—and national representatives of countries belonging to—the Organization of the Petroleum Exporting Countries (OPEC)[1] regarding oil production output, crude oil prices, and the relationship between the production and pricing of oil products. Based on recent events involving Pioneer Natural Resources Company (Pioneer), soon to merge with ExxonMobil Corporation (Exxon), I am concerned about the possibility that oil and gas companies could be engaging in collusive, anti-competitive activities with OPEC+ that would raise crude oil prices, resulting in higher costs not only for American families, but also for the U.S. government when it acquires crude oil for the Strategic Petroleum Reserve.

On December 5, 2023, the *Wall Street Journal* reported that the Federal Trade Commission (FTC) had opened an investigation into Exxon's plans to acquire Pioneer, a $64.5 billion deal that would represent the largest fossil fuel merger in twenty years.[2] On May 2, 2024, the FTC issued a Decision and Order in its investigation of the proposed merger. Notably, although FTC resolved its outstanding antitrust concerns, the Decision and Order prohibited former Pioneer CEO Scott Sheffield, one of the company's founders and a current member of its board of directors, from holding a seat on Exxon's board of directors or serving in an advisory capacity for Exxon following the acquisition.[3] As the FTC explained in announcing the Decision and Order, "public statements and private communications," including "hundreds of text messages" demonstrated that Sheffield "attempted to collude with the representatives of the Organization of

[1] For the purposes of this letter, we also include representatives of the so-called OPEC+ countries.

[2] Dave Michaels & Collin Eaton, "FTC Investigates Exxon's $60 Billion Deal for Pioneer," *The Wall Street Journal* (Dec. 5, 2023) (online at https://www.wsj.com/business/energy-oil/ftc-investigating-exxons-60-billion-deal-for-pioneer-e79c9d75); ExxonMobil, *Press Release: ExxonMobil announces merger with Pioneer Natural Resources in an all-stock transaction* (Oct. 11, 2023) (online at https://corporate.exxonmobil.com/news/news-releases/2023/1011_exxonmobil-announces-merger-with-pioneer-natural-resources-in-an-all-stock-transaction).

[3] Decision and Order, *In the Matter of Exxon Mobil Corporation*, Docket No. C-_____ (May 2, 2024) (online at https://www.ftc.gov/system/files/ftc_gov/pdf/2410004exxonpioneerorderredacted.pdf); Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

Petroleum Exporting Countries (OPEC) and a related cartel of other oil-producing countries known as OPEC+ to reduce output of oil and gas . . . to inflate profits for his company."[4]

Following the FTC's Decision & Order, *Fortune* reported that Pioneer released a statement noting only that "Sheffield and Pioneer believe that the FTC's complaint reflects a fundamental misunderstanding of the U.S. and global oil markets and misreads the nature and intent of Mr. Sheffield's actions."[5] The FTC's concerns bring added relevance to allegations made in separate, private class action lawsuits filed in January and May 2024 against Pioneer and other oil producers operating in the Permian Basin region that assert that those producers engaged in a "conspiracy to coordinate, and ultimately constrain, domestic shale oil production, which has had the effect of fixing, raising, and maintaining the price of retail gasoline (gasoline purchased by consumers at gas stations) in and throughout the United States of America."[6]

Price fixing concerns such as those set out by the FTC and in the private class action lawsuit are of significant concern to the United States given the very real risk that collusion can raise energy costs for the federal government and the American people.

First, colluding to reduce output and increase the price of crude oil directly inflates prices that the federal government pays in its current energy planning needs. Since 2022, the United States has purchased 35.6 million barrels of crude oil as part of its plan to refill its Strategic Petroleum Reserve (SPR), which had been drawn down following Vladimir Putin's illegal invasion of Ukraine.[7] In addition to its refilling of the SPR, the federal government is also the largest energy

---

[4] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

[5] "Oil founder's reams of text message and meetings with OPEC weren't collusion, Exxon merger partner says, claiming 'fundamental misunderstanding,'" *Fortune* (May 2, 2024) (online at https://fortune.com/2024/05/02/exxon-pioneer-60-billion-merger-collusion-opec-ftc-oil-gas/).

[6] Class Action Complaint, *Rosenbaum v. Permian Resources Corp.*, No. 2:24-cv-00103 (D. Nev. Jan 12, 2024) (online at https://fingfx.thomsonreuters.com/gfx/legaldocs/klpydgkmovg/Shale-oil-antitrust-202401-Nevada.pdf); *see also* Class Action Complaint, *Andrew Caplen Installations LLC v. Permian Resources Corp.*, No. 2:24-cv-00150 (D. Nev. Jan. 22, 2024) (online at https://images.law.com/contrib/content/uploads/documents/292/174470/Andrew-Caplen-Installations-LLC-v.-Permian-Resources-Corp.-fka-Centennial-Resource-Development-Inc..pdf); Complaint, *Brown v. Permian Resources Corp.*, No. 1:2024-cv-00430 (D. N.M. May 6, 2024) (online at https://dockets.justia.com/docket/new-mexico/nmdce/1:2024cv00430/501422); Josh Sisco, "FTC to approve major Exxon deal—but exclude key executive over OPEC contacts," *Politico* (May 1, 2024) (online at https://www.politico.com/news/2024/05/01/ftc-to-approve-major-exxon-deal-but-exclude-key-executive-00155515).

[7] "U.S. Purchases 3.3 Million Barrels of Oil for Strategic Petroleum Reserve," *Pipeline & Gas Journal* (May 19, 2024) (online at https://pgjonline.com/news/2024/may/us-purchases-33-million-barrels-of-oil-for-strategic-petroleum-reserve#:~:text=U.S.%20Purchases%203.3%20Million%20Barrels%20of%20Oil%20for%20Strategic%20Petroleum%20Reserve,-5%2F19%2F2024&text=(Reuters)%20%E2%80%94%20The%20U.S.%20awarded,of%20Energy%20said%20on%20Friday).

consumer in the United States, currently needing to purchase significant amounts of gasoline and diesel to fuel the U.S. military as well as the massive federal fleet of vehicles.[8]

Second, increased crude prices are passed on to consumers in the form of higher gasoline and home heating oil prices. A 2024 report from the Bureau of Labor Statistics found that higher gasoline prices were one of the main drivers of inflation in March 2024, combining with shelter to "contribute[] over half of the monthly increase in the [consumer price] index."[9] A recent analysis by the Research Director of the American Economic Liberties Project found that illegal crude oil price-fixing schemes may have caused over 25% of the increase in inflation that hurt so many American families throughout 2021 in the wake of the COVID-19 pandemic.[10]

The FTC's findings indicate that Sheffield and Pioneer may not have been the only individual or entity engaging in such collusive activities. For example, the FTC noted that, "[t]hrough public statements, text messages, in-person meetings, WhatsApp conversations and other communications while at Pioneer, Sheffield sought to *align oil production across the Permian Basin in West Texas and New Mexico with OPEC+*."[11] Similarly, the FTC also indicated that Sheffield had discussed with OPEC representatives and officials "his *efforts to coordinate with Texas producers* under a production cut mandated by the Railroad Commission of Texas."[12] In view of the findings against Sheffield, I seek to understand whether other oil producers operating in the United States may also have been coordinating with OPEC and OPEC+ representatives concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products.

Accordingly, to assist the Committee in its investigation, please produce the following documents by no later than July 12, 2024:

---

[8] *See, e.g.*, David Shepardson & Ben Klayman, "U.S. government to end gas-powered vehicle purchases by 2-35 under Biden order," *Reuters* (Dec. 8, 2021) (online at https://www.reuters.com/world/us/biden-pledges-end-gas-powered-federal-vehicle-purchases-by-2035-2021-12-08/#:~:text=The%20order%20noted%20the%20U.S.,to%20be%20clean%20and%20sustainable.%22).

[9] U.S. Bureau of Labor Statistics, *Economic News Release: Consumer Price Index Summary* (June 12, 2024) (online at https://www.bls.gov/news.release/cpi.nr0.htm); Ines Ferré, "Higher gas prices helped drive hotter-than-expected inflation in March," *Yahoo!Finance* (Apr. 10, 2024) (online at https://finance.yahoo.com/news/higher-gas-prices-helped-drive-hotter-than-expected-inflation-in-march-131154274.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAHsy4WiWIJp1uQBwU6VBBvRb_oNaa1Lr-uBYnyh3qYsZpWYHRL34M1Lehmx1LpztjekG8yT4Mqn8PmV8dG7UeQBaH4mM1OYw0MGLfjQtWsO7QUSV-qtbRKpv3-GpmgPseIATFkX3jn0PUekgqQMMMDB5Yq8kniho9IjQkjQ9MCMf).

[10] Matt Stoller, "An Oil Price-Fixing Conspiracy Caused 27% of All Inflation Increases in 2021, *BIG by Matt Stoller* May 3, 2021) (online at https://www.thebignewsletter.com/p/an-oil-price-fixing-conspiracy-caused); Jessica Corbett, "Congress Urged to Tax Big Oil for Price Fixing and 'Issue Every American a Refund,'" *Common Dreams* (May 7, 2024) (online at https://www.commondreams.org/news/exxonmobil-pioneer).

[11] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal) (emphasis added).

[12] *Id.* (emphasis added).

1. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among CrownQuest's corporate and affiliate officers[13] and members of the OPEC Secretariat concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present; and

2. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among CrownQuest's corporate and affiliate officers[14] and national representatives of OPEC and/or OPEC+ countries and/or national oil companies in OPEC/OPEC+ countries concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present.

Thank you for your attention to this important issue. I look forward to further engagement with you on this topic.

* * *

The Senate Committee on the Budget has jurisdiction over Budget Act and budget process legislation, including concurrent resolutions on the budget and legislation changing the content or consideration of budget resolutions. In fulfilling its responsibilities, the Committee has broad authority to investigate the budgetary effects of existing and proposed legislation, as well as matters that affect the content or determination of amounts included in or excluded from the congressional budget or the calculation of such amounts, among other things. If you have any questions regarding this request, please contact Majority Staff at (202) 224-0642.

Sincerely,

Senator Sheldon Whitehouse
Chairman
Senate Committee on the Budget

[13] For the avoidance of any doubt, "corporate and affiliate officers" refers to the members of your company's leadership team identified on your website at this link. *See* CronwQuest, *About Us* (online at https://crownquest.com/aboutus/) (last Visited June 25, 2024).

[14] *Id.*

SHELDON WHITEHOUSE, RHODE ISLAND
CHAIRMAN
PATTY MURRAY, WASHINGTON
RON WYDEN, OREGON
DEBBIE STABENOW, MICHIGAN
BERNARD SANDERS, VERMONT
MARK R. WARNER, VIRGINIA
JEFF MERKLEY, OREGON
TIM KAINE, VIRGINIA
CHRIS VAN HOLLEN, MARYLAND
BEN RAY LUJÁN, NEW MEXICO
ALEX PADILLA, CALIFORNIA

United States Senate
COMMITTEE ON THE BUDGET
WASHINGTON, DC 20510–6100
TELEPHONE: (202) 224–0642

CHARLES E. GRASSLEY, IOWA
RANKING REPUBLICAN
MIKE CRAPO, IDAHO
LINDSEY O. GRAHAM, SOUTH CAROLINA
RON JOHNSON, WISCONSIN
MITT ROMNEY, UTAH
ROGER MARSHALL, KANSAS
MIKE BRAUN, INDIANA
JOHN KENNEDY, LOUISIANA
RICK SCOTT, FLORIDA
MIKE LEE, UTAH

June 26, 2024

Mr. Travis Stice
Chairman and Chief Executive Officer
Diamondback Energy, Inc.
500 West Texas Avenue, Suite 100
Midland, TX 79701

Dear Mr. Stice:

I write to seek information and documents concerning Diamondback Energy, Inc.'s communications with members of the Secretariat of—and national representatives of countries belonging to—the Organization of the Petroleum Exporting Countries (OPEC)[1] regarding oil production output, crude oil prices, and the relationship between the production and pricing of oil products. Based on recent events involving Pioneer Natural Resources Company (Pioneer), soon to merge with ExxonMobil Corporation (Exxon), I am concerned about the possibility that oil and gas companies could be engaging in collusive, anti-competitive activities with OPEC+ that would raise crude oil prices, resulting in higher costs not only for American families, but also for the U.S. government when it acquires crude oil for the Strategic Petroleum Reserve.

On December 5, 2023, the *Wall Street Journal* reported that the Federal Trade Commission (FTC) had opened an investigation into Exxon's plans to acquire Pioneer, a $64.5 billion deal that would represent the largest fossil fuel merger in twenty years.[2] On May 2, 2024, the FTC issued a Decision and Order in its investigation of the proposed merger. Notably, although FTC resolved its outstanding antitrust concerns, the Decision and Order prohibited former Pioneer CEO Scott Sheffield, one of the company's founders and a current member of its board of directors, from holding a seat on Exxon's board of directors or serving in an advisory capacity for Exxon following the acquisition.[3] As the FTC explained in announcing the Decision and Order, "public statements and private communications," including "hundreds of text messages" demonstrated that Sheffield "attempted to collude with the representatives of the Organization of

[1] For the purposes of this letter, we also include representatives of the so-called OPEC+ countries.

[2] Dave Michaels & Collin Eaton, "FTC Investigates Exxon's $60 Billion Deal for Pioneer," *The Wall Street Journal* (Dec. 5, 2023) (online at https://www.wsj.com/business/energy-oil/ftc-investigating-exxons-60-billion-deal-for-pioneer-e79c9d75); ExxonMobil, *Press Release: ExxonMobil announces merger with Pioneer Natural Resources in an all-stock transaction* (Oct. 11, 2023) (online at https://corporate.exxonmobil.com/news/news-releases/2023/1011_exxonmobil-announces-merger-with-pioneer-natural-resources-in-an-all-stock-transaction).

[3] Decision and Order, *In the Matter of Exxon Mobil Corporation*, Docket No. C-_____ (May 2, 2024) (online at https://www.ftc.gov/system/files/ftc_gov/pdf/2410004exxonpioneerorderredacted.pdf); Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

Petroleum Exporting Countries (OPEC) and a related cartel of other oil-producing countries known as OPEC+ to reduce output of oil and gas . . . to inflate profits for his company."[4]

Following the FTC's Decision & Order, *Fortune* reported that Pioneer released a statement noting only that "Sheffield and Pioneer believe that the FTC's complaint reflects a fundamental misunderstanding of the U.S. and global oil markets and misreads the nature and intent of Mr. Sheffield's actions."[5] The FTC's concerns bring added relevance to allegations made in separate, private class action lawsuits filed in January and May 2024 against Pioneer and other oil producers operating in the Permian Basin region that assert that those producers engaged in a "conspiracy to coordinate, and ultimately constrain, domestic shale oil production, which has had the effect of fixing, raising, and maintaining the price of retail gasoline (gasoline purchased by consumers at gas stations) in and throughout the United States of America."[6]

Price fixing concerns such as those set out by the FTC and in the private class action lawsuit are of significant concern to the United States given the very real risk that collusion can raise energy costs for the federal government and the American people.

First, colluding to reduce output and increase the price of crude oil directly inflates prices that the federal government pays in its current energy planning needs. Since 2022, the United States has purchased 35.6 million barrels of crude oil as part of its plan to refill its Strategic Petroleum Reserve (SPR), which had been drawn down following Vladimir Putin's illegal invasion of Ukraine.[7] In addition to its refilling of the SPR, the federal government is also the largest energy

---

[4] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

[5] "Oil founder's reams of text message and meetings with OPEC weren't collusion, Exxon merger partner says, claiming 'fundamental misunderstanding,'" *Fortune* (May 2, 2024) (online at https://fortune.com/2024/05/02/exxon-pioneer-60-billion-merger-collusion-opec-ftc-oil-gas/).

[6] Class Action Complaint, *Rosenbaum v. Permian Resources Corp.*, No. 2:24-cv-00103 (D. Nev. Jan 12, 2024) (online at https://fingfx.thomsonreuters.com/gfx/legaldocs/klpydgkmovg/Shale-oil-antitrust-202401-Nevada.pdf); *see also* Class Action Complaint, *Andrew Caplen Installations LLC v. Permian Resources Corp.*, No. 2:24-cv-00150 (D. Nev. Jan. 22, 2024) (online at https://images.law.com/contrib/content/uploads/documents/292/174470/Andrew-Caplen-Installations-LLC-v.-Permian-Resources-Corp.-fka-Centennial-Resource-Development-Inc..pdf); Complaint, *Brown v. Permian Resources Corp.*, No. 1:2024-cv-00430 (D. N.M. May 6, 2024) (online at https://dockets.justia.com/docket/new-mexico/nmdce/1:2024cv00430/501422); Josh Sisco, "FTC to approve major Exxon deal—but exclude key executive over OPEC contacts," *Politico* (May 1, 2024) (online at https://www.politico.com/news/2024/05/01/ftc-to-approve-major-exxon-deal-but-exclude-key-executive-00155515).

