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December 17, 1984

Mr. James A. Baker, III
Chief of Staff
The White House
Washington, D.C. 20500

Re: Treasury Department
Tax Reform Proposals

Dear Mr. Baker:

We would like to express in the strongest possible terms our opposition to the above Treasury Proposal regarding the oil and gas industry.

This proposal would completely stifle any investment incentives in the oil industry; and, would certainly severely damage the overall industry, as well as, increase the already existing unacceptable unemployment.

The average daily oil production in Oklahoma is 4.5 barrels of oil per day per well. Without the available tax incentives, venture capital would most assuredly not be available to the industry. This in turn would result in the loss of jobs and revenues which would result in less available tax dollars.

This entire proposal seems counter-productive and should not be supported by any well meaning public official.

Sincerely,

AMBASSADOR OIL CORPORATION

A handwritten signature in black ink that reads "H. R. Sidwell". The signature is written in a cursive, flowing style.

H. R. Sidwell
Secretary-Treasurer

HRS/rg

**ARCHER
ENERGY
INCORPORATED**

P.O. Drawer 20747
Oklahoma City, Ok. 73120
(405) 755-2206



December 17, 1984

The President
The White House
Washington, D. C. 20500

Dear Mr. President:

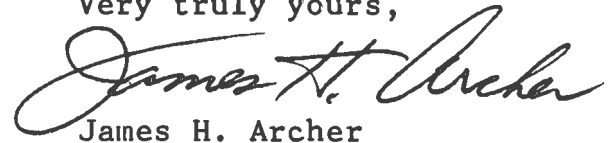
I have been studying the new tax proposals by Secretary of the Treasury, Donald Regan and from what information that I've been able to gather, his proposals for elimination of tax incentives for the domestic oil and gas industry would absolutely kill off all but the largest petroleum businesses. His suggestions for eliminating intangible drilling cost writeoffs and the percentage depletion allowance on oil and gas production would deal a death blow to smaller independents who need every nickle they can get in order to survive and expand. All of these recommendations fly in the face of and are completely counterproductive to your administration's avowed policy of energy independence for the United States.

Mr. President, the foregoing proposals of the Secretary are completely hostile and injurious to an industry that is vital to our national security. The United States is currently enjoying a temporary surplus of oil and natural gas but given the facts that we produce only about 50% of the oil we use daily and that our dependence on foreign oil is very risky, the United States cannot afford a tax policy that could destroy an industry vital to our national security. I am absolutely opposed to this hostile and naive scheme that would confiscate more money from an industry that already pays exorbitant amounts in taxes and that needs time-honored percentage depletion allowance and the intangible drilling cost write-off incentive in order to survive.

JHA/daa

CC: Mr. James A. Baker, III
Chief of Staff
The White House
Washington, D. C. 20500

Very truly yours,


James H. Archer

Armer & Wilde, Inc.

JAMES T. ARMER — VERNON L. WILDE

Oil & Gas Properties

PHONE

405/848-9431

817 N.E. EXPRESSWAY, SUITE 100

OKLAHOMA CITY, OKLAHOMA 73105

December 27, 1984

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

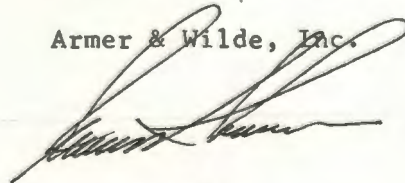
This letter is a follow up of my Mailgram mailed December 26, 1984 at which time I specifically objected to the Treasury Department's Tax Reform Proposals for the Petroleum Industry.

As a small producer and an employer of 15 to 20 individuals in the land associated field of buying leases and preparing geological prospects to be drilled I can say that our business has barely managed to exist the last three years. After thirty years of energy related business; the past three years has been as difficult as any prior time. If you allow the Treasury Department's Tax Reform Proposals to become effective the small producer is dead and without the small producer our National Energy problems will become insurmountable. Our country will be at the mercy of Foreign Oil Policy.

My God ----- do something!

Very truly yours,

Armer & Wilde, Inc.



James T. Armer
President

JTA/agb

cc: ~~Vice President George Bush~~
James A. Baker III
Robert C. McFarlane
Edwin Meese, III
The Honorable Donald Regan
The Honorable William Clarke
The Honorable Don Hodel
Randall E. Davis

Senator David L. Boren
Senator Don Nickles
Representative James R. Jones
Representative Mike Synar
Representative Mickey Edwards
Representative Wes Watkins
Representative Dave McCurdy
Representative Glenn English



Astro

Energy Corporation

January 4, 1985

President Ronald Reagan
The White House
Washington, D.C. 20500

Dear Mr. President:

The Treasury Department's tax reform proposals are extremely detrimental to the oil and gas industry. We are currently plagued by many agencies at all levels of government attaching innumerable fees and requirements which incur expense in addition to those normally associated with drilling, completion and production of oil. These tax reforms would produce irreconcilable damage.

