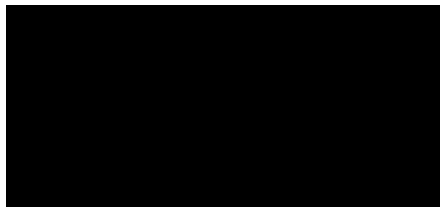


802.4

Verne, B. Michael

From: [REDACTED]
Sent: Wednesday, November 18, 2009 10:36 AM
To: Verne, B. Michael
Subject: FW: Question re IPO/Reorg

Hi, Mike: Did you have any thoughts on this one? Thanks!



Circular 230 Disclosure (R&G): To ensure compliance with Treasury Department regulations, we inform you that any U.S. tax advice contained in this communication (including any attachments) was not intended or written to be used, and cannot be used, for the purpose of avoiding U.S. tax-related penalties or promoting, marketing or recommending to another party any tax-related matters addressed herein.

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From: [REDACTED]
Sent: Friday, November 13, 2009 3:39 PM
To: Verne, B. Michael
Cc: [REDACTED]
Subject: Question re IPO/Reorg

Hi, Mike:

In anticipation of its initial public offering ("IPO"), Limited Partnership A is reorganizing into a corporation (the "Reorganization"). There are many steps involved in the reorganization, including the reorganization of the multiple vehicles through which the partners of Limited Partnership A hold their interests in Limited Partnership A (the "Shareholder Reorganization"). We believe that all steps of the transaction - the Shareholder Reorganization, the Reorganization and the shares to be acquired in the IPO - will be exempt from HSR reporting.

We believe that Limited Partnership A, an oil-focused exploration and production company operating in the U.S. and abroad (roughly 45% of its oil and gas reserves and/or rights to such reserves are in the U.S.), has only exempt assets and, possibly, non-exempt assets with a fair market value of less than \$65.2 million. Although Limited Partnership A has total assets of close to \$800 million, it currently generates no revenues, as it has no producing reserves of any kind. Its assets are integrally related to its exploration activities, including land, long-term leases and drilling equipment and rigs. We understand that the PNO's position is that the \$500 million limitation contained in 16 C.F.R. 802.3 applies to *producing* oil and gas reserves and associated exploration or production assets. In the present case, as there are no producing reserves of any kind, we believe that Limited Partnership A holds only unproductive property and thus only exempt assets.

Any reorganization of entities which hold *only* non-controlling limited partnership interests in Limited Partnership A or entities (whether non-corporate or corporate in nature) whose only assets are cash and/or non-controlling limited partnership interests in Limited Partnership A and/or stock or equity interests in entities, whether corporate or non-corporate, whose only assets are cash and/or non-controlling limited partnership interests in Limited Partnership A will be exempt from reporting pursuant to 16 C.F.R. 802.4.

Similarly, any acquisition of stock of the reorganized Limited Partnership A in the IPO (assuming such acquisition otherwise meets the jurisdictional thresholds of the Act) will likewise be exempt from reporting under 802.4 due to the fact that the issuer holds only exempt assets or non-exempt assets with a fair market value of less than \$65.2 million. We note that there could be other exemptions that would also be applicable to the Reorganization and/or Shareholder Reorganizations, including 802.10, and the receipt of stock in the IPO, including 7A(c)(10), depending on the circumstances and facts.

Please let us know if you agree that no filings will be required for the transactions as described.

Thanks,

[Redacted signature]

AGREE
BW
11/18/09