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(313) 577-3945

October 23, 1985

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PREMERGER
NOTIFICATION
OFFICE

Wayne Kaplan, Esq.
Premerger Notification Office
Federal Trade Commission
Washington, D.C. 20580

Dear Wayne:

This is to confirm the advice you gave me during our telephone conversations on Friday, October 11, and yesterday. I advised you that a major petroleum company plans to purchase a number of separate, preexisting oil or natural gas leases from an independent oil company, by a single contract for an amount between \$15 million and \$20 million. Approximately half the money will be for roughly twenty producing leases covering about 3,000 acres. The other approximately half the money is for roughly 160 other leases covering about 55,000 acres. These 160 leases are not operating leases; they are not producing a revenue stream and would require (successful) exploration before they could do so.

You advised me that such a transaction would not be subject to a reporting requirement under the current premerger notification rules, subject to the 180 day rule. Specifically, you confirmed that your office's distinction between operating and exploration petroleum properties continues in effect, as does the advice that it is not necessary to aggregate different kinds of leases being acquired in a single transaction.

You agreed that I could write you a letter confirming your advice, and you would call me at the above number if my understanding is incorrect. For planning purposes, I will assume that you have no objection to this letter if I do not hear from you on or before November 6, 1985.

Thank you for your assistance.

Yours sincerely,

OK upon later

review

WKC 3/9/87