Many parts of the tax reform proposed are adverse to the petroleum industry. The repeal of percentage depletion and expensing of intangible drilling costs would prove very costly particularly to a small independent producer like myself. Disallowing deduction of dry hole costs until a property is abandoned is not even logical. Anyone who takes a moment to look at this intelligently will see that this cannot be done for several reasons.

I adjure you to reject these proposals. At least divert a decision until the Senate and Congress can be allowed time to understand the long-range effects these reforms would cause.

Sincerely,

Charles F. Sarratt

Charles F. Sarratt,
President

CFS:111

cc's - 2nd page

President Ronald Reagan
The White House
January 4, 1984
Page 2

cc's:

Edwin Meese, III
Counselor To The President
The White House
Washington, D.C. 20500

✓ James A. Baker, III
Chief of Staff
The White House
Washington, D.C. 20500

Robert C. McFarlane
Asst. to the President for National Security Affairs

Vice President George Bush
The White House
Washington, D.C.

The Honorable Donald Regan
Secretary of Department of Treasury
Washington, D.C. 20220

The Honorable William Clarke
Secretary of Department of Interior
Washington, D.C. 20240

The Honorable Don Hodel
Secretary of Department of Energy
1000 Independence Ave., S.W.
Washington, D.C.

Mr. Randall E. Davis
Special Asst. to the President for Energy & Natural Resources
227 Old Exec. Office Building
Washington, D.C. 20500

Tom H. Baldwin

OIL PROPERTIES, INC.

December 26, 1984

The President
The White House
Washington, D.C. 20500

Re: Treasury Department Tax
Reform Proposals.

Mr. President:

I would like to voice my objection to the proposed tax plan, specifically the proposals directed toward the petroleum industry as stated in Volume 1 (overview) "Tax Reform for Fairness, Simplicity, & Economic Growth," dated November 1984. The damaging effects to the industry and the welfare of the country are far reaching and now is the time for the public to speak out. I adamantly object to the following to-wit:

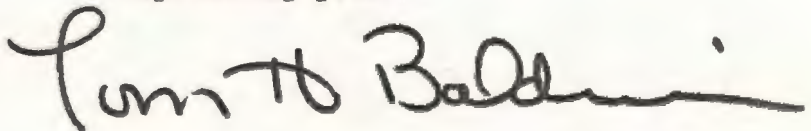
- 1) Repeal of the percentage depletion and expensing of intangible drilling costs.
- 2) Disallowance of the deduction of dry hole costs until a property is abandoned.

I have been involved professionally in the U.S. Petroleum Industry as an Independent Petroleum Broker and Investor for more than ten (10) years. Therefore I would urge you, Mr. President and Congress to publicly reject these provisions as "Anti Industry."

My solution as a small business owner and tax payer, and active member of the G.O.P., should you consider, is to "stream-line" government expenditures, overhead etc., I.E. "waste".

Thank you for your consideration in these matters.

Respectively yours,



Tom H. Baldwin, President
Tom H. Baldwin Oil Properties, Inc.

TNB/bp

cc: Vice-President George Bush
Edwin Meese, III
James A. Baker, III
Robert C. McFarlane
The Honorable Don Hodel
The Honorable Donald Regan
The Honorable William Clarke
Randall E. Davis
Senator Don Nickles
Senator David L. Boren
Rep. Mickey Edwards
Rep. James R. Jones
Rep. Dave McCurdy
Rep. Mike Synar
Rep. Glenn English, Jr.
Rep. Wes Watkins

BONRAY ENERGY CORPORATION

2644 N.W. 63rd ST.

P. O. BOX 20746
OKLAHOMA CITY, OKLAHOMA 73156

848-6891

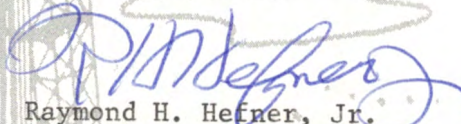
December 6, 1984

Mr. James A. Baker, III
Chief of Staff
The White House
Washington, D.C. 20500

Dear Mr. Baker:

Please take the necessary time to read the enclosed copy of my letter to the President expressing my concerns regarding the Treasury Department's tax reform proposals.

