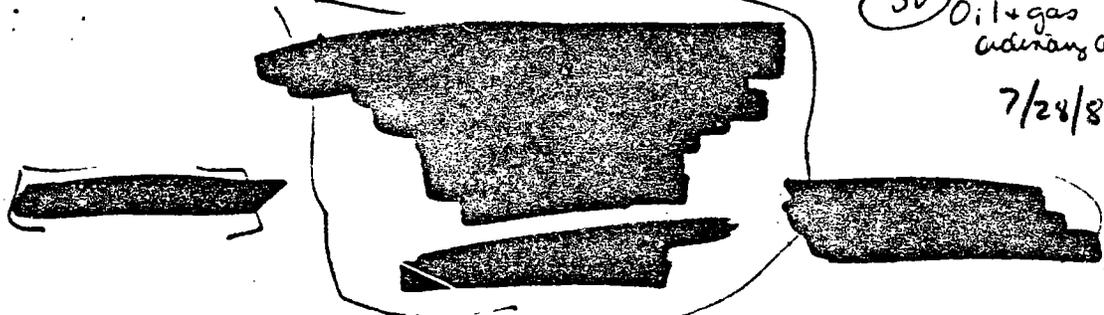


SV 802.1
Oil + gas
Ordinary course
7/28/83



FEDERAL EXPRESS

Sandra Vadis
Premerger Notification Office
Bureau of Competition
Federal Trade Commission
Room 301
Washington, D.C. 20580

Dear Ms. Vadis:

This letter will serve to confirm the conversations between the undersigned and Sandra Vadis of the staff of the Bureau of Competition, Federal Trade Commission on Thursday, July 28, 1983.

In those conversations, a proposed transaction was described which involves the purchase by a subsidiary of a [redacted] ("Company A") which is engaged in the oil and gas business of one-half of the oil and gas interests of an independent oil and gas producer ("Company B") for approximately \$25,000,000.

The portion of the aggregate purchase price allocated to Company B's proved developed acreage is approximately \$14,000,000. The portion of the aggregate purchase price allocated to proved undeveloped and unproved acreage is approximately \$11,000,000. Proved developed acreage is defined for this purpose as acreage on which proved developed reserves are located. Proved developed reserves are defined by the Securities and Exchange Commission as those reserves that can be expected to be recovered through existing wells with existing equipment and operating methods. Proved undeveloped acreage as used above is acreage on which proved undeveloped reserves are located. Proved undeveloped reserves are, as defined by the Securities and Exchange Commission, reserves that are expected to be recovered from new wells on undrilled acreage.

Ms. Sandra Vadis
July 28, 1983
Page Two

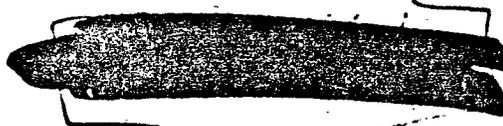
Proved developed acreage is, therefore, acreage on which producing wells exist which are currently generating income. The remaining acreage, which is either proved undeveloped or unproved, does not contain any producing wells.

It is our judgment, based on our reading of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, the regulations promulgated thereunder and our prior discussions with the staff with respect to other oil and gas property transactions that no notification need be filed under the Act with respect to the transaction described above because the transfer of the proved undeveloped and unproved acreage constitutes a transfer of realty in the ordinary course of business and is therefore exempt under Section 7A(c)(1) of the Act and the transfer of the proved developed acreage is for a purchase price of less than \$15,000,000, and therefore exempt under Rule 802.20.

We would greatly appreciate a collect telephone call from the staff indicating concurrence with our conclusion. Because the date for closing of the transaction depends on a resolution of the parties' Hart-Scott-Rodino obligations we would appreciate your prompt attention.

Thank you very much for your cooperation.

Very truly yours,

A large, dark, rectangular redaction mark covering the signature area.A small, dark, rectangular redaction mark.

*August 2, 1983
Called & advised*