[7] "U.S. Purchases 3.3 Million Barrels of Oil for Strategic Petroleum Reserve," *Pipeline & Gas Journal* (May 19, 2024) (online at https://pgjonline.com/news/2024/may/us-purchases-33-million-barrels-of-oil-for-strategic-petroleum-reserve#:~:text=U.S.%20Purchases%203.3%20Million%20Barrels%20of%20Oil%20for%20Strategic%20Petroleum%20Reserve,-5%2F19%2F2024&text=(Reuters)%20%E2%80%94%20The%20U.S.%20awarded,of%20Energy%20said%20on%20Friday).

consumer in the United States, currently needing to purchase significant amounts of gasoline and diesel to fuel the U.S. military as well as the massive federal fleet of vehicles.[8]

Second, increased crude prices are passed on to consumers in the form of higher gasoline and home heating oil prices. A 2024 report from the Bureau of Labor Statistics found that higher gasoline prices were one of the main drivers of inflation in March 2024, combining with shelter to "contribute[] over half of the monthly increase in the [consumer price] index."[9] A recent analysis by the Research Director of the American Economic Liberties Project found that illegal crude oil price-fixing schemes may have caused over 25% of the increase in inflation that hurt so many American families throughout 2021 in the wake of the COVID-19 pandemic.[10]

The FTC's findings indicate that Sheffield and Pioneer may not have been the only individual or entity engaging in such collusive activities. For example, the FTC noted that, "[t]hrough public statements, text messages, in-person meetings, WhatsApp conversations and other communications while at Pioneer, Sheffield sought to *align oil production across the Permian Basin in West Texas and New Mexico with OPEC+*."[11] Similarly, the FTC also indicated that Sheffield had discussed with OPEC representatives and officials "his *efforts to coordinate with Texas producers* under a production cut mandated by the Railroad Commission of Texas."[12] In view of the findings against Sheffield, I seek to understand whether other oil producers operating in the United States may also have been coordinating with OPEC and OPEC+ representatives concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products.

Accordingly, to assist the Committee in its investigation, please produce the following documents by no later than July 12, 2024:

---

[8] *See, e.g.,* David Shepardson & Ben Klayman, "U.S. government to end gas-powered vehicle purchases by 2-35 under Biden order," *Reuters* (Dec. 8, 2021) (online at https://www.reuters.com/world/us/biden-pledges-end-gas-powered-federal-vehicle-purchases-by-2035-2021-12-08/#:~:text=The%20order%20noted%20the%20U.S.,to%20be%20clean%20and%20sustainable.%22).

[9] U.S. Bureau of Labor Statistics, *Economic News Release: Consumer Price Index Summary* (June 12, 2024) (online at https://www.bls.gov/news.release/cpi.nr0.htm); Ines Ferré, "Higher gas prices helped drive hotter-than-expected inflation in March," *Yahoo!Finance* (Apr. 10, 2024) (online at https://finance.yahoo.com/news/higher-gas-prices-helped-drive-hotter-than-expected-inflation-in-march-131154274.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAHsy4WiWIJp1uQBwU6VBBvRb_oNaa1Lr-uBYnyh3qYsZpWYHRL34M1Lehmx1LpztjekG8yT4Mqn8PmV8dG7UeQBaH4mM1OYw0MGLfjQtWsO7QUSV-qtbRKpv3-GpmgPseIATFkX3jn0PUekgqQMMMDB5Yq8kniho9IjQkjQ9MCMf).

[10] Matt Stoller, "An Oil Price-Fixing Conspiracy Caused 27% of All Inflation Increases in 2021, *BIG by Matt Stoller* May 3, 2021) (online at https://www.thebignewsletter.com/p/an-oil-price-fixing-conspiracy-caused); Jessica Corbett, "Congress Urged to Tax Big Oil for Price Fixing and 'Issue Every American a Refund,'" *Common Dreams* (May 7, 2024) (online at https://www.commondreams.org/news/exxonmobil-pioneer).

[11] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal) (emphasis added).

[12] *Id.* (emphasis added).

1. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among Diamondback Energy's corporate and affiliate officers[13] and members of the OPEC Secretariat concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present; and

2. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among Diamondback Energy's corporate and affiliate officers[14] and national representatives of OPEC and/or OPEC+ countries and/or national oil companies in OPEC/OPEC+ countries concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present.

Thank you for your attention to this important issue. I look forward to further engagement with you on this topic.

* * *

The Senate Committee on the Budget has jurisdiction over Budget Act and budget process legislation, including concurrent resolutions on the budget and legislation changing the content or consideration of budget resolutions. In fulfilling its responsibilities, the Committee has broad authority to investigate the budgetary effects of existing and proposed legislation, as well as matters that affect the content or determination of amounts included in or excluded from the congressional budget or the calculation of such amounts, among other things. If you have any questions regarding this request, please contact Majority Staff at (202) 224-0642.

Sincerely,

Senator Sheldon Whitehouse
Chairman
Senate Committee on the Budget

[13] For the avoidance of any doubt, "corporate and affiliate officers" refers to the members of your company's leadership team identified on your website at this link. *See* Diamondback Energy, *Management* (online at https://ir.diamondbackenergy.com/investors/corporate-governance/management) (last visited June 25, 2024).

[14] *Id.*

SHELDON WHITEHOUSE, RHODE ISLAND
CHAIRMAN
PATTY MURRAY, WASHINGTON
RON WYDEN, OREGON
DEBBIE STABENOW, MICHIGAN
BERNARD SANDERS, VERMONT
MARK R. WARNER, VIRGINIA
JEFF MERKLEY, OREGON
TIM KAINE, VIRGINIA
CHRIS VAN HOLLEN, MARYLAND
BEN RAY LUJÁN, NEW MEXICO
ALEX PADILLA, CALIFORNIA

United States Senate
COMMITTEE ON THE BUDGET
WASHINGTON, DC 20510–6100
TELEPHONE: (202) 224–0642

CHARLES E. GRASSLEY, IOWA
RANKING REPUBLICAN
MIKE CRAPO, IDAHO
LINDSEY O. GRAHAM, SOUTH CAROLINA
RON JOHNSON, WISCONSIN
MITT ROMNEY, UTAH
ROGER MARSHALL, KANSAS
MIKE BRAUN, INDIANA
JOHN KENNEDY, LOUISIANA
RICK SCOTT, FLORIDA
MIKE LEE, UTAH

June 26, 2024

Mr. Lance Robertson
Chief Executive Officer
Endeavor Energy Resources, LP
110 N. Marienfeld Street
Midland, TX 79701

Dear Mr. Robertson:

I write to seek information and documents concerning Endeavor Energy Resources, LP's communications with members of the Secretariat of—and national representatives of countries belonging to—the Organization of the Petroleum Exporting Countries (OPEC)[1] regarding oil production output, crude oil prices, and the relationship between the production and pricing of oil products. Based on recent events involving Pioneer Natural Resources Company (Pioneer), soon to merge with ExxonMobil Corporation (Exxon), I am concerned about the possibility that oil and gas companies could be engaging in collusive, anti-competitive activities with OPEC+ that would raise crude oil prices, resulting in higher costs not only for American families, but also for the U.S. government when it acquires crude oil for the Strategic Petroleum Reserve.

On December 5, 2023, the *Wall Street Journal* reported that the Federal Trade Commission (FTC) had opened an investigation into Exxon's plans to acquire Pioneer, a $64.5 billion deal that would represent the largest fossil fuel merger in twenty years.[2] On May 2, 2024, the FTC issued a Decision and Order in its investigation of the proposed merger. Notably, although FTC resolved its outstanding antitrust concerns, the Decision and Order prohibited former Pioneer CEO Scott Sheffield, one of the company's founders and a current member of its board of directors, from holding a seat on Exxon's board of directors or serving in an advisory capacity for Exxon following the acquisition.[3] As the FTC explained in announcing the Decision and Order, "public statements and private communications," including "hundreds of text messages" demonstrated that Sheffield "attempted to collude with the representatives of the Organization of

---

[1] For the purposes of this letter, we also include representatives of the so-called OPEC+ countries.

[2] Dave Michaels & Collin Eaton, "FTC Investigates Exxon's $60 Billion Deal for Pioneer," *The Wall Street Journal* (Dec. 5, 2023) (online at https://www.wsj.com/business/energy-oil/ftc-investigating-exxons-60-billion-deal-for-pioneer-e79c9d75); ExxonMobil, *Press Release: ExxonMobil announces merger with Pioneer Natural Resources in an all-stock transaction* (Oct. 11, 2023) (online at https://corporate.exxonmobil.com/news/news-releases/2023/1011_exxonmobil-announces-merger-with-pioneer-natural-resources-in-an-all-stock-transaction).

[3] Decision and Order, *In the Matter of Exxon Mobil Corporation*, Docket No. C-_____ (May 2, 2024) (online at https://www.ftc.gov/system/files/ftc_gov/pdf/2410004exxonpioneerorderredacted.pdf); Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

Petroleum Exporting Countries (OPEC) and a related cartel of other oil-producing countries known as OPEC+ to reduce output of oil and gas . . . to inflate profits for his company."[4]

Following the FTC's Decision & Order, *Fortune* reported that Pioneer released a statement noting only that "Sheffield and Pioneer believe that the FTC's complaint reflects a fundamental misunderstanding of the U.S. and global oil markets and misreads the nature and intent of Mr. Sheffield's actions."[5] The FTC's concerns bring added relevance to allegations made in separate, private class action lawsuits filed in January and May 2024 against Pioneer and other oil producers operating in the Permian Basin region that assert that those producers engaged in a "conspiracy to coordinate, and ultimately constrain, domestic shale oil production, which has had the effect of fixing, raising, and maintaining the price of retail gasoline (gasoline purchased by consumers at gas stations) in and throughout the United States of America."[6]

Price fixing concerns such as those set out by the FTC and in the private class action lawsuit are of significant concern to the United States given the very real risk that collusion can raise energy costs for the federal government and the American people.

First, colluding to reduce output and increase the price of crude oil directly inflates prices that the federal government pays in its current energy planning needs. Since 2022, the United States has purchased 35.6 million barrels of crude oil as part of its plan to refill its Strategic Petroleum Reserve (SPR), which had been drawn down following Vladimir Putin's illegal invasion of Ukraine.[7] In addition to its refilling of the SPR, the federal government is also the largest energy

---

[4] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

[5] "Oil founder's reams of text message and meetings with OPEC weren't collusion, Exxon merger partner says, claiming 'fundamental misunderstanding,'" *Fortune* (May 2, 2024) (online at https://fortune.com/2024/05/02/exxon-pioneer-60-billion-merger-collusion-opec-ftc-oil-gas/).

[6] Class Action Complaint, *Rosenbaum v. Permian Resources Corp.*, No. 2:24-cv-00103 (D. Nev. Jan 12, 2024) (online at https://fingfx.thomsonreuters.com/gfx/legaldocs/klpydgkmovg/Shale-oil-antitrust-202401-Nevada.pdf); *see also* Class Action Complaint, *Andrew Caplen Installations LLC v. Permian Resources Corp.*, No. 2:24-cv-00150 (D. Nev. Jan. 22, 2024) (online at https://images.law.com/contrib/content/uploads/documents/292/174470/Andrew-Caplen-Installations-LLC-v.-Permian-Resources-Corp.-fka-Centennial-Resource-Development-Inc..pdf); Complaint, *Brown v. Permian Resources Corp.*, No. 1:2024-cv-00430 (D. N.M. May 6, 2024) (online at https://dockets.justia.com/docket/new-mexico/nmdce/1:2024cv00430/501422); Josh Sisco, "FTC to approve major Exxon deal—but exclude key executive over OPEC contacts," *Politico* (May 1, 2024) (online at https://www.politico.com/news/2024/05/01/ftc-to-approve-major-exxon-deal-but-exclude-key-executive-00155515).

[7] "U.S. Purchases 3.3 Million Barrels of Oil for Strategic Petroleum Reserve," *Pipeline & Gas Journal* (May 19, 2024) (online at https://pgjonline.com/news/2024/may/us-purchases-33-million-barrels-of-oil-for-strategic-petroleum-reserve#:~:text=U.S.%20Purchases%203.3%20Million%20Barrels%20of%20Oil%20for%20Strategic%20Petroleum%20Reserve,-5%2F19%2F2024&text=(Reuters)%20%E2%80%94%20The%20U.S.%20awarded,of%20Energy%20said%20on%20Friday).

consumer in the United States, currently needing to purchase significant amounts of gasoline and diesel to fuel the U.S. military as well as the massive federal fleet of vehicles.[8]

Second, increased crude prices are passed on to consumers in the form of higher gasoline and home heating oil prices. A 2024 report from the Bureau of Labor Statistics found that higher gasoline prices were one of the main drivers of inflation in March 2024, combining with shelter to "contribute[] over half of the monthly increase in the [consumer price] index."[9] A recent analysis by the Research Director of the American Economic Liberties Project found that illegal crude oil price-fixing schemes may have caused over 25% of the increase in inflation that hurt so many American families throughout 2021 in the wake of the COVID-19 pandemic.[10]

The FTC's findings indicate that Sheffield and Pioneer may not have been the only individual or entity engaging in such collusive activities. For example, the FTC noted that, "[t]hrough public statements, text messages, in-person meetings, WhatsApp conversations and other communications while at Pioneer, Sheffield sought to *align oil production across the Permian Basin in West Texas and New Mexico with OPEC+*."[11] Similarly, the FTC also indicated that Sheffield had discussed with OPEC representatives and officials "his *efforts to coordinate with Texas producers* under a production cut mandated by the Railroad Commission of Texas."[12] In view of the findings against Sheffield, I seek to understand whether other oil producers operating in the United States may also have been coordinating with OPEC and OPEC+ representatives concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products.

Accordingly, to assist the Committee in its investigation, please produce the following documents by no later than July 12, 2024:

---

[8] *See, e.g.*, David Shepardson & Ben Klayman, "U.S. government to end gas-powered vehicle purchases by 2-35 under Biden order," *Reuters* (Dec. 8, 2021) (online at https://www.reuters.com/world/us/biden-pledges-end-gas-powered-federal-vehicle-purchases-by-2035-2021-12-08/#:~:text=The%20order%20noted%20the%20U.S.,to%20be%20clean%20and%20sustainable.%22).

[9] U.S. Bureau of Labor Statistics, *Economic News Release: Consumer Price Index Summary* (June 12, 2024) (online at https://www.bls.gov/news.release/cpi.nr0.htm); Ines Ferré, "Higher gas prices helped drive hotter-than-expected inflation in March," *Yahoo!Finance* (Apr. 10, 2024) (online at https://finance.yahoo.com/news/higher-gas-prices-helped-drive-hotter-than-expected-inflation-in-march-131154274.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAHsy4WiWIJp1uQBwU6VBBvRb_oNaa1Lr-uBYnyh3qYsZpWYHRL34M1Lehmx1LpztjekG8yT4Mqn8PmV8dG7UeQBaH4mM1OYw0MGLfjQtWsO7QUSV-qtbRKpv3-GpmgPseIATFkX3jn0PUekgqQMMMDB5Yq8kniho9IjQkjQ9MCMf).

[10] Matt Stoller, "An Oil Price-Fixing Conspiracy Caused 27% of All Inflation Increases in 2021, *BIG by Matt Stoller* May 3, 2021) (online at https://www.thebignewsletter.com/p/an-oil-price-fixing-conspiracy-caused); Jessica Corbett, "Congress Urged to Tax Big Oil for Price Fixing and 'Issue Every American a Refund,'" *Common Dreams* (May 7, 2024) (online at https://www.commondreams.org/news/exxonmobil-pioneer).

[11] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal) (emphasis added).

[12] *Id.* (emphasis added).

1. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among Endeavor Energy Resources's corporate and affiliate officers[13] and members of the OPEC Secretariat concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present; and

2. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among Endeavor Energy Resources's corporate and affiliate officers[14] and national representatives of OPEC and/or OPEC+ countries and/or national oil companies in OPEC/OPEC+ countries concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present.

Thank you for your attention to this important issue. I look forward to further engagement with you on this topic.

* * *

The Senate Committee on the Budget has jurisdiction over Budget Act and budget process legislation, including concurrent resolutions on the budget and legislation changing the content or consideration of budget resolutions. In fulfilling its responsibilities, the Committee has broad authority to investigate the budgetary effects of existing and proposed legislation, as well as matters that affect the content or determination of amounts included in or excluded from the congressional budget or the calculation of such amounts, among other things. If you have any questions regarding this request, please contact Majority Staff at (202) 224-0642.

Sincerely,

Senator Sheldon Whitehouse
Chairman
Senate Committee on the Budget

---

[13] For the avoidance of any doubt, "corporate and affiliate officers" refers to the members of your company's leadership team identified on your website at this link. *See* Endeavor Energy Resources, *Leadership* (online at https://www.endeavorenergylp.com/leadership/) (last visited June 25, 2024).

[14] *Id.*

SHELDON WHITEHOUSE, RHODE ISLAND
CHAIRMAN
PATTY MURRAY, WASHINGTON
RON WYDEN, OREGON
DEBBIE STABENOW, MICHIGAN
BERNARD SANDERS, VERMONT
MARK R. WARNER, VIRGINIA
JEFF MERKLEY, OREGON
TIM KAINE, VIRGINIA
CHRIS VAN HOLLEN, MARYLAND
BEN RAY LUJÁN, NEW MEXICO
ALEX PADILLA, CALIFORNIA

United States Senate
COMMITTEE ON THE BUDGET
WASHINGTON, DC 20510–6100
TELEPHONE: (202) 224–0642

CHARLES E. GRASSLEY, IOWA
RANKING REPUBLICAN
MIKE CRAPO, IDAHO
LINDSEY O. GRAHAM, SOUTH CAROLINA
RON JOHNSON, WISCONSIN
MITT ROMNEY, UTAH
ROGER MARSHALL, KANSAS
MIKE BRAUN, INDIANA
JOHN KENNEDY, LOUISIANA
RICK SCOTT, FLORIDA
MIKE LEE, UTAH

June 26, 2024

Mr. Ezra Yacob
Chairman of the Board and Chief Executive Officer
EOG Resources, Inc.
1111 Bagby Street
Houston, TX 77002

Dear Mr. Yacob:

I write to seek information and documents concerning EOG Resources, Inc.'s communications with members of the Secretariat of—and national representatives of countries belonging to—the Organization of the Petroleum Exporting Countries (OPEC)[1] regarding oil production output, crude oil prices, and the relationship between the production and pricing of oil products. Based on recent events involving Pioneer Natural Resources Company (Pioneer), soon to merge with ExxonMobil Corporation (Exxon), I am concerned about the possibility that oil and gas companies could be engaging in collusive, anti-competitive activities with OPEC+ that would raise crude oil prices, resulting in higher costs not only for American families, but also for the U.S. government when it acquires crude oil for the Strategic Petroleum Reserve.

