

Verne, B. Michael

802.3

From: [REDACTED]
Sent: Tuesday, April 11, 2006 12:01 PM
To: Verne, B. Michael
Subject: 802.3

Dear Mike,

I am analyzing an acquisition of oil and gas reserves and some associated assets. I would appreciate it if you would confirm that I have correctly separated the assets into exempt and non-exempt categories for the purpose of valuing the non-exempt assets to determine whether an HSR filing is required:

Exempt under 802.3, provided that total value is \$500 million or less

- * leases on the land containing the oil and gas reserves, along with Seller's rights in associated agreements, permits and licenses
- * oil and gas wells
- * equipment used in conjunction with the oil and gas wells (excluding pipelines as defined in 802.3(c)(1) and (2))
- * vehicles and other personal property located on the land, where integral and exclusive to the exploration/production assets
- * oil and gas reserves
- * government permits and licenses associated with the oil and gas wells, land leases and associated equipment
- * files and records associated with the oil and gas wells and all associated exploration/production assets
- * field processing plants that serve the oil and gas reserves being acquired exclusively

Non-exempt under 802.3

- * vehicles and other personal property located on the land, where not integral and exclusive to the exploration/production assets
- * files and records, permits and licenses not integral and exclusive to the oil and gas wells and exploration/production assets
- * processing plants not exclusive to the oil and gas reserves being acquired

Thank you very much.

[REDACTED]

[REDACTED]

UNDER "EXEMPT ASSETS", I'M NOT SURE WHAT FIELD PROCESSING PLANTS ARE. OTHERWISE THEY WOULD BE OK.

B. Michael
4/11/06