Sincerely yours,



Raymond H. Hefner, Jr.
Chairman - C.E.O.

RHH/dt

Enclosure



BONRAY ENERGY CORPORATION

2644 N.W. 63rd ST.

P. O. BOX 20746
OKLAHOMA CITY, OKLAHOMA 73156

848-6891

December 6, 1984

The Honorable Ronald Reagan
President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

I strongly support your economic agenda calling for business expansion stimulated by tax reduction and simplification, reduced government spending, and elimination of needless regulation.

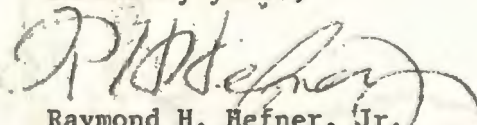
However, I am shocked at some of the Treasury's proposals for tax reform. The proposed changes which concern me most are those relating specifically to the oil and gas industry:

REPEAL OF PERCENTAGE DEPLETION
REPEAL OF EXPENSING INTANGIBLE DRILLING COSTS
REPEAL OF EXPENSING DRY HOLE COSTS
REPEAL OF INVESTMENT TAX CREDIT
REPEAL OF THE ACCELERATED COST RECOVERY SYSTEM

The enactment of these proposed changes would discourage investment in the petroleum industry which in turn would destroy the independent producer who currently accounts for most of the exploratory drilling in the United States. The lack of adequate domestic supplies of oil and gas would place our country at the mercy of foreign energy producers and thereby pose a serious threat to national security.

In light of the potentially devastating consequences of the Treasury's tax proposals, I respectfully urge you to direct the Department of Treasury to withdraw the current proposals and draft tax provisions which are in keeping with your stated objectives of providing incentives for economic growth.

Sincerely yours,


Raymond H. Befer, Jr.
Chairman - C.E.O.

RHH/dt



Callon Petroleum Company

4045 NORTHWEST SIXTY-FOURTH STREET
SUITE 600
OKLAHOMA CITY, OKLAHOMA 73116

TELEPHONE 405/843-7448

December 27, 1984

The President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

This letter is written to implore you to totally reject the Treasury Department's proposed new tax law which would repeal both the percentage depletion deduction and the deduction for intangible drilling expenses for the oil and gas industry.

If these proposals should become law the following results will occur:

- (1) No one but the major oil companies will drill for oil and gas as the risk is far too great without the existing tax incentives.
 - (a) Statistics show that over 80% of all exploratory oil or gas wells are drilled by independent oil and gas operators.
- (2) At the present time we are 30%-40% dependent upon foreign countries for our oil and gas needs at our existing level of exploration. If exploration is stifled by tax disincentives, this country will be increasingly dependent upon foreign countries for a critical resource.
- (3) Hundreds of thousands of people who work on drilling rigs, for oil and gas service related businesses and the like will be put out of work, thus adding to the Federal and state costs of welfare.
- (4) In a very few years a natural gas shortage will develop causing similar shut downs which occurred prior to the Natural Gas Policy Act, of factories, schools, etc. throughout the country during a severe winter.

The President of the United States
December 27, 1984
Page Two

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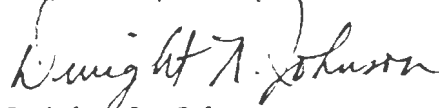
(5) With drastically reduced drilling, there will be a drastically reduced need for pipe, thus causing the U. S. steel mills major losses.

Indeed, one would think that government leaders would be interested in providing additional incentives to keep the oil and gas industry healthy and growing, instead of trying to cripple it.

If these two provisions become law, there will be economic repercussions throughout this country beyond anyone's imagination.

Please work against the elimination of depletion and intangible drilling costs as deductions for Federal income tax purposes.

Yours very truly,



Dwight N. Johnson
Regional Land Manager

DNJ/djm

cc: Mr. Edwin Meese III, Counselor to the President
Mr. James A. Baker III, Chief of Staff
Mr. Robert C. McFarlane, Assistant to the President
for National Security Affairs

The Honorable Don Hodel
Secretary of Department of Energy
1000 Independence Avenue, SW
Washington, D.C. 20585

The Honorable Donald Regan
Secretary of Department of Treasury
Washington, D.C. 20220



CASTLE EXPLORATION, INC.

Bruce E. Lassila, President

**Gregory M. Cwayna, Vice President
Exploration and Production**

December 28, 1984

**Mr. James A. Baker, III
Chief of Staff
The White House
Washington, DC 20500**

Dear Mr. Baker:

**Please find the enclosed copy of my letter to President Reagan.
I urge you to read my letter and quickly denounce the tax reform
proposals regarding the petroleum industry.**

Thank you for your time.

