[redacted]

(15)

January 9, 1987

Via Federal Express

Mr. John M. Sipple, Jr.
Senior Attorney
Premerger Notification Office
Bureau of Competition
Room 301
6th & Pennsylvania Avenue, N.W.
Washington, D.C. 20580

I am writing to confirm the telephone conversation I had with you and [redacted] of the [redacted] on January 5, 1987 regarding the control of a partnership by another entity within the meaning of 16 C.F.R. 801.1(b) and the treatment of [redacted]

[redacted] with you on January 7, 1986 regarding the interpretation of these regulations by the Federal Trade Commission.

As we discussed, we represent a series of publicly held limited partnerships, each of which is sponsored by the same two corporate general partners. Eight of these partnerships, together with one of the general partners in its corporate capacity, have entered into an agreement to purchase oil and gas properties from two unaffiliated sellers. The eight purchasing partnerships were formed during the period from July 1985 through November 1986, each partnership has in excess of [redacted] limited

[redacted] the general partner that is a party to

[redacted] interests in the oil and gas properties to be acquired to

[redacted] limited partners, and each partnership was originally capitalized with in excess of [redacted]

Generally, oil and gas properties are allocated as they are acquired among the various partnerships having funds available

for such purpose in the proportion that each such partnership's available capital bears to the aggregate of all such available

oldest partnership participating in this transaction had acquired property valued at [redacted] and the latest three partnerships had acquired no property. As a general rule, the partnerships all participate in each oil and gas property that is acquired so long as each has capital available for that purpose.

Improvements Act of 1976 (the "Act"), but rather because, among

dication of public oil and gas funds because of certain Securities and Exchange Commission rules. Likewise, the alloca-

risks of oil and gas properties acquired by our client among the investors in partnerships with available funds, avoid conflicts

bilities to the partnerships.

In response to our inquiry and after discussion of the facts

Commission's position is that so long as the purchasing partnerships were not formed or the transactions entered into as a device or devices for the purpose of avoiding the obligation to

partnerships would be considered its own ultimate parent entity, and, so long as the assets to be acquired in the transaction by each such partnership do not exceed the $15,000,000 "size of the transaction" test of Section 7A(a)(3) of the Act (regardless of the fact that the aggregate amount of the assets being trans-

such filing will be required on behalf of any party to the same action.

In response to my subsequent inquiry on January 7, 1987, you also informed me that, pursuant to Section 7A(d), the Federal Trade Commission is the agency responsible for interpret-

the facts of this case.

Please call me collect at the number set forth above as soon as your schedule permits to confirm that this letter and the conclusions reached herein properly reflect the substance of our telephone conversation, or if not, to further discuss the issues set forth herein. We would also appreciate your calling Allen B. Mann collect at [redacted] at such time for the same purpose.

Yours very truly,

[redacted]

[redacted]

Called [redacted] on 1/16/87
Confirmed this understanding set forth
in paragraphs 3 and 4 on pp. 2 and 3.