



November 16, 1988

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CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Patrick Sharpe
Premerger Notification Office
Bureau of Competition, Room 303
Federal Trade Commission
6th Street and Pennsylvania Avenue, N.W.
Washington, D. C. 20580

Re: Applicability of Hart-Scott-Rodino Act to Proposed Transaction
Size-of-the-Person Test

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FEDERAL TRADE COMMISSION
NOTICE OF RECEIPT

Dear Mr. Sharpe:

In connection with our recent telephone conversation, this letter will serve to confirm my understanding of the Federal Trade Commission staff's view regarding the application of the "size-of-the-person" test under the referenced Act to a proposed transaction involving the following facts.

We represent an Oklahoma limited partnership engaged in oil and gas exploration and development, a portion of whose

be in excess of \$15 million in value. The acquired person is its own ultimate parent entity, and it is not engaged in manufacturing.

basis of \$4,339,354. Its audited financial statements for the year ending December 31 1987 reflects total assets of

value of the oil and gas properties. As you acknowledged, this is not uncommon in the oil and gas industry.

The acquiring person has annual net sales and assets in excess of \$100 million.

We have concluded that under Section 7(A)(a)(2)(B) of the Act, the acquired person fails to meet the threshold level for the size-of-the-person test inasmuch as it does not have \$10 million or more in assets and is not engaged in manufacturing.

million or more in annual net sales.

Accordingly, we have concluded, based upon the above facts, that the jurisdictional test for the acquired person is not satisfied, and, therefore, this transaction is not reportable under the Act notwithstanding the size of the transaction which

this conclusion.

If you need additional facts, or if you disagree with our conclusion, please notify us within 10 days of the date of this letter.

I concur with this letter
called 11-22-88
P.S.