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KELLEY

Drilling and Oil Company

204 South Fair

P. O. Box 216

OLNEY, IL 62450

December 31, 1984

Mr. James A. Baker, 111
Chief of Staff
The White House
Washington, D.C. 20500

RE: Treasury's proposed "Tax Reform for Fairness, Simplicity and Economic Growth" to begin January 1, 1986

Dear Mr. Baker:

The Domestic Oil and Gas Exploration Industry in this country will be seriously-impacted in present and future operations if the above Treasury's proposals remain unchallenged.

The Treasury is recommending the following major tax allowances be eliminated for all Royalty owners, Working Interest investors, Independent Oil Producers, and Major Oil Companies:

1. Depletion Allowances on existing and future production
2. Intangible and Tangible cost deductions
3. Investment Tax Credit on Tangible costs
4. Dry hole costs - only expensed over several years if acreage not abandoned by producer.
5. No deduction of Secondary and Tertiary Recovery costs

The elimination of these necessary tax considerations would deal a devastating blow to all people in the oil and gas exploration and production business creating a heavy increased tax burden.

Also--if these Tax proposals become law, it will definitely contribute to the deficit increasing due to the necessity of this country's need for increased costly imported oil.

Sir, we need to ask you to publicly reject the Treasury's proposals as outlined above to avoid the catastrophic effect on the Domestic Oil and Gas Exploration Industry. Further, State Senators and key Congressmen also need to be aware of the effects of this heavy increased tax burden for all tax payers.

We ask your support to retain these tax allowances rather than eliminate them.

Sincerely,

A handwritten signature in cursive script that reads "Patrick Kelley".

Patrick Kelley

Peter A. Morse, Sr.
Attorney at Law
P. O. Box 297
1712 S. Whittle Avenue
Olney, Illinois 62450

618 393-2124

December 18, 1984

COPY

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

Re: Proposed Tax Reform Package Release By
The United States Treasury Department

Dear Mr. President:

I have now had the opportunity to study the overview of the proposed tax reform package presented to you by the United States Treasury Department.

I have been practicing oil and gas law in a town with a population of 10,000 for the past fifteen years and have approximately 75 clients directly involved in various facets of the oil and gas industry. At the same time, however, I am an active participant in a family-owned business exploring for oil and gas in Illinois, Ohio, and West Virginia.

In recent years the oil and gas industry, together with agriculture, has been the economic backbone of Southern Illinois. The proposed tax package would be a devastating blow to the oil and gas industry in this region and would further result in massive unemployment in an area that can ill afford to lose additional jobs.

Neither I nor my clients would support or promulgate so-called tax benefits that were not essential to the existence of our business. We are more than willing to pay our fair share of taxes, but can not operate in an environment that would not provide certain incentives for the exploration and development of oil and gas reserves.

In the past I have presented testimony on behalf of the Illinois Oil and Gas Association involving other proposals that would clearly endanger the very existence of the independent oil and gas producer and on each of the prior occasions the proposals as originally set forth were modified. I am certain you realize the independent oil and gas producer provides a valuable asset to our economy, and in addition, employs or supports the employment of countless others, and therefore, I request that you reject the proposals as they are now set forth.

The President
Page 2
December 18, 1984

I am strongly opposed to the tax reform package as initially proposed, insofar as it relates to the oil and gas industry.

Very truly yours,

Peter A. Morse, Sr.
Attorney at Law

lg

cc: Mr. Edwin Meese, Counselor to the President, Washington, D.C.
Mr. James A. Baker, Chief of Staff, Washington, D.C.
The Honorable Don Hodel, Secretary of Department of Energy,
Washington, D.C.
Mr. Robert C. McFarlane, Asst. to the President for National Security
Affairs, Washington, D.C.
Senator Alan Dixon, Washington, D.C.
Senator Paul Simon, Carbondale, IL
Congressman Ken Gray, West Frankfort, IL
Congressman Terry Bruce, Olney, IL
Governor Jim Thompson, Springfield, IL



John L. Rister

— OIL PROPERTIES —

510 N. Washington St.
Olney, Illinois 62450

Phone 618-395-2718

December 17, 1984

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

HONORABLE: James A. Baker III

I am writing in response to the proposed repeal of Percentage Depletion and the Expensing of Intangible Drilling Costs. In the place of Percentage Depletion and current expensing of IDC there would be a system of "Cost Depletion."

The impact of such a proposal would be drastic, this would create a further decline in drilling that has resulted due to the drop of domestic crude oil prices. End result would be Drilling Contractors and Independent Operators falling in line at the Bankruptcy Courts with ramifications flowing over into other related industries.

