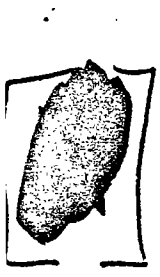

[redacted]

June 6, 1984

Mr. Wayne Kaplan
Room 301
Federal Trade Commission
Washington, DC 20580

Re: Request for Interpretation of the Hart-Scott-Rodino Antitrust Improvements Act of 1976

Dear Mr. Kaplan:

This letter will confirm our contemporaneous oral request for an informal interpretation of the Commission's rules implementing the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "Act"). This request is made pursuant to Section 803.30 of the rules.

FACT SITUATION

A [redacted] limited partnership (the "Partnership") shall be formed for the purpose of acquiring certain oil and gas producing properties [redacted] with a fair market value of $82 million. [redacted] shall be general partner of the Partnership, and shall make a cash capital contribution of $5 million in return for a 35 percent interest in the Partnership. Pursuant to a private offering under Section 4(2) of the Securities and Exchange Act of 1933, certain institutional investors (the "institutional investors") shall make an aggregate cash capital contribution of $20 million in exchange for an aggregate 65 percent interest in the Partnership. The Partnership shall then borrow $60 million [redacted] such loan to be collateralized by the property to be acquired, and simultaneously purchase the [redacted] assets for $82 million. Additional funds contributed over the acquisition price shall be used to pay the expenses of the acquisition and provide working capital for the Partnership. The Partnership shall operate the properties pursuant to an agreement [redacted]

DISCUSSION

The formation of a limited partnership does not constitute the acquisition of "voting securities" by the partners.

It is understood that the partnership interests acquired by the general partner and limited partners of the Partnership do not constitute "voting securities" of the Partnership within the meaning of Section 7A(b)(3)(A) of the Clayton Act, 15 U.S.C. Section 18a(b)(3)(A), and 16 C.F.R. Section 801.1(f)(1) of the pre-merger notification rules. It is also understood that the formation of a limited partnership does not constitute the formation of a "joint venture or other corporation" within the meaning of 16 C.F.R. Section 801.40.

The newly formed Partnership is treated as its own "ultimate parent entity".

It is understood that a limited partnership constitutes its own "ultimate parent entity" as that term is defined in 16 C.F.R. Section 801.1(a)(3). Neither [redacted] 35 percent interest in the partnership nor the 65 percent interest of the institutional investors constitutes control of the Partnership. Moreover, since the Partnership is considered the ultimate parent entity, and since the Partnership interests are not "voting securities", neither [redacted] or the institutional investors are deemed an "acquiring" company of the [redacted] assets under 16 C.F.R. Section 801.2..

The Partnership, which does not have a regularly prepared balance sheet, should not include the money contributed to the Partnership or the amount borrowed by the Partnership, for the purposes of the "size of person" test.

[redacted] as general partner, and the institutional investors as limited partners, contribute only cash to the Partnership. The additional funds required for the acquisition are obtained through a loan with [redacted] No assets other than money are contributed to the Partnership by either the general partner or the limited partners. The Partnership is a newly formed partnership for the purpose of acquiring and operating the [redacted] assets and does not have a regularly prepared balance sheet. $82 million of the $85 million contributed and borrowed funds will be applied directly to the acquisition of the assets. The remaining $3 million shall be used to pay the expenses of the acquisition and to provide working capital for the Partnership. It is understood, therefore, that $82 million of the $85 million contributed and borrowed, shall not be included in the assets of the Partnership for purposes of applying the "size of person" test under Section 7A(a)(2) of the Clayton Act, 15 U.S.C. Section 18a(a)(2).

CONCLUSION

Based upon the above fact situation, or facts substantially and materially similar to the above, it is understood that the acquisition of the assets [redacted] by the Partnership does not constitute a reportable event by the Partnership, [redacted] or the institutional investors subject to the reporting and waiting period requirements of Section 7A of the Clayton Act, thereby permitting the acquisition to proceed immediately and without the necessity of filing the Notification and Report Form required to be submitted pursuant to Section 803.1(a) of the pre-merger notification rules.

If you have any questions or comments concerning the above, please contact the undersigned [redacted] Pursuant to our telephone conversation, if we do not hear from you on or before June 15, we shall treat your silence as an assent to the above. Please acknowledge receipt of this letter by signing the attached copy and return it to me in the enclosed envelope.

Thank you.

Yours truly,