Sincerely yours,

**Gregory M. Cwayna
Vice President**

GMC/tlb

Enclosure



CASTLE EXPLORATION, INC.

Bruce E. Lassila, President

December 28, 1984

Gregory M. Cwayna, Vice President
Exploration and Production

President Ronald Reagan
The White House
Washington, DC 20500

Mr. President:

I am writing to express my views of the recent tax reform proposals regarding the petroleum industry. As co-owner of a small independent oil and gas firm, I have seen an immediate reaction to the mere proposal of repealing percentage depletion and expensing of intangible drilling costs.

Our corporation relies heavily on outside investors to finance our exploration activities. We are currently attempting to secure the investment capital for our 1985 drilling activities. The reaction of investors to Mr. Regan's tax reform proposals is frightening. Investors who have been financing oil and gas ventures for a number of years, have taken a "wait and see" attitude. Should Mr. Regan's proposals regarding the petroleum industry be enacted, the industry will be severely crippled. Our firm will be forced to drill fewer total wells and absolutely no exploratory wells.

The petroleum industry has already been hurt by low demand, low product prices, high interest rates and a shortage of investment capital. Enactment of these tax proposals will force many independent oil and gas firms like ourselves out of business. Eventually, this tax reform action will lead to increased dependence on foreign oil supplies and a domestic petroleum industry that will be virtually non-existent.

I strongly recommend that the Treasury Department's proposals regarding the petroleum industry be denounced and abandoned immediately. Allow us to begin functioning without fear of increased taxes, and we can concentrate on our search for new oil and gas reserves.

Thank you for taking the time to listen to my views.

Sincerely yours,

Gregory M. Cwayna
Vice President

GMC/tlb



CC: JAMES A. BAKER, III
CHIEF OF STAFF

CEC DRILLING COMPANY

December 27, 1984

The President
The White House
Washington, D.C. 20500

Dear Mr. President

This letter is written to implore you to totally reject the Treasury Department's proposed new tax law which would repeal both the percentage depletion deduction and the deduction for intangible drilling expenses for the oil and gas industry. If these proposals should become law the following results will occur:

1. No one but the major oil companies will drill for oil and gas as the risk is far too great without the existing tax incentives.

a. Statistics show that over 80% of all exploratory oil or gas wells are drilled by independent oil and gas operators.

2. At the present time we are 30%-40% dependent upon foreign countries for our oil and gas needs at our existing level of exploration. If exploration is stifled by tax disincentives, this country will be increasingly dependent upon foreign countries for a critical resource.

3. Hundreds of thousands of people who work on drilling rigs, for oil and gas service related businesses and the like will be put out of work, thus adding to the Federal and state costs of welfare.

4. In a very few years a natural gas shortage will develop causing similar shut downs which occurred prior to the Natural Gas Policy Act, of factories, schools, etc., throughout the country during a severe winter.

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December 27, 1984

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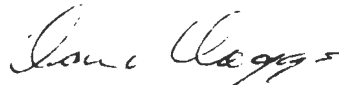
5. With drastically reduced drilling, there will be a drastically reduced need for pipe, thus causing the U. S. steel mills major losses.

Indeed, one would think that government leaders would be interested in providing additional incentives to keep the oil and gas industry healthy and growing, instead of trying to cripple it.

If these two provisions become law, there will be economic repercussions throughout this country beyond anyone's imagination.

Please work against the elimination of depletion and intangible drilling costs as deductions for Federal Income tax purposes.

Sincerely yours,



Dave Daggs
Vice President



CEC DRILLING COMPANY

December 27, 1984

The President
The White House
Washington, D.C. 20500

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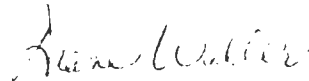
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Please work against the elimination of depletion and intangible drilling costs as deductions for Federal income tax purposes.

Sincerely yours,



Diane Waller
Corporate Secretary

NUEX CORP.

1000 Oil Center Building West • 2601 Northwest Expressway • Oklahoma City, Oklahoma 73112 • 405 / 840-3356

December 27, 1984

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

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December 27, 1984

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Diane Waller
Corporate Secretary

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December 27, 1984

The President
The White House
Washington, D.C. 20500

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December 27, 1984

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Sincerely yours,


Mike Hopkins
President



CEC DRILLING COMPANY

December 27, 1984

The President
The White House
Washington, D.C. 20500

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December 27, 1984

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Please work against the elimination of depletion and intangible drilling costs as deductions for Federal income tax purposes.