On December 5, 2023, the *Wall Street Journal* reported that the Federal Trade Commission (FTC) had opened an investigation into Exxon's plans to acquire Pioneer, a $64.5 billion deal that would represent the largest fossil fuel merger in twenty years.[2] On May 2, 2024, the FTC issued a Decision and Order in its investigation of the proposed merger. Notably, although FTC resolved its outstanding antitrust concerns, the Decision and Order prohibited former Pioneer CEO Scott Sheffield, one of the company's founders and a current member of its board of directors, from holding a seat on Exxon's board of directors or serving in an advisory capacity for Exxon following the acquisition.[3] As the FTC explained in announcing the Decision and Order, "public statements and private communications," including "hundreds of text messages" demonstrated that Sheffield "attempted to collude with the representatives of the Organization of

---

[1] For the purposes of this letter, we also include representatives of the so-called OPEC+ countries.

[2] Dave Michaels & Collin Eaton, "FTC Investigates Exxon's $60 Billion Deal for Pioneer," *The Wall Street Journal* (Dec. 5, 2023) (online at https://www.wsj.com/business/energy-oil/ftc-investigating-exxons-60-billion-deal-for-pioneer-e79c9d75); ExxonMobil, *Press Release: ExxonMobil announces merger with Pioneer Natural Resources in an all-stock transaction* (Oct. 11, 2023) (online at https://corporate.exxonmobil.com/news/news-releases/2023/1011_exxonmobil-announces-merger-with-pioneer-natural-resources-in-an-all-stock-transaction).

[3] Decision and Order, *In the Matter of Exxon Mobil Corporation*, Docket No. C-_____ (May 2, 2024) (online at https://www.ftc.gov/system/files/ftc_gov/pdf/2410004exxonpioneerorderredacted.pdf); Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

Petroleum Exporting Countries (OPEC) and a related cartel of other oil-producing countries known as OPEC+ to reduce output of oil and gas . . . to inflate profits for his company."[4]

Following the FTC's Decision & Order, *Fortune* reported that Pioneer released a statement noting only that "Sheffield and Pioneer believe that the FTC's complaint reflects a fundamental misunderstanding of the U.S. and global oil markets and misreads the nature and intent of Mr. Sheffield's actions."[5] The FTC's concerns bring added relevance to allegations made in separate, private class action lawsuits filed in January and May 2024 against Pioneer and other oil producers operating in the Permian Basin region that assert that those producers engaged in a "conspiracy to coordinate, and ultimately constrain, domestic shale oil production, which has had the effect of fixing, raising, and maintaining the price of retail gasoline (gasoline purchased by consumers at gas stations) in and throughout the United States of America."[6]

Price fixing concerns such as those set out by the FTC and in the private class action lawsuit are of significant concern to the United States given the very real risk that collusion can raise energy costs for the federal government and the American people.

First, colluding to reduce output and increase the price of crude oil directly inflates prices that the federal government pays in its current energy planning needs. Since 2022, the United States has purchased 35.6 million barrels of crude oil as part of its plan to refill its Strategic Petroleum Reserve (SPR), which had been drawn down following Vladimir Putin's illegal invasion of Ukraine.[7] In addition to its refilling of the SPR, the federal government is also the largest energy

---

[4] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

[5] "Oil founder's reams of text message and meetings with OPEC weren't collusion, Exxon merger partner says, claiming 'fundamental misunderstanding,'" *Fortune* (May 2, 2024) (online at https://fortune.com/2024/05/02/exxon-pioneer-60-billion-merger-collusion-opec-ftc-oil-gas/).

[6] Class Action Complaint, *Rosenbaum v. Permian Resources Corp.*, No. 2:24-cv-00103 (D. Nev. Jan 12, 2024) (online at https://fingfx.thomsonreuters.com/gfx/legaldocs/klpydgkmovg/Shale-oil-antitrust-202401-Nevada.pdf); *see also* Class Action Complaint, *Andrew Caplen Installations LLC v. Permian Resources Corp.*, No. 2:24-cv-00150 (D. Nev. Jan. 22, 2024) (online at https://images.law.com/contrib/content/uploads/documents/292/174470/Andrew-Caplen-Installations-LLC-v.-Permian-Resources-Corp.-fka-Centennial-Resource-Development-Inc..pdf); Complaint, *Brown v. Permian Resources Corp.*, No. 1:2024-cv-00430 (D. N.M. May 6, 2024) (online at https://dockets.justia.com/docket/new-mexico/nmdce/1:2024cv00430/501422); Josh Sisco, "FTC to approve major Exxon deal—but exclude key executive over OPEC contacts," *Politico* (May 1, 2024) (online at https://www.politico.com/news/2024/05/01/ftc-to-approve-major-exxon-deal-but-exclude-key-executive-00155515).

[7] "U.S. Purchases 3.3 Million Barrels of Oil for Strategic Petroleum Reserve," *Pipeline & Gas Journal* (May 19, 2024) (online at https://pgjonline.com/news/2024/may/us-purchases-33-million-barrels-of-oil-for-strategic-petroleum-reserve#:~:text=U.S.%20Purchases%203.3%20Million%20Barrels%20of%20Oil%20for%20Strategic%20Petroleum%20Reserve,-5%2F19%2F2024&text=(Reuters)%20%E2%80%94%20The%20U.S.%20awarded,of%20Energy%20said%20on%20Friday).

consumer in the United States, currently needing to purchase significant amounts of gasoline and diesel to fuel the U.S. military as well as the massive federal fleet of vehicles.[8]

Second, increased crude prices are passed on to consumers in the form of higher gasoline and home heating oil prices. A 2024 report from the Bureau of Labor Statistics found that higher gasoline prices were one of the main drivers of inflation in March 2024, combining with shelter to "contribute[] over half of the monthly increase in the [consumer price] index."[9] A recent analysis by the Research Director of the American Economic Liberties Project found that illegal crude oil price-fixing schemes may have caused over 25% of the increase in inflation that hurt so many American families throughout 2021 in the wake of the COVID-19 pandemic.[10]

The FTC's findings indicate that Sheffield and Pioneer may not have been the only individual or entity engaging in such collusive activities. For example, the FTC noted that, "[t]hrough public statements, text messages, in-person meetings, WhatsApp conversations and other communications while at Pioneer, Sheffield sought to *align oil production across the Permian Basin in West Texas and New Mexico with OPEC+*."[11] Similarly, the FTC also indicated that Sheffield had discussed with OPEC representatives and officials "his *efforts to coordinate with Texas producers* under a production cut mandated by the Railroad Commission of Texas."[12] In view of the findings against Sheffield, I seek to understand whether other oil producers operating in the United States may also have been coordinating with OPEC and OPEC+ representatives concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products.

Accordingly, to assist the Committee in its investigation, please produce the following documents by no later than July 12, 2024:

---

[8] *See, e.g.*, David Shepardson & Ben Klayman, "U.S. government to end gas-powered vehicle purchases by 2-35 under Biden order," *Reuters* (Dec. 8, 2021) (online at https://www.reuters.com/world/us/biden-pledges-end-gas-powered-federal-vehicle-purchases-by-2035-2021-12-08/#:~:text=The%20order%20noted%20the%20U.S.,to%20be%20clean%20and%20sustainable.%22).

[9] U.S. Bureau of Labor Statistics, *Economic News Release: Consumer Price Index Summary* (June 12, 2024) (online at https://www.bls.gov/news.release/cpi.nr0.htm); Ines Ferré, "Higher gas prices helped drive hotter-than-expected inflation in March," *Yahoo!Finance* (Apr. 10, 2024) (online at https://finance.yahoo.com/news/higher-gas-prices-helped-drive-hotter-than-expected-inflation-in-march-131154274.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAHsy4WiWIJp1uQBwU6VBBvRb_oNaa1Lr-uBYnyh3qYsZpWYHRL34M1Lehmx1LpztjekG8yT4Mqn8PmV8dG7UeQBaH4mM1OYw0MGLfjQtWsO7QUSV-qtbRKpv3-GpmgPseIATFkX3jn0PUekgqQMMMDB5Yq8kniho9IjQkjQ9MCMf).

[10] Matt Stoller, "An Oil Price-Fixing Conspiracy Caused 27% of All Inflation Increases in 2021, *BIG by Matt Stoller* May 3, 2021) (online at https://www.thebignewsletter.com/p/an-oil-price-fixing-conspiracy-caused); Jessica Corbett, "Congress Urged to Tax Big Oil for Price Fixing and 'Issue Every American a Refund,'" *Common Dreams* (May 7, 2024) (online at https://www.commondreams.org/news/exxonmobil-pioneer).

[11] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal) (emphasis added).

[12] *Id.* (emphasis added).

1. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among EOG Resources's corporate and affiliate officers[13] and members of the OPEC Secretariat concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present; and

2. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among EOG Resources's corporate and affiliate officers[14] and national representatives of OPEC and/or OPEC+ countries and/or national oil companies in OPEC/OPEC+ countries concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present.

Thank you for your attention to this important issue. I look forward to further engagement with you on this topic.

* * *

The Senate Committee on the Budget has jurisdiction over Budget Act and budget process legislation, including concurrent resolutions on the budget and legislation changing the content or consideration of budget resolutions. In fulfilling its responsibilities, the Committee has broad authority to investigate the budgetary effects of existing and proposed legislation, as well as matters that affect the content or determination of amounts included in or excluded from the congressional budget or the calculation of such amounts, among other things. If you have any questions regarding this request, please contact Majority Staff at (202) 224-0642.

Sincerely,

Senator Sheldon Whitehouse
Chairman
Senate Committee on the Budget

---

[13] For the avoidance of any doubt, "corporate and affiliate officers" refers to the members of your company's leadership team identified on your website at this link. *See* EOG Resources, *Leadership* (online at https://www.eogresources.com/company/leadership/) (last visited June 25, 2024).

[14] *Id.*

SHELDON WHITEHOUSE, RHODE ISLAND
CHAIRMAN
PATTY MURRAY, WASHINGTON
RON WYDEN, OREGON
DEBBIE STABENOW, MICHIGAN
BERNARD SANDERS, VERMONT
MARK R. WARNER, VIRGINIA
JEFF MERKLEY, OREGON
TIM KAINE, VIRGINIA
CHRIS VAN HOLLEN, MARYLAND
BEN RAY LUJÁN, NEW MEXICO
ALEX PADILLA, CALIFORNIA

United States Senate
COMMITTEE ON THE BUDGET
WASHINGTON, DC 20510–6100
TELEPHONE: (202) 224–0642

CHARLES E. GRASSLEY, IOWA
RANKING REPUBLICAN
MIKE CRAPO, IDAHO
LINDSEY O. GRAHAM, SOUTH CAROLINA
RON JOHNSON, WISCONSIN
MITT ROMNEY, UTAH
ROGER MARSHALL, KANSAS
MIKE BRAUN, INDIANA
JOHN KENNEDY, LOUISIANA
RICK SCOTT, FLORIDA
MIKE LEE, UTAH

June 26, 2024

Mr. Darren Woods
Chairman and Chief Executive Officer
ExxonMobil Corporation
22777 Springwoods Village Parkway
Spring, TX 77389

Dear Mr. Woods:

I write to seek information and documents concerning communications of ExxonMobil Corporation, including but not limited to its subsidiaries XTO Energy Inc., with members of the Secretariat of—and national representatives of countries belonging to—the Organization of the Petroleum Exporting Countries (OPEC)[1] regarding oil production output, crude oil prices, and the relationship between the production and pricing of oil products. Based on recent events involving Pioneer Natural Resources Company (Pioneer), soon to merge with ExxonMobil Corporation (Exxon), I am concerned about the possibility that oil and gas companies could be engaging in collusive, anti-competitive activities with OPEC+ that would raise crude oil prices, resulting in higher costs not only for American families, but also for the U.S. government when it acquires crude oil for the Strategic Petroleum Reserve.

On December 5, 2023, the *Wall Street Journal* reported that the Federal Trade Commission (FTC) had opened an investigation into Exxon's plans to acquire Pioneer, a $64.5 billion deal that would represent the largest fossil fuel merger in twenty years.[2] On May 2, 2024, the FTC issued a Decision and Order in its investigation of the proposed merger. Notably, although FTC resolved its outstanding antitrust concerns, the Decision and Order prohibited former Pioneer CEO Scott Sheffield, one of the company's founders and a current member of its board of directors, from holding a seat on Exxon's board of directors or serving in an advisory capacity for Exxon following the acquisition.[3] As the FTC explained in announcing the Decision and Order, "public statements and private communications," including "hundreds of text messages"

---

[1] For the purposes of this letter, we also include representatives of the so-called OPEC+ countries.

[2] Dave Michaels & Collin Eaton, "FTC Investigates Exxon's $60 Billion Deal for Pioneer," *The Wall Street Journal* (Dec. 5, 2023) (online at https://www.wsj.com/business/energy-oil/ftc-investigating-exxons-60-billion-deal-for-pioneer-e79c9d75); ExxonMobil, *Press Release: ExxonMobil announces merger with Pioneer Natural Resources in an all-stock transaction* (Oct. 11, 2023) (online at https://corporate.exxonmobil.com/news/news-releases/2023/1011_exxonmobil-announces-merger-with-pioneer-natural-resources-in-an-all-stock-transaction).

[3] Decision and Order, *In the Matter of Exxon Mobil Corporation*, Docket No. C-_____ (May 2, 2024) (online at https://www.ftc.gov/system/files/ftc_gov/pdf/2410004exxonpioneerorderredacted.pdf); Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

demonstrated that Sheffield "attempted to collude with the representatives of the Organization of Petroleum Exporting Countries (OPEC) and a related cartel of other oil-producing countries known as OPEC+ to reduce output of oil and gas . . . to inflate profits for his company."[4]

Following the FTC's Decision & Order, *Fortune* reported that Pioneer released a statement noting only that "Sheffield and Pioneer believe that the FTC's complaint reflects a fundamental misunderstanding of the U.S. and global oil markets and misreads the nature and intent of Mr. Sheffield's actions."[5] The FTC's concerns bring added relevance to allegations made in separate, private class action lawsuits filed in January and May 2024 against Pioneer and other oil producers operating in the Permian Basin region that assert that those producers engaged in a "conspiracy to coordinate, and ultimately constrain, domestic shale oil production, which has had the effect of fixing, raising, and maintaining the price of retail gasoline (gasoline purchased by consumers at gas stations) in and throughout the United States of America."[6]

Price fixing concerns such as those set out by the FTC and in the private class action lawsuit are of significant concern to the United States given the very real risk that collusion can raise energy costs for the federal government and the American people.

First, colluding to reduce output and increase the price of crude oil directly inflates prices that the federal government pays in its current energy planning needs. Since 2022, the United States has purchased 35.6 million barrels of crude oil as part of its plan to refill its Strategic Petroleum Reserve (SPR), which had been drawn down following Vladimir Putin's illegal invasion of Ukraine.[7] In addition to its refilling of the SPR, the federal government is also the largest energy

---

[4] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

[5] "Oil founder's reams of text message and meetings with OPEC weren't collusion, Exxon merger partner says, claiming 'fundamental misunderstanding,'" *Fortune* (May 2, 2024) (online at https://fortune.com/2024/05/02/exxon-pioneer-60-billion-merger-collusion-opec-ftc-oil-gas/).

[6] Class Action Complaint, *Rosenbaum v. Permian Resources Corp.*, No. 2:24-cv-00103 (D. Nev. Jan 12, 2024) (online at https://fingfx.thomsonreuters.com/gfx/legaldocs/klpydgkmovg/Shale-oil-antitrust-202401-Nevada.pdf); *see also* Class Action Complaint, *Andrew Caplen Installations LLC v. Permian Resources Corp.*, No. 2:24-cv-00150 (D. Nev. Jan. 22, 2024) (online at https://images.law.com/contrib/content/uploads/documents/292/174470/Andrew-Caplen-Installations-LLC-v.-Permian-Resources-Corp.-fka-Centennial-Resource-Development-Inc..pdf); Complaint, *Brown v. Permian Resources Corp.*, No. 1:2024-cv-00430 (D. N.M. May 6, 2024) (online at https://dockets.justia.com/docket/new-mexico/nmdce/1:2024cv00430/501422); Josh Sisco, "FTC to approve major Exxon deal—but exclude key executive over OPEC contacts," *Politico* (May 1, 2024) (online at https://www.politico.com/news/2024/05/01/ftc-to-approve-major-exxon-deal-but-exclude-key-executive-00155515).

