

7A(c)(1)

[REDACTED]

March 22, 1993

VIA TELECOPY

Premerger Notification Office  
Room 303  
Federal Trade Commission

Premerger Notification Act, 15 U.S.C. § 7801  
Confidentiality Protection

Dear Ms. Ovuka:

This letter summarizes the conversations we have had with [REDACTED]

[REDACTED] and one of its regular institutional investors (a large pension trust). We have asked your office's view on whether a premerger notification pursuant to the Hart-

required for the following transaction:

[REDACTED] will convey a "net profits overriding royalty interest" in certain [REDACTED] to an entity owned by the pension trust. The pension trust and the entity to which the interest will be transferred are not businesses engaged in the [REDACTED]. It appears that the transaction meets the size of person and size of transaction tests in the Act.

A net profits overriding royalty interest entitles the owner [REDACTED] property. The royalty owner has no right to possession of the [REDACTED] involved, and has no control over its development or operation [REDACTED].

We understand that it is the position of the Office of Premerger Notification that the transfer of an interest in the income from [REDACTED] under the circumstances described here is exempt from premerger notification either under Section 7A(c)(1) of the Act (transfers in the ordinary course of business), or because the transferee of the net profits

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the asset for purposes of the Act. This position is summarized in the American Bar Association's Premerger Notification Practice Manual (1991 ed.), Comment 4, Interpretations Relating to Section 7A. See in particular, letter to Dana Abrahamsen, Esq., dated December 2, 1982. See also letters to Ms. Sandra Vidas dated April 8, and April 22, 1982, letter to Ms. Naomi Licker dated June 23, 1980, letters to Ms. Sandra Vidas dated December 22, 1981, letter to Ms. Roberta Baruch dated December 28, 1981, and letter to Sandra Vidas dated May 24, 1982. (We are sending copies of these letters to you by Federal Express for your convenience.) Based on our conversations with you, we do not plan on filing a premerger

Please let me know if you would like further information regarding the proposed transaction, or if our interpretation of the position of your office is incorrect.

Very truly yours,