Sincerely yours,


Mike Hopkins
President

December 27, 1984

The President
The White House
Washington, D.C. 20500

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Sincerely yours,

A handwritten signature in cursive script, appearing to read "Fred Williams".

December 27, 1984

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

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Sincerely yours,

A handwritten signature in cursive script, appearing to read "A. L. Caggis".

December 27, 1984

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

This letter is written to implore you to totally reject the Treasury Department's proposed new tax law which would repeal both the percentage depletion deduction and the deduction for intangible drilling expenses for the oil and gas industry. If these proposals should become law the following results will occur:

1. No one but the major oil companies will drill for oil and gas as the risk is far too great without the existing tax incentives.

a. Statistics show that over 80% of all exploratory oil or gas wells are drilled by independent oil and gas operators.

2. At the present time we are 30%-40% dependent upon foreign countries for our oil and gas needs at our existing level of exploration. If exploration is stifled by tax disincentives, this country will be increasingly dependent upon foreign countries for a critical resource.

3. Hundreds of thousands of people who work on drilling rigs, for oil and gas service related businesses and the like will be put out of work, thus adding to the Federal and state costs of welfare.

4. In a very few years a natural gas shortage will develop causing similar shut downs which occurred prior to the Natural Gas Policy Act, of factories, schools, etc., throughout the country during a severe winter.

a. This will then cause the price for gas and electricity to escalate causing economic hardship to millions of persons on fixed incomes.

December 27, 1984

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Indeed, one would think that government leaders would be interested in providing additional incentives to keep the oil and gas industry healthy and growing, instead of trying to cripple it.

If these two provisions become law, there will be economic repercussions throughout this country beyond anyone's imagination.

Please work against the elimination of depletion and intangible drilling costs as deductions for Federal income tax purposes.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Anne Waller".

December 27, 1984

The President
The White House
Washington, D.C. 20500

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December 27, 1984

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Sincerely yours,

Debbie Tidholm

December 27, 1984

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Sincerely yours,

Marcia S. Burrows

December 27, 1984

The President
The White House
Washington, D.C. 20500

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Sincerely yours,

Kristina Richardson

December 27, 1984

The President
The White House
Washington, D.C. 20500

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Sincerely yours,

A handwritten signature in cursive script, reading "Vicki J. Casper". The signature is written in dark ink and is positioned to the right of the typed name "Vicki J. Casper".

December 27, 1984

The President
The White House
Washington, D.C. 20500

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Sincerely yours,

Angela Macdonald



December 27, 1984

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

As an American, an oilman, and a Republican Eagle, I strongly object to the Treasury Department's proposed tax reform as it relates to the oil industry. Of all the facets of U.S. industry which have loyally supported the Republican Party in general and you in particular down through the years, none have been more generous or supportive than oil. In all honesty I feel betrayed by my own Party and I am growing increasingly resentful that this bill might pass. If indeed the reform legislation does come to fruition, the results will be disastrous to oil and to the country. I will assure you that investment drilling money will be non-existent. Contractors will be broke overnight with independent oilmen not far behind. When this occurs you will trigger a dominoe affect with the banks taking a real "hit". The damage to the banking system in this part of the country could have nationwide repercussions.

The final irony is that when the independents quit looking for oil and gas we will be at the tender mercy of our Arab friends who have shown a tendency to go for the jugular vein at the slightest indication of weakening. This plan will definitely weaken our oil industry which is already in a damaged posture.

I urge you to reject these proposals and the sooner the better. Investment money will not come into the oil business until you make your decision to reject Regan's plan.

Yours very truly,

E.G. Colton, Jr.

EGCjr/ch

L. L. COWDEN
304 JOURNAL RECORD BUILDING
OKLAHOMA CITY, OKLA. 73101

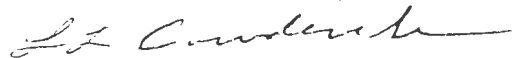
January 2, 1985

James A. Baker, III
Chief of Staff
The White House
Washington, D. C. 20500

Dear Sir:

I urge you to fight against any changes in Oil and Gas depletion, intangible and dry hole allowances for the sake of the Oil and Gas Industry and for the economy of the entire nation.

Yours very truly,



L. L. Cowden, Sr.

LLC:dal

TIGER MOUNTAIN GAS AND OIL

P. O. Box 1938
OKLAHOMA CITY, OKLA. 73101

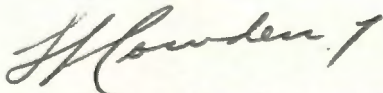
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