

Formation of a  
Partnership  
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801.40?

[REDACTED]

November 4, 1991

VIA TELECOPY (202) 326-2050

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Department of Justice

Bureau of Competition  
Federal Trade Commission

Subject to  
provisions of the  
Antitrust Laws

Dear Mr. Sharp:

This letter will confirm our telephone conversation earlier today. During that conversation, you concurred with our opinion that the transaction we discussed, as described below, would be exempt from the filing requirements of the Hart-Scott-Rodino Antitrust Improvements Act.

The transaction in question involves the formation of a noncorporate joint venture between Party X and Party Y that would

Party X will initially pay \$100,000 for an option to acquire a 60% interest in the joint venture. This option may be exercised within 30 days (subject to extensions relating to title conditions) for additional consideration. If the option is exercised, Party Y will receive from Party X a total of \$1,250,000 in cash (including the \$100,000 option payment).

Party X is required to spend a total of \$20,000,000 on a combination of exploration and development expenditures and payments to Party Y to complete the transaction.

Formation of a non-corporate joint venture is not reportable within the meaning of the merger notification office staff's definition of an acquisition of realty transferred in the ordinary course of business, because the deal involves the transfer of realty rights in undeveloped property, which rights are not currently revenue-

Mr. Patrick Sharp  
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producing. See ABA Premerger Notification Practice Manual,  
Interpretations Relating to Section 7A Paragraph 2 pp. 1-2.

acquiring person.

If this letter does not correctly reflect our conversation or

We thank you for your time and assistance on this matter.

Very truly yours,

cc:

This letter is in error.  
called [redacted] 11-5-91

[redacted]