

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

In re:

MONTREAL MAINE & ATLANTIC
RAILWAY, LTD.,

Debtor.

Bk. No. 13-10670
Chapter 11

**DECLARATION OF CONOCOPHILLIPS COMPANY IN SUPPORT OF
CONFIRMATION OF TRUSTEE'S REVISED FIRST AMENDED
PLAN OF LIQUIDATION DATED JULY 15, 2015**

I, Bijan Agarwal, pursuant to 28 U.S.C. § 1746, state as follows:

Introduction

1. This Declaration is submitted in support of confirmation of the *Trustee's Revised First Amended Plan of Liquidation Dated July 15, 2015* [Docket No. 1495] (the "Plan").¹

2. I am a Vice President for the Rockies Business Unit of ConocoPhillips Company ("ConocoPhillips"), headquartered at 600 North Dairy Ashford, Houston, Texas 77079. I am authorized to make this declaration on ConocoPhillips' behalf.

3. Without waiving any attorney-client privilege, the facts set forth herein are based on information supplied to me by others within the ConocoPhillips organization, upon my review of relevant documents, or on my opinion based upon my experience and knowledge of ConocoPhillips' operations, all of which form the basis of my personal knowledge. If I were called to testify, I could and would testify competently to the facts set forth herein.

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Plan and/or the Revised First Amended Disclosure Statement for the Trustee's Plan of Liquidations Dated July 15, 2015 [D.E. 1497] (the "Disclosure Statement").

Relevant Background

4. On July 6, 2013, an unmanned eastbound train operated by Montréal Maine & Atlantic Railway Ltd., the above-captioned debtor (“MMA” or the “Debtor”) and/or MMA Canada, derailed in Lac- Mégantic, Quebec, Canada (the “Derailement”).

5. ConocoPhillips denies it has any liability for the Derailement but has agreed to participate in the settlement fund formulated by the Trustee and is included in the definition of “Released Parties” under the Plan and accordingly will be the beneficiary of the Releases and Injunctions contained in the Plan if confirmed.

The Plan Releases and Injunctions

A. MMA and ConocoPhillips Share an Identity of Interest with Respect to the Claims Covered by the Releases and Injunctions

6. ConocoPhillips is presently a defendant in three lawsuits in federal court filed by third parties alleging claims related to the Derailement, one pending in the District of Maine and two others originally filed in Texas state court and later removed to federal court. ConocoPhillips is one of many defendants named in those suits.

7. Absent confirmation of the Plan and the effectiveness of the Releases and Injunctions they contain in favor of ConocoPhillips and its affiliates, I understand that ConocoPhillips will defend the third party claims mentioned above and may also have and pursue claims against the MMA estate for contribution and indemnity.

8. In addition, ConocoPhillips may have and pursue claims against various other parties who caused or contributed to the Derailement, including claims for contribution and indemnity. In turn, ConocoPhillips recognizes that such parties may have claims against the MMA estate for contribution and indemnity arising from the Derailement.

B. ConocoPhillips Has Contributed Substantial Assets to the MMA and MMA Canada Estates

9. ConocoPhillips, through its retained counsel, has engaged in substantial settlement negotiations with Robert J. Keach, trustee for the Debtor's Chapter 11 Case (the "Trustee"). After several weeks of good faith, arm's-length negotiation, ConocoPhillips agreed to contribute to the settlement fund formulated by the Trustee for satisfaction of Claims against the Debtor, subject to the terms and conditions of the Plan Support and Settlement Agreement (the "Settlement Agreement"), which terms and conditions include the requirement that the Releases and Injunctions become effective.

10. The Settlement Agreement will enable the multiple parties to avoid the uncertainty, expense and delay of protracted litigation arising out of the Derailment. That being said, ConocoPhillips maintains it has strong legal and factual defenses to all claims relating to the Derailment, and denies that it has any liability to anyone.

11. Based on my knowledge of the facts and circumstances, the amount ConocoPhillips has agreed to contribute to the settlement fund is substantial taking into consideration the strong defenses ConocoPhillips possesses to liability, the likelihood that the MMA Derailment creditors would not recover anything if they were to pursue litigation against ConocoPhillips, and all costs of litigation, including delay and other inherent risks of litigation.

C. The Releases and Injunction are Essential to the Success of the Plan

12. I understand that in exchange for its settlement contribution, the Settlement Agreement requires ConocoPhillips to receive global releases and injunctions protecting it from any and all claims by anyone that has or may have claims arising from or in any way related to MMA or the Derailment, and that the global releases and injunctions required under the ConocoPhillips Settlement Agreement are to be achieved through confirmation of a plan in MMA's bankruptcy case.

13. ConocoPhillips negotiated and entered into the Settlement Agreement on the condition that any settlement was a final settlement of all MMA and Derailment-related liability—not only that of ConocoPhillips, but also any potential liability of related parties, including ConocoPhillips’ working interest owners and ConocoPhillips’ direct and indirect affiliates, and their present and former officers, directors, agents, and employees. Without this condition, ConocoPhillips would not have agreed to make its contribution to the settlement fund.

14. In addition, ConocoPhillips would not have agreed to settle if not protected from (a) further third party claims brought by the Derailment victims and (b) any and all contribution, indemnity and other claims relating in any way to the Derailment. A settlement that did not include ConocoPhillips’ working interest owners, and its corporate affiliates, including their officers, directors, agents and employees, could leave ConocoPhillips related entities and individuals at risk for future suits, in the event that there is a subset of possible claims as to which the statute of limitations has not run. ConocoPhillips would not have agreed to settle under such circumstances. Thus, the third party releases and injunction are critical to achieving the proposed settlement, which will not be effective if the Plan is not confirmed with the Releases and Injunctions.

15. On behalf of ConocoPhillips, I support confirmation of the Plan.

[signature follows]

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: September 22, 2015



Bijan Agarwal, ConocoPhillips Company