[7] "U.S. Purchases 3.3 Million Barrels of Oil for Strategic Petroleum Reserve," *Pipeline & Gas Journal* (May 19, 2024) (online at https://pgjonline.com/news/2024/may/us-purchases-33-million-barrels-of-oil-for-strategic-petroleum-reserve#:~:text=U.S.%20Purchases%203.3%20Million%20Barrels%20of%20Oil%20for%20Strategic%20Petroleum%20Reserve,-5%2F19%2F2024&text=(Reuters)%20%E2%80%94%20The%20U.S.%20awarded,of%20Energy%20said%20on%20Friday).

consumer in the United States, currently needing to purchase significant amounts of gasoline and diesel to fuel the U.S. military as well as the massive federal fleet of vehicles.[8]

Second, increased crude prices are passed on to consumers in the form of higher gasoline and home heating oil prices. A 2024 report from the Bureau of Labor Statistics found that higher gasoline prices were one of the main drivers of inflation in March 2024, combining with shelter to "contribute[] over half of the monthly increase in the [consumer price] index."[9] A recent analysis by the Research Director of the American Economic Liberties Project found that illegal crude oil price-fixing schemes may have caused over 25% of the increase in inflation that hurt so many American families throughout 2021 in the wake of the COVID-19 pandemic.[10]

The FTC's findings indicate that Sheffield and Pioneer may not have been the only individual or entity engaging in such collusive activities. For example, the FTC noted that, "[t]hrough public statements, text messages, in-person meetings, WhatsApp conversations and other communications while at Pioneer, Sheffield sought to *align oil production across the Permian Basin in West Texas and New Mexico with OPEC+*."[11] Similarly, the FTC also indicated that Sheffield had discussed with OPEC representatives and officials "his *efforts to coordinate with Texas producers* under a production cut mandated by the Railroad Commission of Texas."[12] In view of the findings against Sheffield, I seek to understand whether other oil producers operating in the United States may also have been coordinating with OPEC and OPEC+ representatives concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products.

Accordingly, to assist the Committee in its investigation, please produce the following documents by no later than July 12, 2024:

---

[8] *See, e.g.*, David Shepardson & Ben Klayman, "U.S. government to end gas-powered vehicle purchases by 2-35 under Biden order," *Reuters* (Dec. 8, 2021) (online at https://www.reuters.com/world/us/biden-pledges-end-gas-powered-federal-vehicle-purchases-by-2035-2021-12-08/#:~:text=The%20order%20noted%20the%20U.S.,to%20be%20clean%20and%20sustainable.%22).

[9] U.S. Bureau of Labor Statistics, *Economic News Release: Consumer Price Index Summary* (June 12, 2024) (online at https://www.bls.gov/news.release/cpi.nr0.htm); Ines Ferré, "Higher gas prices helped drive hotter-than-expected inflation in March," *Yahoo!Finance* (Apr. 10, 2024) (online at https://finance.yahoo.com/news/higher-gas-prices-helped-drive-hotter-than-expected-inflation-in-march-131154274.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAHsy4WiWIJp1uQBwU6VBBvRb_oNaa1Lr-uBYnyh3qYsZpWYHRL34M1Lehmx1LpztjekG8yT4Mqn8PmV8dG7UeQBaH4mM1OYw0MGLfjQtWsO7QUSV-qtbRKpv3-GpmgPseIATFkX3jn0PUekgqQMMMDB5Yq8kniho9IjQkjQ9MCMf).

[10] Matt Stoller, "An Oil Price-Fixing Conspiracy Caused 27% of All Inflation Increases in 2021, *BIG by Matt Stoller* May 3, 2021) (online at https://www.thebignewsletter.com/p/an-oil-price-fixing-conspiracy-caused); Jessica Corbett, "Congress Urged to Tax Big Oil for Price Fixing and 'Issue Every American a Refund,'" *Common Dreams* (May 7, 2024) (online at https://www.commondreams.org/news/exxonmobil-pioneer).

[11] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal) (emphasis added).

[12] *Id.* (emphasis added).

1. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among ExxonMobil's corporate and affiliate officers[13] and members of the OPEC Secretariat concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present; and

2. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among ExxonMobil's corporate and affiliate officers[14] and national representatives of OPEC and/or OPEC+ countries and/or national oil companies in OPEC/OPEC+ countries concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present.

Thank you for your attention to this important issue. I look forward to further engagement with you on this topic.

* * *

The Senate Committee on the Budget has jurisdiction over Budget Act and budget process legislation, including concurrent resolutions on the budget and legislation changing the content or consideration of budget resolutions. In fulfilling its responsibilities, the Committee has broad authority to investigate the budgetary effects of existing and proposed legislation, as well as matters that affect the content or determination of amounts included in or excluded from the congressional budget or the calculation of such amounts, among other things. If you have any questions regarding this request, please contact Majority Staff at (202) 224-0642.

Sincerely,

Senator Sheldon Whitehouse
Chairman
Senate Committee on the Budget

---

[13] For the avoidance of any doubt, "corporate and affiliate officers" refers to the members of your company's leadership team identified on your website at this link. *See* ExxonMobil, *Corporate and affiliate officers* (online at https://corporate.exxonmobil.com/corporate-governance/corporate-officers-and-affiliated-companies) (last visited June 18, 2024).

[14] *Id*.

SHELDON WHITEHOUSE, RHODE ISLAND
CHAIRMAN
PATTY MURRAY, WASHINGTON
RON WYDEN, OREGON
DEBBIE STABENOW, MICHIGAN
BERNARD SANDERS, VERMONT
MARK R. WARNER, VIRGINIA
JEFF MERKLEY, OREGON
TIM KAINE, VIRGINIA
CHRIS VAN HOLLEN, MARYLAND
BEN RAY LUJÁN, NEW MEXICO
ALEX PADILLA, CALIFORNIA

United States Senate
COMMITTEE ON THE BUDGET
WASHINGTON, DC 20510–6100
TELEPHONE: (202) 224–0642

CHARLES E. GRASSLEY, IOWA
RANKING REPUBLICAN
MIKE CRAPO, IDAHO
LINDSEY O. GRAHAM, SOUTH CAROLINA
RON JOHNSON, WISCONSIN
MITT ROMNEY, UTAH
ROGER MARSHALL, KANSAS
MIKE BRAUN, INDIANA
JOHN KENNEDY, LOUISIANA
RICK SCOTT, FLORIDA
MIKE LEE, UTAH

June 26, 2024

Mr. John B. Hess
Chief Executive Officer
Hess Corporation
1185 Avenue of the Americas
New York, NY 10036

Dear Mr. Hess:

I write to seek information and documents concerning Hess Corporation's communications with members of the Secretariat of—and national representatives of countries belonging to—the Organization of the Petroleum Exporting Countries (OPEC)[1] regarding oil production output, crude oil prices, and the relationship between the production and pricing of oil products. Based on recent events involving Pioneer Natural Resources Company (Pioneer), soon to merge with ExxonMobil Corporation (Exxon), I am concerned about the possibility that oil and gas companies could be engaging in collusive, anti-competitive activities with OPEC+ that would raise crude oil prices, resulting in higher costs not only for American families, but also for the U.S. government when it acquires crude oil for the Strategic Petroleum Reserve.

On December 5, 2023, the *Wall Street Journal* reported that the Federal Trade Commission (FTC) had opened an investigation into Exxon's plans to acquire Pioneer, a $64.5 billion deal that would represent the largest fossil fuel merger in twenty years.[2] On May 2, 2024, the FTC issued a Decision and Order in its investigation of the proposed merger. Notably, although FTC resolved its outstanding antitrust concerns, the Decision and Order prohibited former Pioneer CEO Scott Sheffield, one of the company's founders and a current member of its board of directors, from holding a seat on Exxon's board of directors or serving in an advisory capacity for Exxon following the acquisition.[3] As the FTC explained in announcing the Decision and Order, "public statements and private communications," including "hundreds of text messages" demonstrated that Sheffield "attempted to collude with the representatives of the Organization of

---

[1] For the purposes of this letter, we also include representatives of the so-called OPEC+ countries.

[2] Dave Michaels & Collin Eaton, "FTC Investigates Exxon's $60 Billion Deal for Pioneer," *The Wall Street Journal* (Dec. 5, 2023) (online at https://www.wsj.com/business/energy-oil/ftc-investigating-exxons-60-billion-deal-for-pioneer-e79c9d75); ExxonMobil, *Press Release: ExxonMobil announces merger with Pioneer Natural Resources in an all-stock transaction* (Oct. 11, 2023) (online at https://corporate.exxonmobil.com/news/news-releases/2023/1011_exxonmobil-announces-merger-with-pioneer-natural-resources-in-an-all-stock-transaction).

[3] Decision and Order, *In the Matter of Exxon Mobil Corporation*, Docket No. C-_____ (May 2, 2024) (online at https://www.ftc.gov/system/files/ftc_gov/pdf/2410004exxonpioneerorderredacted.pdf); Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

Petroleum Exporting Countries (OPEC) and a related cartel of other oil-producing countries known as OPEC+ to reduce output of oil and gas . . . to inflate profits for his company."[4]

Following the FTC's Decision & Order, *Fortune* reported that Pioneer released a statement noting only that "Sheffield and Pioneer believe that the FTC's complaint reflects a fundamental misunderstanding of the U.S. and global oil markets and misreads the nature and intent of Mr. Sheffield's actions."[5] The FTC's concerns bring added relevance to allegations made in separate, private class action lawsuits filed in January and May 2024 against Pioneer and other oil producers operating in the Permian Basin region that assert that those producers engaged in a "conspiracy to coordinate, and ultimately constrain, domestic shale oil production, which has had the effect of fixing, raising, and maintaining the price of retail gasoline (gasoline purchased by consumers at gas stations) in and throughout the United States of America."[6]

Price fixing concerns such as those set out by the FTC and in the private class action lawsuit are of significant concern to the United States given the very real risk that collusion can raise energy costs for the federal government and the American people.

First, colluding to reduce output and increase the price of crude oil directly inflates prices that the federal government pays in its current energy planning needs. Since 2022, the United States has purchased 35.6 million barrels of crude oil as part of its plan to refill its Strategic Petroleum Reserve (SPR), which had been drawn down following Vladimir Putin's illegal invasion of Ukraine.[7] In addition to its refilling of the SPR, the federal government is also the largest energy

---

[4] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

[5] "Oil founder's reams of text message and meetings with OPEC weren't collusion, Exxon merger partner says, claiming 'fundamental misunderstanding,'" *Fortune* (May 2, 2024) (online at https://fortune.com/2024/05/02/exxon-pioneer-60-billion-merger-collusion-opec-ftc-oil-gas/).

[6] Class Action Complaint, *Rosenbaum v. Permian Resources Corp.*, No. 2:24-cv-00103 (D. Nev. Jan 12, 2024) (online at https://fingfx.thomsonreuters.com/gfx/legaldocs/klpydgkmovg/Shale-oil-antitrust-202401-Nevada.pdf); *see also* Class Action Complaint, *Andrew Caplen Installations LLC v. Permian Resources Corp.*, No. 2:24-cv-00150 (D. Nev. Jan. 22, 2024) (online at https://images.law.com/contrib/content/uploads/documents/292/174470/Andrew-Caplen-Installations-LLC-v.-Permian-Resources-Corp.-fka-Centennial-Resource-Development-Inc..pdf); Complaint, *Brown v. Permian Resources Corp.*, No. 1:2024-cv-00430 (D. N.M. May 6, 2024) (online at https://dockets.justia.com/docket/new-mexico/nmdce/1:2024cv00430/501422); Josh Sisco, "FTC to approve major Exxon deal—but exclude key executive over OPEC contacts," *Politico* (May 1, 2024) (online at https://www.politico.com/news/2024/05/01/ftc-to-approve-major-exxon-deal-but-exclude-key-executive-00155515).

[7] "U.S. Purchases 3.3 Million Barrels of Oil for Strategic Petroleum Reserve," *Pipeline & Gas Journal* (May 19, 2024) (online at https://pgjonline.com/news/2024/may/us-purchases-33-million-barrels-of-oil-for-strategic-petroleum-reserve#:~:text=U.S.%20Purchases%203.3%20Million%20Barrels%20of%20Oil%20for%20Strategic%20Petroleum%20Reserve,-5%2F19%2F2024&text=(Reuters)%20%E2%80%94%20The%20U.S.%20awarded,of%20Energy%20said%20on%20Friday).

consumer in the United States, currently needing to purchase significant amounts of gasoline and diesel to fuel the U.S. military as well as the massive federal fleet of vehicles.[8]

Second, increased crude prices are passed on to consumers in the form of higher gasoline and home heating oil prices. A 2024 report from the Bureau of Labor Statistics found that higher gasoline prices were one of the main drivers of inflation in March 2024, combining with shelter to "contribute[] over half of the monthly increase in the [consumer price] index."[9] A recent analysis by the Research Director of the American Economic Liberties Project found that illegal crude oil price-fixing schemes may have caused over 25% of the increase in inflation that hurt so many American families throughout 2021 in the wake of the COVID-19 pandemic.[10]

The FTC's findings indicate that Sheffield and Pioneer may not have been the only individual or entity engaging in such collusive activities. For example, the FTC noted that, "[t]hrough public statements, text messages, in-person meetings, WhatsApp conversations and other communications while at Pioneer, Sheffield sought to *align oil production across the Permian Basin in West Texas and New Mexico with OPEC+*."[11] Similarly, the FTC also indicated that Sheffield had discussed with OPEC representatives and officials "his *efforts to coordinate with Texas producers* under a production cut mandated by the Railroad Commission of Texas."[12] In view of the findings against Sheffield, I seek to understand whether other oil producers operating in the United States may also have been coordinating with OPEC and OPEC+ representatives concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products.

Accordingly, to assist the Committee in its investigation, please produce the following documents by no later than July 12, 2024:

---

[8] *See, e.g.*, David Shepardson & Ben Klayman, "U.S. government to end gas-powered vehicle purchases by 2-35 under Biden order," *Reuters* (Dec. 8, 2021) (online at https://www.reuters.com/world/us/biden-pledges-end-gas-powered-federal-vehicle-purchases-by-2035-2021-12-08/#:~:text=The%20order%20noted%20the%20U.S.,to%20be%20clean%20and%20sustainable.%22).

[9] U.S. Bureau of Labor Statistics, *Economic News Release: Consumer Price Index Summary* (June 12, 2024) (online at https://www.bls.gov/news.release/cpi.nr0.htm); Ines Ferré, "Higher gas prices helped drive hotter-than-expected inflation in March," *Yahoo!Finance* (Apr. 10, 2024) (online at https://finance.yahoo.com/news/higher-gas-prices-helped-drive-hotter-than-expected-inflation-in-march-131154274.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAHsy4WiWIJp1uQBwU6VBBvRb_oNaa1Lr-uBYnyh3qYsZpWYHRL34M1Lehmx1LpztjekG8yT4Mqn8PmV8dG7UeQBaH4mM1OYw0MGLfjQtWsO7QUSV-qtbRKpv3-GpmgPseIATFkX3jn0PUekgqQMMMDB5Yq8kniho9IjQkjQ9MCMf).

[10] Matt Stoller, "An Oil Price-Fixing Conspiracy Caused 27% of All Inflation Increases in 2021, *BIG by Matt Stoller* May 3, 2021) (online at https://www.thebignewsletter.com/p/an-oil-price-fixing-conspiracy-caused); Jessica Corbett, "Congress Urged to Tax Big Oil for Price Fixing and 'Issue Every American a Refund,'" *Common Dreams* (May 7, 2024) (online at https://www.commondreams.org/news/exxonmobil-pioneer).

[11] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal) (emphasis added).

[12] *Id.* (emphasis added).

1. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among Hess Corporation's corporate and affiliate officers[13] and members of the OPEC Secretariat concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present; and

2. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among Hess Corporation's corporate and affiliate officers[14] and national representatives of OPEC and/or OPEC+ countries and/or national oil companies in OPEC/OPEC+ countries concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present.

Thank you for your attention to this important issue. I look forward to further engagement with you on this topic.

* * *

The Senate Committee on the Budget has jurisdiction over Budget Act and budget process legislation, including concurrent resolutions on the budget and legislation changing the content or consideration of budget resolutions. In fulfilling its responsibilities, the Committee has broad authority to investigate the budgetary effects of existing and proposed legislation, as well as matters that affect the content or determination of amounts included in or excluded from the congressional budget or the calculation of such amounts, among other things. If you have any questions regarding this request, please contact Majority Staff at (202) 224-0642.

Sincerely,

Senator Sheldon Whitehouse
Chairman
Senate Committee on the Budget

---

[13] For the avoidance of any doubt, "corporate and affiliate officers" refers to the members of your company's leadership team identified on your website at this link. *See* Hess Corporation, *Leadership* (online at https://investors.hess.com/Company/Media/Leadership) (last visited June 25, 2024).

