

802.3

Verne, B. Michael

From: [REDACTED]
Sent: Friday, January 18, 2008 12:40 PM
To: Verne, B. Michael
Subject: Question regarding FTC notice requirements

Mr. Vern, as [REDACTED] mentioned in a voicemail yesterday, we have been asked to assist a client who is trying to determine if a HSR filing is required in a prospective sale of natural gas producing properties.

Our client and approximately 19 other individual companies own interests in a producing natural gas field comprised of leases on which there are producing wells and additional proposed but undeveloped drilling locations. Of the approximately 20 individual sellers, virtually none if any, are commonly owned. We believe that as part of the overall transaction each seller will sell its undivided interest individually, with a separate assignment. One broker was retained to market the entirety of the natural gas field (on behalf of all 20 owners) but the individual sellers do not form any trust, joint venture, partnership or any other entity. Although bidders have submitted single bids for all of the interests, each individual seller maintains the right to decide whether or not to accept a bid or to sell their undivided interests.

We believe the total value of transferred assets will be in excess of the limits imposed by 16 CFR 802.3 required for an exemption from the notice requirements, but the interest of any individual seller will be well below that limitation.

Our question is whether we should look to each separate transaction between each seller and the buyer to evaluate whether the notice provisions are triggered or whether the value of all of the properties transferred (which may include the interests of all 20 owners, but which may include the interests of less than the full amount) governs the notice requirements.

We would be glad to furnish any additional facts or information that would assist in your consideration of this request.

Thank you,

[REDACTED]

[REDACTED]

[REDACTED]

LOOK AT EACH TRANSACTION SEPARATELY

B
1/18/08