

802.3

Verne, B. Michael

From: Gillis, Diana L.
Sent: Thursday, March 13, 2014 11:30 AM
To: Verne, B. Michael
Subject: 802.3

Hi Mike – quick 802.3 valuation question – if a company is buying a 55% interest in oil reserves, is the relevant value to consider just the 55% (versus the value for 100% of the reserves)?

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If it is a 55% undivided interest in the reserves, you would look at 55% of the value of the total reserves. If it is a 55% interest in an entity that holds the reserves, you would be under §802.4, so you would look at the value of 100% of the underlying reserves.

B. Mr ✓
3/13/19