[14] *Id.*

SHELDON WHITEHOUSE, RHODE ISLAND
CHAIRMAN
PATTY MURRAY, WASHINGTON
RON WYDEN, OREGON
DEBBIE STABENOW, MICHIGAN
BERNARD SANDERS, VERMONT
MARK R. WARNER, VIRGINIA
JEFF MERKLEY, OREGON
TIM KAINE, VIRGINIA
CHRIS VAN HOLLEN, MARYLAND
BEN RAY LUJÁN, NEW MEXICO
ALEX PADILLA, CALIFORNIA

United States Senate
COMMITTEE ON THE BUDGET
WASHINGTON, DC 20510–6100
TELEPHONE: (202) 224–0642

CHARLES E. GRASSLEY, IOWA
RANKING REPUBLICAN
MIKE CRAPO, IDAHO
LINDSEY O. GRAHAM, SOUTH CAROLINA
RON JOHNSON, WISCONSIN
MITT ROMNEY, UTAH
ROGER MARSHALL, KANSAS
MIKE BRAUN, INDIANA
JOHN KENNEDY, LOUISIANA
RICK SCOTT, FLORIDA
MIKE LEE, UTAH

June 26, 2024

Mr. Michael J. Hennigan
Chief Executive Officer
Marathon Petroleum Corporation
539 South Main Street
Findlay, OH 45840

Dear Mr. Hennigan:

I write to seek information and documents concerning Marathon Petroleum's communications with members of the Secretariat of—and national representatives of countries belonging to—the Organization of the Petroleum Exporting Countries (OPEC)[1] regarding oil production output, crude oil prices, and the relationship between the production and pricing of oil products. Based on recent events involving Pioneer Natural Resources Company (Pioneer), soon to merge with ExxonMobil Corporation (Exxon), I am concerned about the possibility that oil and gas companies could be engaging in collusive, anti-competitive activities with OPEC+ that would raise crude oil prices, resulting in higher costs not only for American families, but also for the U.S. government when it acquires crude oil for the Strategic Petroleum Reserve.

On December 5, 2023, the *Wall Street Journal* reported that the Federal Trade Commission (FTC) had opened an investigation into Exxon's plans to acquire Pioneer, a $64.5 billion deal that would represent the largest fossil fuel merger in twenty years.[2] On May 2, 2024, the FTC issued a Decision and Order in its investigation of the proposed merger. Notably, although FTC resolved its outstanding antitrust concerns, the Decision and Order prohibited former Pioneer CEO Scott Sheffield, one of the company's founders and a current member of its board of directors, from holding a seat on Exxon's board of directors or serving in an advisory capacity for Exxon following the acquisition.[3] As the FTC explained in announcing the Decision and Order, "public statements and private communications," including "hundreds of text messages" demonstrated that Sheffield "attempted to collude with the representatives of the Organization of

---

[1] For the purposes of this letter, we also include representatives of the so-called OPEC+ countries.

[2] Dave Michaels & Collin Eaton, "FTC Investigates Exxon's $60 Billion Deal for Pioneer," *The Wall Street Journal* (Dec. 5, 2023) (online at https://www.wsj.com/business/energy-oil/ftc-investigating-exxons-60-billion-deal-for-pioneer-e79c9d75); ExxonMobil, *Press Release: ExxonMobil announces merger with Pioneer Natural Resources in an all-stock transaction* (Oct. 11, 2023) (online at https://corporate.exxonmobil.com/news/news-releases/2023/1011_exxonmobil-announces-merger-with-pioneer-natural-resources-in-an-all-stock-transaction).

[3] Decision and Order, *In the Matter of Exxon Mobil Corporation*, Docket No. C-_____ (May 2, 2024) (online at https://www.ftc.gov/system/files/ftc_gov/pdf/2410004exxonpioneerorderredacted.pdf); Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

Petroleum Exporting Countries (OPEC) and a related cartel of other oil-producing countries known as OPEC+ to reduce output of oil and gas . . . to inflate profits for his company."[4]

Following the FTC's Decision & Order, *Fortune* reported that Pioneer released a statement noting only that "Sheffield and Pioneer believe that the FTC's complaint reflects a fundamental misunderstanding of the U.S. and global oil markets and misreads the nature and intent of Mr. Sheffield's actions."[5] The FTC's concerns bring added relevance to allegations made in separate, private class action lawsuits filed in January and May 2024 against Pioneer and other oil producers operating in the Permian Basin region that assert that those producers engaged in a "conspiracy to coordinate, and ultimately constrain, domestic shale oil production, which has had the effect of fixing, raising, and maintaining the price of retail gasoline (gasoline purchased by consumers at gas stations) in and throughout the United States of America."[6]

Price fixing concerns such as those set out by the FTC and in the private class action lawsuit are of significant concern to the United States given the very real risk that collusion can raise energy costs for the federal government and the American people.

First, colluding to reduce output and increase the price of crude oil directly inflates prices that the federal government pays in its current energy planning needs. Since 2022, the United States has purchased 35.6 million barrels of crude oil as part of its plan to refill its Strategic Petroleum Reserve (SPR), which had been drawn down following Vladimir Putin's illegal invasion of Ukraine.[7] In addition to its refilling of the SPR, the federal government is also the largest energy

---

[4] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

[5] "Oil founder's reams of text message and meetings with OPEC weren't collusion, Exxon merger partner says, claiming 'fundamental misunderstanding,'" *Fortune* (May 2, 2024) (online at https://fortune.com/2024/05/02/exxon-pioneer-60-billion-merger-collusion-opec-ftc-oil-gas/).

[6] Class Action Complaint, *Rosenbaum v. Permian Resources Corp.*, No. 2:24-cv-00103 (D. Nev. Jan 12, 2024) (online at https://fingfx.thomsonreuters.com/gfx/legaldocs/klpydgkmovg/Shale-oil-antitrust-202401-Nevada.pdf); *see also* Class Action Complaint, *Andrew Caplen Installations LLC v. Permian Resources Corp.*, No. 2:24-cv-00150 (D. Nev. Jan. 22, 2024) (online at https://images.law.com/contrib/content/uploads/documents/292/174470/Andrew-Caplen-Installations-LLC-v.-Permian-Resources-Corp.-fka-Centennial-Resource-Development-Inc..pdf); Complaint, *Brown v. Permian Resources Corp.*, No. 1:2024-cv-00430 (D. N.M. May 6, 2024) (online at https://dockets.justia.com/docket/new-mexico/nmdce/1:2024cv00430/501422); Josh Sisco, "FTC to approve major Exxon deal—but exclude key executive over OPEC contacts," *Politico* (May 1, 2024) (online at https://www.politico.com/news/2024/05/01/ftc-to-approve-major-exxon-deal-but-exclude-key-executive-00155515).

[7] "U.S. Purchases 3.3 Million Barrels of Oil for Strategic Petroleum Reserve," *Pipeline & Gas Journal* (May 19, 2024) (online at https://pgjonline.com/news/2024/may/us-purchases-33-million-barrels-of-oil-for-strategic-petroleum-reserve#:~:text=U.S.%20Purchases%203.3%20Million%20Barrels%20of%20Oil%20for%20Strategic%20Petroleum%20Reserve,-5%2F19%2F2024&text=(Reuters)%20%E2%80%94%20The%20U.S.%20awarded,of%20Energy%20said%20on%20Friday).

consumer in the United States, currently needing to purchase significant amounts of gasoline and diesel to fuel the U.S. military as well as the massive federal fleet of vehicles.[8]

Second, increased crude prices are passed on to consumers in the form of higher gasoline and home heating oil prices. A 2024 report from the Bureau of Labor Statistics found that higher gasoline prices were one of the main drivers of inflation in March 2024, combining with shelter to "contribute[] over half of the monthly increase in the [consumer price] index."[9] A recent analysis by the Research Director of the American Economic Liberties Project found that illegal crude oil price-fixing schemes may have caused over 25% of the increase in inflation that hurt so many American families throughout 2021 in the wake of the COVID-19 pandemic.[10]

The FTC's findings indicate that Sheffield and Pioneer may not have been the only individual or entity engaging in such collusive activities. For example, the FTC noted that, "[t]hrough public statements, text messages, in-person meetings, WhatsApp conversations and other communications while at Pioneer, Sheffield sought to *align oil production across the Permian Basin in West Texas and New Mexico with OPEC+*."[11] Similarly, the FTC also indicated that Sheffield had discussed with OPEC representatives and officials "his *efforts to coordinate with Texas producers* under a production cut mandated by the Railroad Commission of Texas."[12] In view of the findings against Sheffield, I seek to understand whether other oil producers operating in the United States may also have been coordinating with OPEC and OPEC+ representatives concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products.

Accordingly, to assist the Committee in its investigation, please produce the following documents by no later than July 12, 2024:

---

[8] *See, e.g.*, David Shepardson & Ben Klayman, "U.S. government to end gas-powered vehicle purchases by 2-35 under Biden order," *Reuters* (Dec. 8, 2021) (online at https://www.reuters.com/world/us/biden-pledges-end-gas-powered-federal-vehicle-purchases-by-2035-2021-12-08/#:~:text=The%20order%20noted%20the%20U.S.,to%20be%20clean%20and%20sustainable.%22).

[9] U.S. Bureau of Labor Statistics, *Economic News Release: Consumer Price Index Summary* (June 12, 2024) (online at https://www.bls.gov/news.release/cpi.nr0.htm); Ines Ferré, "Higher gas prices helped drive hotter-than-expected inflation in March," *Yahoo!Finance* (Apr. 10, 2024) (online at https://finance.yahoo.com/news/higher-gas-prices-helped-drive-hotter-than-expected-inflation-in-march-131154274.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAHsy4WiWIJp1uQBwU6VBBvRb_oNaa1Lr-uBYnyh3qYsZpWYHRL34M1Lehmx1LpztjekG8yT4Mqn8PmV8dG7UeQBaH4mM1OYw0MGLfjQtWsO7QUSV-qtbRKpv3-GpmgPseIATFkX3jn0PUekgqQMMMDB5Yq8kniho9IjQkjQ9MCMf).

[10] Matt Stoller, "An Oil Price-Fixing Conspiracy Caused 27% of All Inflation Increases in 2021, *BIG by Matt Stoller* May 3, 2021) (online at https://www.thebignewsletter.com/p/an-oil-price-fixing-conspiracy-caused); Jessica Corbett, "Congress Urged to Tax Big Oil for Price Fixing and 'Issue Every American a Refund,'" *Common Dreams* (May 7, 2024) (online at https://www.commondreams.org/news/exxonmobil-pioneer).

[11] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal) (emphasis added).

[12] *Id.* (emphasis added).

1. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among Marathon Petroleum's corporate and affiliate officers[13] and members of the OPEC Secretariat concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present; and

2. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among Marathon Petroleum's corporate and affiliate officers[14] and national representatives of OPEC and/or OPEC+ countries and/or national oil companies in OPEC/OPEC+ countries concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present.

Thank you for your attention to this important issue. I look forward to further engagement with you on this topic.

* * *

The Senate Committee on the Budget has jurisdiction over Budget Act and budget process legislation, including concurrent resolutions on the budget and legislation changing the content or consideration of budget resolutions. In fulfilling its responsibilities, the Committee has broad authority to investigate the budgetary effects of existing and proposed legislation, as well as matters that affect the content or determination of amounts included in or excluded from the congressional budget or the calculation of such amounts, among other things. If you have any questions regarding this request, please contact Majority Staff at (202) 224-0642.

Sincerely,

Senator Sheldon Whitehouse
Chairman
Senate Committee on the Budget

---

[13] For the avoidance of any doubt, "corporate and affiliate officers" refers to the members of your company's leadership team identified on your website at this link. *See* Marathon Petroleum, *Leadership* (online at https://www.marathonpetroleum.com/About/Leadership/) (last visited June 25, 2024).

[14] *Id.*

SHELDON WHITEHOUSE, RHODE ISLAND
CHAIRMAN
PATTY MURRAY, WASHINGTON
RON WYDEN, OREGON
DEBBIE STABENOW, MICHIGAN
BERNARD SANDERS, VERMONT
MARK R. WARNER, VIRGINIA
JEFF MERKLEY, OREGON
TIM KAINE, VIRGINIA
CHRIS VAN HOLLEN, MARYLAND
BEN RAY LUJÁN, NEW MEXICO
ALEX PADILLA, CALIFORNIA

United States Senate
COMMITTEE ON THE BUDGET
WASHINGTON, DC 20510–6100
TELEPHONE: (202) 224–0642

CHARLES E. GRASSLEY, IOWA
RANKING REPUBLICAN
MIKE CRAPO, IDAHO
LINDSEY O. GRAHAM, SOUTH CAROLINA
RON JOHNSON, WISCONSIN
MITT ROMNEY, UTAH
ROGER MARSHALL, KANSAS
MIKE BRAUN, INDIANA
JOHN KENNEDY, LOUISIANA
RICK SCOTT, FLORIDA
MIKE LEE, UTAH

June 26, 2024

Ms. Vicki Hollub
President and Chief Executive Officer
Occidental Petroleum Corporation
5 Greenway Plaza
Houston, TX 77046

Dear Ms. Hollub:

I write to seek information and documents concerning communications of Occidental Petroleum, including but not limited to its subsidiary Anadarko, with members of the Secretariat of—and national representatives of countries belonging to—the Organization of the Petroleum Exporting Countries (OPEC)[1] regarding oil production output, crude oil prices, and the relationship between the production and pricing of oil products. Based on recent events involving Pioneer Natural Resources Company (Pioneer), soon to merge with ExxonMobil Corporation (Exxon), I am concerned about the possibility that oil and gas companies could be engaging in collusive, anti-competitive activities with OPEC+ that would raise crude oil prices, resulting in higher costs not only for American families, but also for the U.S. government when it acquires crude oil for the Strategic Petroleum Reserve.

On December 5, 2023, the *Wall Street Journal* reported that the Federal Trade Commission (FTC) had opened an investigation into Exxon's plans to acquire Pioneer, a $64.5 billion deal that would represent the largest fossil fuel merger in twenty years.[2] On May 2, 2024, the FTC issued a Decision and Order in its investigation of the proposed merger. Notably, although FTC resolved its outstanding antitrust concerns, the Decision and Order prohibited former Pioneer CEO Scott Sheffield, one of the company's founders and a current member of its board of directors, from holding a seat on Exxon's board of directors or serving in an advisory capacity for Exxon following the acquisition.[3] As the FTC explained in announcing the Decision and Order, "public statements and private communications," including "hundreds of text messages" demonstrated that Sheffield "attempted to collude with the representatives of the Organization of

---

[1] For the purposes of this letter, we also include representatives of the so-called OPEC+ countries.

[2] Dave Michaels & Collin Eaton, "FTC Investigates Exxon's $60 Billion Deal for Pioneer," *The Wall Street Journal* (Dec. 5, 2023) (online at https://www.wsj.com/business/energy-oil/ftc-investigating-exxons-60-billion-deal-for-pioneer-e79c9d75); ExxonMobil, *Press Release: ExxonMobil announces merger with Pioneer Natural Resources in an all-stock transaction* (Oct. 11, 2023) (online at https://corporate.exxonmobil.com/news/news-releases/2023/1011_exxonmobil-announces-merger-with-pioneer-natural-resources-in-an-all-stock-transaction).

[3] Decision and Order, *In the Matter of Exxon Mobil Corporation*, Docket No. C-_____ (May 2, 2024) (online at https://www.ftc.gov/system/files/ftc_gov/pdf/2410004exxonpioneerorderredacted.pdf); Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

Petroleum Exporting Countries (OPEC) and a related cartel of other oil-producing countries known as OPEC+ to reduce output of oil and gas . . . to inflate profits for his company."[4]

Following the FTC's Decision & Order, *Fortune* reported that Pioneer released a statement noting only that "Sheffield and Pioneer believe that the FTC's complaint reflects a fundamental misunderstanding of the U.S. and global oil markets and misreads the nature and intent of Mr. Sheffield's actions."[5] The FTC's concerns bring added relevance to allegations made in separate, private class action lawsuits filed in January and May 2024 against Pioneer and other oil producers operating in the Permian Basin region that assert that those producers engaged in a "conspiracy to coordinate, and ultimately constrain, domestic shale oil production, which has had the effect of fixing, raising, and maintaining the price of retail gasoline (gasoline purchased by consumers at gas stations) in and throughout the United States of America."[6]

Price fixing concerns such as those set out by the FTC and in the private class action lawsuit are of significant concern to the United States given the very real risk that collusion can raise energy costs for the federal government and the American people.

First, colluding to reduce output and increase the price of crude oil directly inflates prices that the federal government pays in its current energy planning needs. Since 2022, the United States has purchased 35.6 million barrels of crude oil as part of its plan to refill its Strategic Petroleum Reserve (SPR), which had been drawn down following Vladimir Putin's illegal invasion of Ukraine.[7] In addition to its refilling of the SPR, the federal government is also the largest energy

---

[4] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

[5] "Oil founder's reams of text message and meetings with OPEC weren't collusion, Exxon merger partner says, claiming 'fundamental misunderstanding,'" *Fortune* (May 2, 2024) (online at https://fortune.com/2024/05/02/exxon-pioneer-60-billion-merger-collusion-opec-ftc-oil-gas/).

[6] Class Action Complaint, *Rosenbaum v. Permian Resources Corp.*, No. 2:24-cv-00103 (D. Nev. Jan 12, 2024) (online at https://fingfx.thomsonreuters.com/gfx/legaldocs/klpydgkmovg/Shale-oil-antitrust-202401-Nevada.pdf); *see also* Class Action Complaint, *Andrew Caplen Installations LLC v. Permian Resources Corp.*, No. 2:24-cv-00150 (D. Nev. Jan. 22, 2024) (online at https://images.law.com/contrib/content/uploads/documents/292/174470/Andrew-Caplen-Installations-LLC-v.-Permian-Resources-Corp.-fka-Centennial-Resource-Development-Inc..pdf); Complaint, *Brown v. Permian Resources Corp.*, No. 1:2024-cv-00430 (D. N.M. May 6, 2024) (online at https://dockets.justia.com/docket/new-mexico/nmdce/1:2024cv00430/501422); Josh Sisco, "FTC to approve major Exxon deal—but exclude key executive over OPEC contacts," *Politico* (May 1, 2024) (online at https://www.politico.com/news/2024/05/01/ftc-to-approve-major-exxon-deal-but-exclude-key-executive-00155515).

