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3-14-95 : 3:17PM :

March 8, 1995

Hy Rubenstein, Esq.
Federal Trade Commission
6th Street and Park Avenue N.W.
Washington, D.C. 20580

Via Fax

Dear Mr. Rubenstein:

Pursuant to our telephone conversation of today, we would appreciate your advices concerning the necessity for a filing under the Hart-Scott-Rodino Antitrust Improvement Act ("HSR") under the following scenario:

Assuming that (i) all tests other than the "size of the transaction" are satisfied, (ii) the transaction is the acquisition of producing oil and gas properties offered for sale as of a specific date ("Effective Date") so that the Buyer would have a fixed point in time to evaluate the value of the properties, (iii) the transaction will be pursuant to a letter of intent reflecting a sale price as of the Effective Date of \$16 million, subject to adjustment for oil and gas revenues received less operating expenses between the Effective Date and the closing date; (iv) at Closing, the Seller would retain the revenues attributable to the properties accruing between the Effective Date and the closing date and pay the expenses relevant thereto during the same period (i.e., "Interim Revenue"); (v) at Closing, the Seller will credit the Interim Revenue against the Purchase Price; and, (vi) the Purchase Price as fixed on the Effective Date will be \$16 million, the Interim Revenue will be approximately \$4 million and the net purchase price will be approximately \$12 million, would the transaction fail to meet the "size of the transaction" test and the HSR not apply?

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It would appear to us that the actual size of the transaction would be \$12 million, since the Effective Date is only used to establish a base point for the actual evaluation of the properties at Closing with the Seller retaining the Interim Revenue and the out-of-pocket payment by the Buyer for the Properties is \$12 million.

Your usual prompt response would be greatly appreciated.

Respectfully,

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