

802.50(a)(2)

[REDACTED]
A PROFESSIONAL CORPORATION
[REDACTED]
TELEPHONE
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
AFFILIATE OFFICE
[REDACTED]

October 26, 1999

Nancy Ovuka, Esq.
FEDERAL TRADE COMMISSION
Bureau of Competition
Premerger Notification Office
Room 303
Washington, D. C. 20580

Re: Exemption From Filing Requirements Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 ("HSR Act") Pursuant to Rule 802.50(a)

Dear Ms. Ovuka:

Thank you for speaking with [REDACTED] and me on October 22, 1999 about the exemption for acquisitions of foreign assets by a U. S. person set forth in Rule 802.50(a) under the HSR Act. Specifically, we were inquiring with respect to an asset acquisition from [REDACTED] limited, [REDACTED] the ultimate parent owner of [REDACTED]

[REDACTED] will be acquiring oil and gas reserves and associated assets from [REDACTED]. The assets are all located in Canada. Section 802.50(a) of the Federal Trade Commission's rules and regulations under the HSR Act exempts from reporting the acquisition of assets located outside of the United States unless there have been sales attributable to the acquired assets aggregating \$25 million or more during the acquired person's most recent fiscal year. 16 C.F.R. §802.50(a)(2).

All of the assets that [REDACTED] is acquiring from [REDACTED] are located in Canada. The crude oil that is produced from the assets is sold to a [REDACTED] affiliate which refines it in Canada, thus converting it to different products. We have no information as to where the resulting products are sold. You indicated that since the refining process causes the crude oil to change into other products, sales into the United States, if any, are no longer attributable to the assets being acquired by [REDACTED].

Most of the natural gas is sold to another [REDACTED] affiliate. That affiliate sells approximately one-third of all of its natural gas, including natural gas purchased from [REDACTED] and other affiliates or third

[REDACTED]

[REDACTED]

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parties, into the United States. Once the gas is commingled of course, it is no longer possible to

acceptable method of determining the amount of natural gas sold into the United States attributable

HSR Act.

Please call [REDACTED] to confirm that this letter accurately reflects our conversation and that the methodology for determining both sales attributable to the assets with respect to oil as well as the amount of sales into the United States attributable to the natural gas is correct.

Thank you for your assistance.

Very truly yours,

[REDACTED]

[REDACTED]

cc:

[REDACTED]

TH concurs

[REDACTED]