[7] "U.S. Purchases 3.3 Million Barrels of Oil for Strategic Petroleum Reserve," *Pipeline & Gas Journal* (May 19, 2024) (online at https://pgjonline.com/news/2024/may/us-purchases-33-million-barrels-of-oil-for-strategic-petroleum-reserve#:~:text=U.S.%20Purchases%203.3%20Million%20Barrels%20of%20Oil%20for%20Strategic%20Petroleum%20Reserve,-5%2F19%2F2024&text=(Reuters)%20%E2%80%94%20The%20U.S.%20awarded,of%20Energy%20said%20on%20Friday).

consumer in the United States, currently needing to purchase significant amounts of gasoline and diesel to fuel the U.S. military as well as the massive federal fleet of vehicles.[8]

Second, increased crude prices are passed on to consumers in the form of higher gasoline and home heating oil prices. A 2024 report from the Bureau of Labor Statistics found that higher gasoline prices were one of the main drivers of inflation in March 2024, combining with shelter to "contribute[] over half of the monthly increase in the [consumer price] index."[9] A recent analysis by the Research Director of the American Economic Liberties Project found that illegal crude oil price-fixing schemes may have caused over 25% of the increase in inflation that hurt so many American families throughout 2021 in the wake of the COVID-19 pandemic.[10]

The FTC's findings indicate that Sheffield and Pioneer may not have been the only individual or entity engaging in such collusive activities. For example, the FTC noted that, "[t]hrough public statements, text messages, in-person meetings, WhatsApp conversations and other communications while at Pioneer, Sheffield sought to *align oil production across the Permian Basin in West Texas and New Mexico with OPEC+*."[11] Similarly, the FTC also indicated that Sheffield had discussed with OPEC representatives and officials "his *efforts to coordinate with Texas producers* under a production cut mandated by the Railroad Commission of Texas."[12] In view of the findings against Sheffield, I seek to understand whether other oil producers operating in the United States may also have been coordinating with OPEC and OPEC+ representatives concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products.

Accordingly, to assist the Committee in its investigation, please produce the following documents by no later than July 12, 2024:

---

[8] *See, e.g.*, David Shepardson & Ben Klayman, "U.S. government to end gas-powered vehicle purchases by 2-35 under Biden order," *Reuters* (Dec. 8, 2021) (online at https://www.reuters.com/world/us/biden-pledges-end-gas-powered-federal-vehicle-purchases-by-2035-2021-12-08/#:~:text=The%20order%20noted%20the%20U.S.,to%20be%20clean%20and%20sustainable.%22).

[9] U.S. Bureau of Labor Statistics, *Economic News Release: Consumer Price Index Summary* (June 12, 2024) (online at https://www.bls.gov/news.release/cpi.nr0.htm); Ines Ferré, "Higher gas prices helped drive hotter-than-expected inflation in March," *Yahoo!Finance* (Apr. 10, 2024) (online at https://finance.yahoo.com/news/higher-gas-prices-helped-drive-hotter-than-expected-inflation-in-march-131154274.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAHsy4WiWIJp1uQBwU6VBBvRb_oNaa1Lr-uBYnyh3qYsZpWYHRL34M1Lehmx1LpztjekG8yT4Mqn8PmV8dG7UeQBaH4mM1OYw0MGLfjQtWsO7QUSV-qtbRKpv3-GpmgPseIATFkX3jn0PUekgqQMMMDB5Yq8kniho9IjQkjQ9MCMf).

[10] Matt Stoller, "An Oil Price-Fixing Conspiracy Caused 27% of All Inflation Increases in 2021, *BIG by Matt Stoller* May 3, 2021) (online at https://www.thebignewsletter.com/p/an-oil-price-fixing-conspiracy-caused); Jessica Corbett, "Congress Urged to Tax Big Oil for Price Fixing and 'Issue Every American a Refund,'" *Common Dreams* (May 7, 2024) (online at https://www.commondreams.org/news/exxonmobil-pioneer).

[11] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal) (emphasis added).

[12] *Id.* (emphasis added).

1. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among Occidental Petroleum's corporate and affiliate officers[13] and members of the OPEC Secretariat concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present; and

2. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among Occidental Petroleum's corporate and affiliate officers[14] and national representatives of OPEC and/or OPEC+ countries and/or national oil companies in OPEC/OPEC+ countries concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present.

Thank you for your attention to this important issue. I look forward to further engagement with you on this topic.

* * *

The Senate Committee on the Budget has jurisdiction over Budget Act and budget process legislation, including concurrent resolutions on the budget and legislation changing the content or consideration of budget resolutions. In fulfilling its responsibilities, the Committee has broad authority to investigate the budgetary effects of existing and proposed legislation, as well as matters that affect the content or determination of amounts included in or excluded from the congressional budget or the calculation of such amounts, among other things. If you have any questions regarding this request, please contact Majority Staff at (202) 224-0642.

Sincerely,

Senator Sheldon Whitehouse
Chairman
Senate Committee on the Budget

---

[13] For the avoidance of any doubt, "corporate and affiliate officers" refers to the members of your company's leadership team identified on your website at this link. *See* Occidental Petroleum, *Leadership* (online at https://www.oxy.com/about/leadership/) (last visited June 25, 2024).

[14] *Id*.

SHELDON WHITEHOUSE, RHODE ISLAND
CHAIRMAN
PATTY MURRAY, WASHINGTON
RON WYDEN, OREGON
DEBBIE STABENOW, MICHIGAN
BERNARD SANDERS, VERMONT
MARK R. WARNER, VIRGINIA
JEFF MERKLEY, OREGON
TIM KAINE, VIRGINIA
CHRIS VAN HOLLEN, MARYLAND
BEN RAY LUJÁN, NEW MEXICO
ALEX PADILLA, CALIFORNIA

United States Senate
COMMITTEE ON THE BUDGET
WASHINGTON, DC 20510–6100
TELEPHONE: (202) 224–0642

CHARLES E. GRASSLEY, IOWA
RANKING REPUBLICAN
MIKE CRAPO, IDAHO
LINDSEY O. GRAHAM, SOUTH CAROLINA
RON JOHNSON, WISCONSIN
MITT ROMNEY, UTAH
ROGER MARSHALL, KANSAS
MIKE BRAUN, INDIANA
JOHN KENNEDY, LOUISIANA
RICK SCOTT, FLORIDA
MIKE LEE, UTAH

June 26, 2024

Mr. Brendan McCracken
President and Chief Executive Officer
Ovintiv, Inc.
370 17th Street
Denver, CO 80202

Dear Mr. McCracken:

I write to seek information and documents concerning Ovintiv's communications with members of the Secretariat of—and national representatives of countries belonging to—the Organization of the Petroleum Exporting Countries (OPEC)[1] regarding oil production output, crude oil prices, and the relationship between the production and pricing of oil products. Based on recent events involving Pioneer Natural Resources Company (Pioneer), soon to merge with ExxonMobil Corporation (Exxon), I am concerned about the possibility that oil and gas companies could be engaging in collusive, anti-competitive activities with OPEC+ that would raise crude oil prices, resulting in higher costs not only for American families, but also for the U.S. government when it acquires crude oil for the Strategic Petroleum Reserve.

On December 5, 2023, the *Wall Street Journal* reported that the Federal Trade Commission (FTC) had opened an investigation into Exxon's plans to acquire Pioneer, a $64.5 billion deal that would represent the largest fossil fuel merger in twenty years.[2] On May 2, 2024, the FTC issued a Decision and Order in its investigation of the proposed merger. Notably, although FTC resolved its outstanding antitrust concerns, the Decision and Order prohibited former Pioneer CEO Scott Sheffield, one of the company's founders and a current member of its board of directors, from holding a seat on Exxon's board of directors or serving in an advisory capacity for Exxon following the acquisition.[3] As the FTC explained in announcing the Decision and Order, "public statements and private communications," including "hundreds of text messages" demonstrated that Sheffield "attempted to collude with the representatives of the Organization of

---

[1] For the purposes of this letter, we also include representatives of the so-called OPEC+ countries.

[2] Dave Michaels & Collin Eaton, "FTC Investigates Exxon's $60 Billion Deal for Pioneer," *The Wall Street Journal* (Dec. 5, 2023) (online at https://www.wsj.com/business/energy-oil/ftc-investigating-exxons-60-billion-deal-for-pioneer-e79c9d75); ExxonMobil, *Press Release: ExxonMobil announces merger with Pioneer Natural Resources in an all-stock transaction* (Oct. 11, 2023) (online at https://corporate.exxonmobil.com/news/news-releases/2023/1011_exxonmobil-announces-merger-with-pioneer-natural-resources-in-an-all-stock-transaction).

[3] Decision and Order, *In the Matter of Exxon Mobil Corporation*, Docket No. C-_____ (May 2, 2024) (online at https://www.ftc.gov/system/files/ftc_gov/pdf/2410004exxonpioneerorderredacted.pdf); Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

Petroleum Exporting Countries (OPEC) and a related cartel of other oil-producing countries known as OPEC+ to reduce output of oil and gas . . . to inflate profits for his company."[4]

Following the FTC's Decision & Order, *Fortune* reported that Pioneer released a statement noting only that "Sheffield and Pioneer believe that the FTC's complaint reflects a fundamental misunderstanding of the U.S. and global oil markets and misreads the nature and intent of Mr. Sheffield's actions."[5] The FTC's concerns bring added relevance to allegations made in separate, private class action lawsuits filed in January and May 2024 against Pioneer and other oil producers operating in the Permian Basin region that assert that those producers engaged in a "conspiracy to coordinate, and ultimately constrain, domestic shale oil production, which has had the effect of fixing, raising, and maintaining the price of retail gasoline (gasoline purchased by consumers at gas stations) in and throughout the United States of America."[6]

Price fixing concerns such as those set out by the FTC and in the private class action lawsuit are of significant concern to the United States given the very real risk that collusion can raise energy costs for the federal government and the American people.

First, colluding to reduce output and increase the price of crude oil directly inflates prices that the federal government pays in its current energy planning needs. Since 2022, the United States has purchased 35.6 million barrels of crude oil as part of its plan to refill its Strategic Petroleum Reserve (SPR), which had been drawn down following Vladimir Putin's illegal invasion of Ukraine.[7] In addition to its refilling of the SPR, the federal government is also the largest energy

---

[4] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

[5] "Oil founder's reams of text message and meetings with OPEC weren't collusion, Exxon merger partner says, claiming 'fundamental misunderstanding,'" *Fortune* (May 2, 2024) (online at https://fortune.com/2024/05/02/exxon-pioneer-60-billion-merger-collusion-opec-ftc-oil-gas/).

[6] Class Action Complaint, *Rosenbaum v. Permian Resources Corp.*, No. 2:24-cv-00103 (D. Nev. Jan 12, 2024) (online at https://fingfx.thomsonreuters.com/gfx/legaldocs/klpydgkmovg/Shale-oil-antitrust-202401-Nevada.pdf); *see also* Class Action Complaint, *Andrew Caplen Installations LLC v. Permian Resources Corp.*, No. 2:24-cv-00150 (D. Nev. Jan. 22, 2024) (online at https://images.law.com/contrib/content/uploads/documents/292/174470/Andrew-Caplen-Installations-LLC-v.-Permian-Resources-Corp.-fka-Centennial-Resource-Development-Inc..pdf); Complaint, *Brown v. Permian Resources Corp.*, No. 1:2024-cv-00430 (D. N.M. May 6, 2024) (online at https://dockets.justia.com/docket/new-mexico/nmdce/1:2024cv00430/501422); Josh Sisco, "FTC to approve major Exxon deal—but exclude key executive over OPEC contacts," *Politico* (May 1, 2024) (online at https://www.politico.com/news/2024/05/01/ftc-to-approve-major-exxon-deal-but-exclude-key-executive-00155515).

[7] "U.S. Purchases 3.3 Million Barrels of Oil for Strategic Petroleum Reserve," *Pipeline & Gas Journal* (May 19, 2024) (online at https://pgjonline.com/news/2024/may/us-purchases-33-million-barrels-of-oil-for-strategic-petroleum-reserve#:~:text=U.S.%20Purchases%203.3%20Million%20Barrels%20of%20Oil%20for%20Strategic%20Petroleum%20Reserve,-5%2F19%2F2024&text=(Reuters)%20%E2%80%94%20The%20U.S.%20awarded,of%20Energy%20said%20on%20Friday).

consumer in the United States, currently needing to purchase significant amounts of gasoline and diesel to fuel the U.S. military as well as the massive federal fleet of vehicles.[8]

Second, increased crude prices are passed on to consumers in the form of higher gasoline and home heating oil prices. A 2024 report from the Bureau of Labor Statistics found that higher gasoline prices were one of the main drivers of inflation in March 2024, combining with shelter to "contribute[] over half of the monthly increase in the [consumer price] index."[9] A recent analysis by the Research Director of the American Economic Liberties Project found that illegal crude oil price-fixing schemes may have caused over 25% of the increase in inflation that hurt so many American families throughout 2021 in the wake of the COVID-19 pandemic.[10]

The FTC's findings indicate that Sheffield and Pioneer may not have been the only individual or entity engaging in such collusive activities. For example, the FTC noted that, "[t]hrough public statements, text messages, in-person meetings, WhatsApp conversations and other communications while at Pioneer, Sheffield sought to *align oil production across the Permian Basin in West Texas and New Mexico with OPEC+*."[11] Similarly, the FTC also indicated that Sheffield had discussed with OPEC representatives and officials "his *efforts to coordinate with Texas producers* under a production cut mandated by the Railroad Commission of Texas."[12] In view of the findings against Sheffield, I seek to understand whether other oil producers operating in the United States may also have been coordinating with OPEC and OPEC+ representatives concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products.

Accordingly, to assist the Committee in its investigation, please produce the following documents by no later than July 12, 2024:

---

[8] *See, e.g.*, David Shepardson & Ben Klayman, "U.S. government to end gas-powered vehicle purchases by 2-35 under Biden order," *Reuters* (Dec. 8, 2021) (online at https://www.reuters.com/world/us/biden-pledges-end-gas-powered-federal-vehicle-purchases-by-2035-2021-12-08/#:~:text=The%20order%20noted%20the%20U.S.,to%20be%20clean%20and%20sustainable.%22).

[9] U.S. Bureau of Labor Statistics, *Economic News Release: Consumer Price Index Summary* (June 12, 2024) (online at https://www.bls.gov/news.release/cpi.nr0.htm); Ines Ferré, "Higher gas prices helped drive hotter-than-expected inflation in March," *Yahoo!Finance* (Apr. 10, 2024) (online at https://finance.yahoo.com/news/higher-gas-prices-helped-drive-hotter-than-expected-inflation-in-march-131154274.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAHsy4WiWIJp1uQBwU6VBBvRb_oNaa1Lr-uBYnyh3qYsZpWYHRL34M1Lehmx1LpztjekG8yT4Mqn8PmV8dG7UeQBaH4mM1OYw0MGLfjQtWsO7QUSV-qtbRKpv3-GpmgPseIATFkX3jn0PUekgqQMMMDB5Yq8kniho9IjQkjQ9MCMf).

[10] Matt Stoller, "An Oil Price-Fixing Conspiracy Caused 27% of All Inflation Increases in 2021, *BIG by Matt Stoller* May 3, 2021) (online at https://www.thebignewsletter.com/p/an-oil-price-fixing-conspiracy-caused); Jessica Corbett, "Congress Urged to Tax Big Oil for Price Fixing and 'Issue Every American a Refund,'" *Common Dreams* (May 7, 2024) (online at https://www.commondreams.org/news/exxonmobil-pioneer).

[11] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal) (emphasis added).

[12] *Id.* (emphasis added).

1. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among Ovintiv's corporate and affiliate officers[13] and members of the OPEC Secretariat concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present; and

2. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among Ovintiv's corporate and affiliate officers[14] and national representatives of OPEC and/or OPEC+ countries and/or national oil companies in OPEC/OPEC+ countries concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present.

Thank you for your attention to this important issue. I look forward to further engagement with you on this topic.

* * *

The Senate Committee on the Budget has jurisdiction over Budget Act and budget process legislation, including concurrent resolutions on the budget and legislation changing the content or consideration of budget resolutions. In fulfilling its responsibilities, the Committee has broad authority to investigate the budgetary effects of existing and proposed legislation, as well as matters that affect the content or determination of amounts included in or excluded from the congressional budget or the calculation of such amounts, among other things. If you have any questions regarding this request, please contact Majority Staff at (202) 224-0642.

Sincerely,

Senator Sheldon Whitehouse
Chairman
Senate Committee on the Budget

---

[13] For the avoidance of any doubt, "corporate and affiliate officers" refers to the members of your company's leadership team identified on your website at this link. *See* Ovintiv, *Leadership*, (online at https://www.ovintiv.com/leadership/) (last visited June 25, 2024).

[14] *Id.*

SHELDON WHITEHOUSE, RHODE ISLAND
CHAIRMAN
PATTY MURRAY, WASHINGTON
RON WYDEN, OREGON
DEBBIE STABENOW, MICHIGAN
BERNARD SANDERS, VERMONT
MARK R. WARNER, VIRGINIA
JEFF MERKLEY, OREGON
TIM KAINE, VIRGINIA
CHRIS VAN HOLLEN, MARYLAND
BEN RAY LUJÁN, NEW MEXICO
ALEX PADILLA, CALIFORNIA

United States Senate
COMMITTEE ON THE BUDGET
WASHINGTON, DC 20510–6100
TELEPHONE: (202) 224–0642

CHARLES E. GRASSLEY, IOWA
RANKING REPUBLICAN
MIKE CRAPO, IDAHO
LINDSEY O. GRAHAM, SOUTH CAROLINA
RON JOHNSON, WISCONSIN
MITT ROMNEY, UTAH
ROGER MARSHALL, KANSAS
MIKE BRAUN, INDIANA
JOHN KENNEDY, LOUISIANA
RICK SCOTT, FLORIDA
MIKE LEE, UTAH

June 26, 2024

Mr. Will Hickey
Mr. James Walter
Chief Executive Officers
Permian Resources Corporation
300 N. Marienfeld Street
Midland, TX 79701

Dear Mr. Hickey and Mr. Walter:

I write to seek information and documents concerning Permian Resources' communications with members of the Secretariat of—and national representatives of countries belonging to—the Organization of the Petroleum Exporting Countries (OPEC)[1] regarding oil production output, crude oil prices, and the relationship between the production and pricing of oil products. Based on recent events involving Pioneer Natural Resources Company (Pioneer), soon to merge with ExxonMobil Corporation (Exxon), I am concerned about the possibility that oil and gas companies could be engaging in collusive, anti-competitive activities with OPEC+ that would raise crude oil prices, resulting in higher costs not only for American families, but also for the U.S. government when it acquires crude oil for the Strategic Petroleum Reserve.

On December 5, 2023, the *Wall Street Journal* reported that the Federal Trade Commission (FTC) had opened an investigation into Exxon's plans to acquire Pioneer, a $64.5 billion deal that would represent the largest fossil fuel merger in twenty years.[2] On May 2, 2024, the FTC issued a Decision and Order in its investigation of the proposed merger. Notably, although FTC resolved its outstanding antitrust concerns, the Decision and Order prohibited former Pioneer CEO Scott Sheffield, one of the company's founders and a current member of its board of directors, from holding a seat on Exxon's board of directors or serving in an advisory capacity for Exxon following the acquisition.[3] As the FTC explained in announcing the Decision and Order, "public statements and private communications," including "hundreds of text messages" demonstrated that Sheffield "attempted to collude with the representatives of the Organization of

---

[1] For the purposes of this letter, we also include representatives of the so-called OPEC+ countries.

[2] Dave Michaels & Collin Eaton, "FTC Investigates Exxon's $60 Billion Deal for Pioneer," *The Wall Street Journal* (Dec. 5, 2023) (online at https://www.wsj.com/business/energy-oil/ftc-investigating-exxons-60-billion-deal-for-pioneer-e79c9d75); ExxonMobil, *Press Release: ExxonMobil announces merger with Pioneer Natural Resources in an all-stock transaction* (Oct. 11, 2023) (online at https://corporate.exxonmobil.com/news/news-releases/2023/1011_exxonmobil-announces-merger-with-pioneer-natural-resources-in-an-all-stock-transaction).

[3] Decision and Order, *In the Matter of Exxon Mobil Corporation*, Docket No. C-_____ (May 2, 2024) (online at https://www.ftc.gov/system/files/ftc_gov/pdf/2410004exxonpioneerorderredacted.pdf); Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

Petroleum Exporting Countries (OPEC) and a related cartel of other oil-producing countries known as OPEC+ to reduce output of oil and gas . . . to inflate profits for his company."[4]

Following the FTC's Decision & Order, *Fortune* reported that Pioneer released a statement noting only that "Sheffield and Pioneer believe that the FTC's complaint reflects a fundamental misunderstanding of the U.S. and global oil markets and misreads the nature and intent of Mr. Sheffield's actions."[5] The FTC's concerns bring added relevance to allegations made in separate, private class action lawsuits filed in January and May 2024 against Pioneer and other oil producers operating in the Permian Basin region that assert that those producers engaged in a "conspiracy to coordinate, and ultimately constrain, domestic shale oil production, which has had the effect of fixing, raising, and maintaining the price of retail gasoline (gasoline purchased by consumers at gas stations) in and throughout the United States of America."[6]

Price fixing concerns such as those set out by the FTC and in the private class action lawsuit are of significant concern to the United States given the very real risk that collusion can raise energy costs for the federal government and the American people.

First, colluding to reduce output and increase the price of crude oil directly inflates prices that the federal government pays in its current energy planning needs. Since 2022, the United States has purchased 35.6 million barrels of crude oil as part of its plan to refill its Strategic Petroleum Reserve (SPR), which had been drawn down following Vladimir Putin's illegal invasion of Ukraine.[7] In addition to its refilling of the SPR, the federal government is also the largest energy

---

[4] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

[5] "Oil founder's reams of text message and meetings with OPEC weren't collusion, Exxon merger partner says, claiming 'fundamental misunderstanding,'" *Fortune* (May 2, 2024) (online at https://fortune.com/2024/05/02/exxon-pioneer-60-billion-merger-collusion-opec-ftc-oil-gas/).

[6] Class Action Complaint, *Rosenbaum v. Permian Resources Corp.*, No. 2:24-cv-00103 (D. Nev. Jan 12, 2024) (online at https://fingfx.thomsonreuters.com/gfx/legaldocs/klpydgkmovg/Shale-oil-antitrust-202401-Nevada.pdf); *see also* Class Action Complaint, *Andrew Caplen Installations LLC v. Permian Resources Corp.*, No. 2:24-cv-00150 (D. Nev. Jan. 22, 2024) (online at https://images.law.com/contrib/content/uploads/documents/292/174470/Andrew-Caplen-Installations-LLC-v.-Permian-Resources-Corp.-fka-Centennial-Resource-Development-Inc..pdf); Complaint, *Brown v. Permian Resources Corp.*, No. 1:2024-cv-00430 (D. N.M. May 6, 2024) (online at https://dockets.justia.com/docket/new-mexico/nmdce/1:2024cv00430/501422); Josh Sisco, "FTC to approve major Exxon deal—but exclude key executive over OPEC contacts," *Politico* (May 1, 2024) (online at https://www.politico.com/news/2024/05/01/ftc-to-approve-major-exxon-deal-but-exclude-key-executive-00155515).

[7] "U.S. Purchases 3.3 Million Barrels of Oil for Strategic Petroleum Reserve," *Pipeline & Gas Journal* (May 19, 2024) (online at https://pgjonline.com/news/2024/may/us-purchases-33-million-barrels-of-oil-for-strategic-petroleum-reserve#:~:text=U.S.%20Purchases%203.3%20Million%20Barrels%20of%20Oil%20for%20Strategic%20Petroleum%20Reserve,-5%2F19%2F2024&text=(Reuters)%20%E2%80%94%20The%20U.S.%20awarded,of%20Energy%20said%20on%20Friday).

consumer in the United States, currently needing to purchase significant amounts of gasoline and diesel to fuel the U.S. military as well as the massive federal fleet of vehicles.[8]

Second, increased crude prices are passed on to consumers in the form of higher gasoline and home heating oil prices. A 2024 report from the Bureau of Labor Statistics found that higher gasoline prices were one of the main drivers of inflation in March 2024, combining with shelter to "contribute[] over half of the monthly increase in the [consumer price] index."[9] A recent analysis by the Research Director of the American Economic Liberties Project found that illegal crude oil price-fixing schemes may have caused over 25% of the increase in inflation that hurt so many American families throughout 2021 in the wake of the COVID-19 pandemic.[10]

The FTC's findings indicate that Sheffield and Pioneer may not have been the only individual or entity engaging in such collusive activities. For example, the FTC noted that, "[t]hrough public statements, text messages, in-person meetings, WhatsApp conversations and other communications while at Pioneer, Sheffield sought to *align oil production across the Permian Basin in West Texas and New Mexico with OPEC+*."[11] Similarly, the FTC also indicated that Sheffield had discussed with OPEC representatives and officials "his *efforts to coordinate with Texas producers* under a production cut mandated by the Railroad Commission of Texas."[12] In view of the findings against Sheffield, I seek to understand whether other oil producers operating in the United States may also have been coordinating with OPEC and OPEC+ representatives concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products.

Accordingly, to assist the Committee in its investigation, please produce the following documents by no later than July 12, 2024:

---

[8] *See, e.g.*, David Shepardson & Ben Klayman, "U.S. government to end gas-powered vehicle purchases by 2-35 under Biden order," *Reuters* (Dec. 8, 2021) (online at https://www.reuters.com/world/us/biden-pledges-end-gas-powered-federal-vehicle-purchases-by-2035-2021-12-08/#:~:text=The%20order%20noted%20the%20U.S.,to%20be%20clean%20and%20sustainable.%22).

[9] U.S. Bureau of Labor Statistics, *Economic News Release: Consumer Price Index Summary* (June 12, 2024) (online at https://www.bls.gov/news.release/cpi.nr0.htm); Ines Ferré, "Higher gas prices helped drive hotter-than-expected inflation in March," *Yahoo!Finance* (Apr. 10, 2024) (online at https://finance.yahoo.com/news/higher-gas-prices-helped-drive-hotter-than-expected-inflation-in-march-131154274.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAHsy4WiWIJp1uQBwU6VBBvRb_oNaa1Lr-uBYnyh3qYsZpWYHRL34M1Lehmx1LpztjekG8yT4Mqn8PmV8dG7UeQBaH4mM1OYw0MGLfjQtWsO7QUSV-qtbRKpv3-GpmgPseIATFkX3jn0PUekgqQMMMDB5Yq8kniho9IjQkjQ9MCMf).

[10] Matt Stoller, "An Oil Price-Fixing Conspiracy Caused 27% of All Inflation Increases in 2021, *BIG by Matt Stoller* May 3, 2021) (online at https://www.thebignewsletter.com/p/an-oil-price-fixing-conspiracy-caused); Jessica Corbett, "Congress Urged to Tax Big Oil for Price Fixing and 'Issue Every American a Refund,'" *Common Dreams* (May 7, 2024) (online at https://www.commondreams.org/news/exxonmobil-pioneer).

[11] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal) (emphasis added).

[12] *Id.* (emphasis added).

1. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among Permian Resources's corporate and affiliate officers[13] and members of the OPEC Secretariat concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present; and

2. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among Permian Resources's corporate and affiliate officers[14] and national representatives of OPEC and/or OPEC+ countries and/or national oil companies in OPEC/OPEC+ countries concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present.

Thank you for your attention to this important issue. I look forward to further engagement with you on this topic.

* * *

The Senate Committee on the Budget has jurisdiction over Budget Act and budget process legislation, including concurrent resolutions on the budget and legislation changing the content or consideration of budget resolutions. In fulfilling its responsibilities, the Committee has broad authority to investigate the budgetary effects of existing and proposed legislation, as well as matters that affect the content or determination of amounts included in or excluded from the congressional budget or the calculation of such amounts, among other things. If you have any questions regarding this request, please contact Majority Staff at (202) 224-0642.

Sincerely,

Senator Sheldon Whitehouse
Chairman
Senate Committee on the Budget

---

[13] For the avoidance of any doubt, "corporate and affiliate officers" refers to the members of your company's leadership team identified on your website at this link. *See* Permian Resources, *Management Team* (online at https://permianres.com/about-us/management-team/) (last visited June 25, 2024).

[14] *Id.*

SHELDON WHITEHOUSE, RHODE ISLAND
CHAIRMAN
PATTY MURRAY, WASHINGTON
RON WYDEN, OREGON
DEBBIE STABENOW, MICHIGAN
BERNARD SANDERS, VERMONT
MARK R. WARNER, VIRGINIA
JEFF MERKLEY, OREGON
TIM KAINE, VIRGINIA
CHRIS VAN HOLLEN, MARYLAND
BEN RAY LUJÁN, NEW MEXICO
ALEX PADILLA, CALIFORNIA

United States Senate
COMMITTEE ON THE BUDGET
WASHINGTON, DC 20510–6100
TELEPHONE: (202) 224–0642

CHARLES E. GRASSLEY, IOWA
RANKING REPUBLICAN
MIKE CRAPO, IDAHO
LINDSEY O. GRAHAM, SOUTH CAROLINA
RON JOHNSON, WISCONSIN
MITT ROMNEY, UTAH
ROGER MARSHALL, KANSAS
MIKE BRAUN, INDIANA
JOHN KENNEDY, LOUISIANA
RICK SCOTT, FLORIDA
MIKE LEE, UTAH

June 26, 2024

Mr. Wael Sawan
Chief Executive Officer
Shell plc
Shell Centre
2 York Road
London SE1 7NA
United Kingdom

Ms. Gretchen Watkins
President
Shell USA, Inc.
One Shell Plaza
Houston, TX 77002

Dear Mr. Sawan and Ms. Watkins:

I write to seek information and documents concerning Shell's communications with members of the Secretariat of—and national representatives of countries belonging to—the Organization of the Petroleum Exporting Countries (OPEC)[1] regarding oil production output, crude oil prices, and the relationship between the production and pricing of oil products. Based on recent events involving Pioneer Natural Resources Company (Pioneer), soon to merge with ExxonMobil Corporation (Exxon), I am concerned about the possibility that oil and gas companies could be engaging in collusive, anti-competitive activities with OPEC+ that would raise crude oil prices, resulting in higher costs not only for American families, but also for the U.S. government when it acquires crude oil for the Strategic Petroleum Reserve.

On December 5, 2023, the *Wall Street Journal* reported that the Federal Trade Commission (FTC) had opened an investigation into Exxon's plans to acquire Pioneer, a $64.5 billion deal that would represent the largest fossil fuel merger in twenty years.[2] On May 2, 2024, the FTC issued a Decision and Order in its investigation of the proposed merger. Notably, although FTC resolved its outstanding antitrust concerns, the Decision and Order prohibited former Pioneer CEO Scott Sheffield, one of the company's founders and a current member of its board of

---

[1] For the purposes of this letter, we also include representatives of the so-called OPEC+ countries.

[2] Dave Michaels & Collin Eaton, "FTC Investigates Exxon's $60 Billion Deal for Pioneer," *The Wall Street Journal* (Dec. 5, 2023) (online at https://www.wsj.com/business/energy-oil/ftc-investigating-exxons-60-billion-deal-for-pioneer-e79c9d75); ExxonMobil, *Press Release: ExxonMobil announces merger with Pioneer Natural Resources in an all-stock transaction* (Oct. 11, 2023) (online at https://corporate.exxonmobil.com/news/news-releases/2023/1011_exxonmobil-announces-merger-with-pioneer-natural-resources-in-an-all-stock-transaction).

directors, from holding a seat on Exxon's board of directors or serving in an advisory capacity for Exxon following the acquisition.[3] As the FTC explained in announcing the Decision and Order, "public statements and private communications," including "hundreds of text messages" demonstrated that Sheffield "attempted to collude with the representatives of the Organization of Petroleum Exporting Countries (OPEC) and a related cartel of other oil-producing countries known as OPEC+ to reduce output of oil and gas . . . to inflate profits for his company."[4]

Following the FTC's Decision & Order, *Fortune* reported that Pioneer released a statement noting only that "Sheffield and Pioneer believe that the FTC's complaint reflects a fundamental misunderstanding of the U.S. and global oil markets and misreads the nature and intent of Mr. Sheffield's actions."[5] The FTC's concerns bring added relevance to allegations made in separate, private class action lawsuits filed in January and May 2024 against Pioneer and other oil producers operating in the Permian Basin region that assert that those producers engaged in a "conspiracy to coordinate, and ultimately constrain, domestic shale oil production, which has had the effect of fixing, raising, and maintaining the price of retail gasoline (gasoline purchased by consumers at gas stations) in and throughout the United States of America."[6]

Price fixing concerns such as those set out by the FTC and in the private class action lawsuit are of significant concern to the United States given the very real risk that collusion can raise energy costs for the federal government and the American people.

First, colluding to reduce output and increase the price of crude oil directly inflates prices that the federal government pays in its current energy planning needs. Since 2022, the United States has purchased 35.6 million barrels of crude oil as part of its plan to refill its Strategic Petroleum Reserve (SPR), which had been drawn down following Vladimir Putin's illegal invasion of

---

[3] Decision and Order, *In the Matter of Exxon Mobil Corporation*, Docket No. C-_____ (May 2, 2024) (online at https://www.ftc.gov/system/files/ftc_gov/pdf/2410004exxonpioneerorderredacted.pdf); Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

[4] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

[5] "Oil founder's reams of text message and meetings with OPEC weren't collusion, Exxon merger partner says, claiming 'fundamental misunderstanding,'" *Fortune* (May 2, 2024) (online at https://fortune.com/2024/05/02/exxon-pioneer-60-billion-merger-collusion-opec-ftc-oil-gas/).

[6] Class Action Complaint, *Rosenbaum v. Permian Resources Corp.*, No. 2:24-cv-00103 (D. Nev. Jan 12, 2024) (online at https://fingfx.thomsonreuters.com/gfx/legaldocs/klpydgkmovg/Shale-oil-antitrust-202401-Nevada.pdf); *see also* Class Action Complaint, *Andrew Caplen Installations LLC v. Permian Resources Corp.*, No. 2:24-cv-00150 (D. Nev. Jan. 22, 2024) (online at https://images.law.com/contrib/content/uploads/documents/292/174470/Andrew-Caplen-Installations-LLC-v.-Permian-Resources-Corp.-fka-Centennial-Resource-Development-Inc..pdf); Complaint, *Brown v. Permian Resources Corp.*, No. 1:2024-cv-00430 (D. N.M. May 6, 2024) (online at https://dockets.justia.com/docket/new-mexico/nmdce/1:2024cv00430/501422); Josh Sisco, "FTC to approve major Exxon deal—but exclude key executive over OPEC contacts," *Politico* (May 1, 2024) (online at https://www.politico.com/news/2024/05/01/ftc-to-approve-major-exxon-deal-but-exclude-key-executive-00155515).

Ukraine.[7] In addition to its refilling of the SPR, the federal government is also the largest energy consumer in the United States, currently needing to purchase significant amounts of gasoline and diesel to fuel the U.S. military as well as the massive federal fleet of vehicles.[8]

Second, increased crude prices are passed on to consumers in the form of higher gasoline and home heating oil prices. A 2024 report from the Bureau of Labor Statistics found that higher gasoline prices were one of the main drivers of inflation in March 2024, combining with shelter to "contribute[] over half of the monthly increase in the [consumer price] index."[9] A recent analysis by the Research Director of the American Economic Liberties Project found that illegal crude oil price-fixing schemes may have caused over 25% of the increase in inflation that hurt so many American families throughout 2021 in the wake of the COVID-19 pandemic.[10]

The FTC's findings indicate that Sheffield and Pioneer may not have been the only individual or entity engaging in such collusive activities. For example, the FTC noted that, "[t]hrough public statements, text messages, in-person meetings, WhatsApp conversations and other communications while at Pioneer, Sheffield sought to *align oil production across the Permian Basin in West Texas and New Mexico with OPEC+*."[11] Similarly, the FTC also indicated that Sheffield had discussed with OPEC representatives and officials "his *efforts to coordinate with Texas producers* under a production cut mandated by the Railroad Commission of Texas."[12] In view of the findings against Sheffield, I seek to understand whether other oil producers operating

---

[7] "U.S. Purchases 3.3 Million Barrels of Oil for Strategic Petroleum Reserve," *Pipeline & Gas Journal* (May 19, 2024) (online at https://pgjonline.com/news/2024/may/us-purchases-33-million-barrels-of-oil-for-strategic-petroleum-reserve#:~:text=U.S.%20Purchases%203.3%20Million%20Barrels%20of%20Oil%20for%20Strategic%20Petroleum%20Reserve,-5%2F19%2F2024&text=(Reuters)%20%E2%80%94%20The%20U.S.%20awarded,of%20Energy%20said%20on%20Friday).

[8] *See, e.g.,* David Shepardson & Ben Klayman, "U.S. government to end gas-powered vehicle purchases by 2-35 under Biden order," *Reuters* (Dec. 8, 2021) (online at https://www.reuters.com/world/us/biden-pledges-end-gas-powered-federal-vehicle-purchases-by-2035-2021-12-08/#:~:text=The%20order%20noted%20the%20U.S.,to%20be%20clean%20and%20sustainable.%22).

[9] U.S. Bureau of Labor Statistics, *Economic News Release: Consumer Price Index Summary* (June 12, 2024) (online at https://www.bls.gov/news.release/cpi.nr0.htm); Ines Ferré, "Higher gas prices helped drive hotter-than-expected inflation in March," *Yahoo!Finance* (Apr. 10, 2024) (online at https://finance.yahoo.com/news/higher-gas-prices-helped-drive-hotter-than-expected-inflation-in-march-131154274.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAHsy4WiWIJp1uQBwU6VBBvRb_oNaa1Lr-uBYnyh3qYsZpWYHRL34M1Lehmx1LpztjekG8yT4Mqn8PmV8dG7UeQBaH4mM1OYw0MGLfjQtWsO7QUSV-qtbRKpv3-GpmgPseIATFkX3jn0PUekgqQMMMDB5Yq8kniho9IjQkjQ9MCMf).

[10] Matt Stoller, "An Oil Price-Fixing Conspiracy Caused 27% of All Inflation Increases in 2021, *BIG by Matt Stoller* May 3, 2021) (online at https://www.thebignewsletter.com/p/an-oil-price-fixing-conspiracy-caused); Jessica Corbett, "Congress Urged to Tax Big Oil for Price Fixing and 'Issue Every American a Refund,'" *Common Dreams* (May 7, 2024) (online at https://www.commondreams.org/news/exxonmobil-pioneer).

[11] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal) (emphasis added).

[12] *Id.* (emphasis added).

in the United States may also have been coordinating with OPEC and OPEC+ representatives concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products.

Accordingly, to assist the Committee in its investigation, please produce the following documents by no later than July 12, 2024:

1. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among Shell's corporate and affiliate officers[13] and members of the OPEC Secretariat concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present; and

2. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among Shell's corporate and affiliate officers[14] and national representatives of OPEC and/or OPEC+ countries and/or national oil companies in OPEC/OPEC+ countries concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present.

Thank you for your attention to this important issue. I look forward to further engagement with you on this topic.

* * *

---

[13] For the avoidance of any doubt, "corporate and affiliate officers" refers to the members of your company's leadership team identified on your website at this link. *See* Shell, *Executive Committee,* (online at https://www.shell.com/who-we-are/leadership/executive-committee.html) (last visited June 25, 2024).

[14] *Id.*

The Senate Committee on the Budget has jurisdiction over Budget Act and budget process legislation, including concurrent resolutions on the budget and legislation changing the content or consideration of budget resolutions. In fulfilling its responsibilities, the Committee has broad authority to investigate the budgetary effects of existing and proposed legislation, as well as matters that affect the content or determination of amounts included in or excluded from the congressional budget or the calculation of such amounts, among other things. If you have any questions regarding this request, please contact Majority Staff at (202) 224-0642.

Sincerely,

Senator Sheldon Whitehouse
Chairman
Senate Committee on the Budget

SHELDON WHITEHOUSE, RHODE ISLAND
CHAIRMAN
PATTY MURRAY, WASHINGTON
RON WYDEN, OREGON
DEBBIE STABENOW, MICHIGAN
BERNARD SANDERS, VERMONT
MARK R. WARNER, VIRGINIA
JEFF MERKLEY, OREGON
TIM KAINE, VIRGINIA
CHRIS VAN HOLLEN, MARYLAND
BEN RAY LUJÁN, NEW MEXICO
ALEX PADILLA, CALIFORNIA

United States Senate
COMMITTEE ON THE BUDGET
WASHINGTON, DC 20510–6100
TELEPHONE: (202) 224–0642

CHARLES E. GRASSLEY, IOWA
RANKING REPUBLICAN
MIKE CRAPO, IDAHO
LINDSEY O. GRAHAM, SOUTH CAROLINA
RON JOHNSON, WISCONSIN
MITT ROMNEY, UTAH
ROGER MARSHALL, KANSAS
MIKE BRAUN, INDIANA
JOHN KENNEDY, LOUISIANA
RICK SCOTT, FLORIDA
MIKE LEE, UTAH

June 26, 2024

Mr. Herbert S. Vogel
President and Chief Executive Officer
SM Energy Company
1700 Lincoln Street
Denver, CO 80203

Dear Mr. Vogel:

I write to seek information and documents concerning SM Energy Company's communications with members of the Secretariat of—and national representatives of countries belonging to—the Organization of the Petroleum Exporting Countries (OPEC)[1] regarding oil production output, crude oil prices, and the relationship between the production and pricing of oil products. Based on recent events involving Pioneer Natural Resources Company (Pioneer), soon to merge with ExxonMobil Corporation (Exxon), I am concerned about the possibility that oil and gas companies could be engaging in collusive, anti-competitive activities with OPEC+ that would raise crude oil prices, resulting in higher costs not only for American families, but also for the U.S. government when it acquires crude oil for the Strategic Petroleum Reserve.

On December 5, 2023, the *Wall Street Journal* reported that the Federal Trade Commission (FTC) had opened an investigation into Exxon's plans to acquire Pioneer, a $64.5 billion deal that would represent the largest fossil fuel merger in twenty years.[2] On May 2, 2024, the FTC issued a Decision and Order in its investigation of the proposed merger. Notably, although FTC resolved its outstanding antitrust concerns, the Decision and Order prohibited former Pioneer CEO Scott Sheffield, one of the company's founders and a current member of its board of directors, from holding a seat on Exxon's board of directors or serving in an advisory capacity for Exxon following the acquisition.[3] As the FTC explained in announcing the Decision and Order, "public statements and private communications," including "hundreds of text messages" demonstrated that Sheffield "attempted to collude with the representatives of the Organization of

---

[1] For the purposes of this letter, we also include representatives of the so-called OPEC+ countries.

[2] Dave Michaels & Collin Eaton, "FTC Investigates Exxon's $60 Billion Deal for Pioneer," *The Wall Street Journal* (Dec. 5, 2023) (online at https://www.wsj.com/business/energy-oil/ftc-investigating-exxons-60-billion-deal-for-pioneer-e79c9d75); ExxonMobil, *Press Release: ExxonMobil announces merger with Pioneer Natural Resources in an all-stock transaction* (Oct. 11, 2023) (online at https://corporate.exxonmobil.com/news/news-releases/2023/1011_exxonmobil-announces-merger-with-pioneer-natural-resources-in-an-all-stock-transaction).

[3] Decision and Order, *In the Matter of Exxon Mobil Corporation*, Docket No. C-_____ (May 2, 2024) (online at https://www.ftc.gov/system/files/ftc_gov/pdf/2410004exxonpioneerorderredacted.pdf); Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

Petroleum Exporting Countries (OPEC) and a related cartel of other oil-producing countries known as OPEC+ to reduce output of oil and gas . . . to inflate profits for his company."[4]

Following the FTC's Decision & Order, *Fortune* reported that Pioneer released a statement noting only that "Sheffield and Pioneer believe that the FTC's complaint reflects a fundamental misunderstanding of the U.S. and global oil markets and misreads the nature and intent of Mr. Sheffield's actions."[5] The FTC's concerns bring added relevance to allegations made in separate, private class action lawsuits filed in January and May 2024 against Pioneer and other oil producers operating in the Permian Basin region that assert that those producers engaged in a "conspiracy to coordinate, and ultimately constrain, domestic shale oil production, which has had the effect of fixing, raising, and maintaining the price of retail gasoline (gasoline purchased by consumers at gas stations) in and throughout the United States of America."[6]

Price fixing concerns such as those set out by the FTC and in the private class action lawsuit are of significant concern to the United States given the very real risk that collusion can raise energy costs for the federal government and the American people.

First, colluding to reduce output and increase the price of crude oil directly inflates prices that the federal government pays in its current energy planning needs. Since 2022, the United States has purchased 35.6 million barrels of crude oil as part of its plan to refill its Strategic Petroleum Reserve (SPR), which had been drawn down following Vladimir Putin's illegal invasion of Ukraine.[7] In addition to its refilling of the SPR, the federal government is also the largest energy

---

[4] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal).

[5] "Oil founder's reams of text message and meetings with OPEC weren't collusion, Exxon merger partner says, claiming 'fundamental misunderstanding,'" *Fortune* (May 2, 2024) (online at https://fortune.com/2024/05/02/exxon-pioneer-60-billion-merger-collusion-opec-ftc-oil-gas/).

[6] Class Action Complaint, *Rosenbaum v. Permian Resources Corp.*, No. 2:24-cv-00103 (D. Nev. Jan 12, 2024) (online at https://fingfx.thomsonreuters.com/gfx/legaldocs/klpydgkmovg/Shale-oil-antitrust-202401-Nevada.pdf); *see also* Class Action Complaint, *Andrew Caplen Installations LLC v. Permian Resources Corp.*, No. 2:24-cv-00150 (D. Nev. Jan. 22, 2024) (online at https://images.law.com/contrib/content/uploads/documents/292/174470/Andrew-Caplen-Installations-LLC-v.-Permian-Resources-Corp.-fka-Centennial-Resource-Development-Inc..pdf); Complaint, *Brown v. Permian Resources Corp.*, No. 1:2024-cv-00430 (D. N.M. May 6, 2024) (online at https://dockets.justia.com/docket/new-mexico/nmdce/1:2024cv00430/501422); Josh Sisco, "FTC to approve major Exxon deal—but exclude key executive over OPEC contacts," *Politico* (May 1, 2024) (online at https://www.politico.com/news/2024/05/01/ftc-to-approve-major-exxon-deal-but-exclude-key-executive-00155515).

[7] "U.S. Purchases 3.3 Million Barrels of Oil for Strategic Petroleum Reserve," *Pipeline & Gas Journal* (May 19, 2024) (online at https://pgjonline.com/news/2024/may/us-purchases-33-million-barrels-of-oil-for-strategic-petroleum-reserve#:~:text=U.S.%20Purchases%203.3%20Million%20Barrels%20of%20Oil%20for%20Strategic%20Petroleum%20Reserve,-5%2F19%2F2024&text=(Reuters)%20%E2%80%94%20The%20U.S.%20awarded,of%20Energy%20said%20on%20Friday).

consumer in the United States, currently needing to purchase significant amounts of gasoline and diesel to fuel the U.S. military as well as the massive federal fleet of vehicles.[8]

Second, increased crude prices are passed on to consumers in the form of higher gasoline and home heating oil prices. A 2024 report from the Bureau of Labor Statistics found that higher gasoline prices were one of the main drivers of inflation in March 2024, combining with shelter to "contribute[] over half of the monthly increase in the [consumer price] index."[9] A recent analysis by the Research Director of the American Economic Liberties Project found that illegal crude oil price-fixing schemes may have caused over 25% of the increase in inflation that hurt so many American families throughout 2021 in the wake of the COVID-19 pandemic.[10]

The FTC's findings indicate that Sheffield and Pioneer may not have been the only individual or entity engaging in such collusive activities. For example, the FTC noted that, "[t]hrough public statements, text messages, in-person meetings, WhatsApp conversations and other communications while at Pioneer, Sheffield sought to *align oil production across the Permian Basin in West Texas and New Mexico with OPEC+*."[11] Similarly, the FTC also indicated that Sheffield had discussed with OPEC representatives and officials "his *efforts to coordinate with Texas producers* under a production cut mandated by the Railroad Commission of Texas."[12] In view of the findings against Sheffield, I seek to understand whether other oil producers operating in the United States may also have been coordinating with OPEC and OPEC+ representatives concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products.

Accordingly, to assist the Committee in its investigation, please produce the following documents by no later than July 12, 2024:

---

[8] *See, e.g.*, David Shepardson & Ben Klayman, "U.S. government to end gas-powered vehicle purchases by 2-35 under Biden order," *Reuters* (Dec. 8, 2021) (online at https://www.reuters.com/world/us/biden-pledges-end-gas-powered-federal-vehicle-purchases-by-2035-2021-12-08/#:~:text=The%20order%20noted%20the%20U.S.,to%20be%20clean%20and%20sustainable.%22).

[9] U.S. Bureau of Labor Statistics, *Economic News Release: Consumer Price Index Summary* (June 12, 2024) (online at https://www.bls.gov/news.release/cpi.nr0.htm); Ines Ferré, "Higher gas prices helped drive hotter-than-expected inflation in March," *Yahoo!Finance* (Apr. 10, 2024) (online at https://finance.yahoo.com/news/higher-gas-prices-helped-drive-hotter-than-expected-inflation-in-march-131154274.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAHsy4WiWIJp1uQBwU6VBBvRb_oNaa1Lr-uBYnyh3qYsZpWYHRL34M1Lehmx1LpztjekG8yT4Mqn8PmV8dG7UeQBaH4mM1OYw0MGLfjQtWsO7QUSV-qtbRKpv3-GpmgPseIATFkX3jn0PUekgqQMMMDB5Yq8kniho9IjQkjQ9MCMf).

[10] Matt Stoller, "An Oil Price-Fixing Conspiracy Caused 27% of All Inflation Increases in 2021, *BIG by Matt Stoller* May 3, 2021) (online at https://www.thebignewsletter.com/p/an-oil-price-fixing-conspiracy-caused); Jessica Corbett, "Congress Urged to Tax Big Oil for Price Fixing and 'Issue Every American a Refund,'" *Common Dreams* (May 7, 2024) (online at https://www.commondreams.org/news/exxonmobil-pioneer).

[11] Federal Trade Commission, *Press Release: FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal* (May 2, 2024) (online at https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal) (emphasis added).

[12] *Id.* (emphasis added).

1. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among SM Energy Company's corporate and affiliate officers[13] and members of the OPEC Secretariat concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present; and

2. Communications—including but not limited to emails and email attachments, memoranda, meeting minutes, audio or video recordings, phone logs, and text messages on any messaging platform—between and among SM Energy Company's corporate and affiliate officers[14] and national representatives of OPEC and/or OPEC+ countries and/or national oil companies in OPEC/OPEC+ countries concerning oil production output, crude oil prices, and the relationship between the production and pricing of oil products, dating from January 1, 2020 through the present.

Thank you for your attention to this important issue. I look forward to further engagement with you on this topic.

* * *

The Senate Committee on the Budget has jurisdiction over Budget Act and budget process legislation, including concurrent resolutions on the budget and legislation changing the content or consideration of budget resolutions. In fulfilling its responsibilities, the Committee has broad authority to investigate the budgetary effects of existing and proposed legislation, as well as matters that affect the content or determination of amounts included in or excluded from the congressional budget or the calculation of such amounts, among other things. If you have any questions regarding this request, please contact Majority Staff at (202) 224-0642.

Sincerely,

Senator Sheldon Whitehouse
Chairman
Senate Committee on the Budget

---

[13] For the avoidance of any doubt, "corporate and affiliate officers" refers to the members of your company's leadership team identified on your website at this link. *See* SM Energy Company, *Leadership,* (online at https://www.sm-energy.com/about-us/leadership) (last visited June 25, 2024).

[14] *Id.*