Approximately 70% of domestic Oil is being found by the Independent Operators. Major Oil Companies chose the route of mergers to acquire cheaper Oil, without drilling. Resulting in further decline in domestic production and more and more dependence on foreign Oil.

This aspect would have a greater impact on slowing down the economy, with loss of many jobs in the Illinois Basin of Drilling Contractors, Independent Operators and other related companies that depend on the oil industry. Can we afford the loss of hundreds of jobs in an area, at a time, when the unemployment is in the double digits.

All we are asking is that we have an equal opportunity to survive and realize a profit, in a high risk industry that is not subsidized, we have only our courage and ability to survive.

YOURS VERY TRULY,

John L. Rister
JOHN L. RISTER

JLR/SH
CC: File



L. S. Rister Oil Properties, Inc.

Tel 618-395-2718

510 N. Washington
Olney, Illinois 62450

December 17, 1984

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

HONORABLE: James A. Baker

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This aspect would have a greater impact on slowing down the economy, with loss of many jobs in the Illinois Basin of Drilling Contractors, Independent Operators and other related companies that depend on the oil industry. Can we afford the loss of hundreds of jobs in an area, at a time, when the unemployment is in the double digits.

All we are asking is that we have an equal opportunity to survive and realize a profit, in a high risk industry that is not subsidized, we have only our courage and ability to survive.

YOURS VERY TRULY,

L. S. RISTER
L.S.RISTER OIL PROP. INC.

LSR/SH
CC: File

Frank Yockey

Oil Producer
P.O. Drawer 70
Olney, Illinois 62450

December 20, 1984

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

RE: Proposed Tax Reform Package Release By
The United States Treasury Department

Dear Mr. President:

Its like biting the hand that feeds you!

How is the United States ever to become independent of Foreign Oil if you tax oil explorers and producers so heavily that they can no longer stay in business?

It has been evident in the past year that participants in oil investments have taken a long look at the benefits, ie; the risk involved, the price of crude and tax benefits; and are looking for safer more profitable investments. This has caused a marked decrease in new exploration and drilling throughout the country. Continued reduction in tax benefits make oil exploration less and less attractive to prospective participants. Without these participants, independent producers (who are the real explorers for new oil) can no longer function.

In an area like the Illinois Basin, the oil business has been the backbone of our economy. Does it make sense to tax oil producers so heavily that they cannot stay in business, so they lay off all their employees and close their doors and nobody pays taxes and everyone signs up for unemployment compensation? How do you figure the government is going to increase revenue with this kind of strategy?

Accordingly, I urge you to reconsider the Treasury's position on its proposed tax legislation affecting the oil and gas industry.

Very truly yours,


Frank Yockey

FY/jl

cc: Mr. Edwin Meese, Counselor to the President, Washington, D.C.

✓Mr. James A. Baker, Chief of Staff, Washington, D.C.

The Honorable Don Hodel, Secretary of Department of Energy,
Washington, D.C.

Mr. Robert C. McFarlane, Asst. to the President for National Security
Affairs, Washington, D.C.

Senator Alan Dixon, Washington, D.C.

Senator Paul Simon, Carbondale, IL

Congressman Ken Gray, West Frankfort, IL

Congressman Terry Bruce, Olney, IL.

Governor Jim Thompson, Springfield, IL



investment trading realty
13341 southwest highway
200 suite
orland park, illinois 60462

bill allard
broker

448-3200

December 12, 1984

James A. Baker III, Chief of Staff and Assistant to the President
The White House, 1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Re: Treasury Department Tax Reform Proposals

Dear Mr. Baker:

I urge you to immediately take a strong position against the tax reform proposals recently issued by the U.S. Department of Treasury. The uncertainty of future legislation is causing havoc in the investment community. This uncertainty is likely to result in an acceleration of the recessionary pressures already building in the present economic climate.

I believe that if enacted, certain provisions contained in the Treasury proposal would create a disincentive for capital formation, thus greatly damaging the economy of the United States. This in turn will cripple the construction and development industries resulting in the loss of millions of jobs, and ultimately creating a severe housing shortage and higher rents for millions of tenants across the United States. The proposal is economically damaging and ineffectual and conflicts with the underlying philosophy of the Reagan administration and re-election. I, therefore, urge you, in the strongest terms, to publicly oppose the recent Treasury proposal.

Very truly yours,

Bill Allard, CCIM
President

**JOYCE AND
ASSOCIATES**
REAL
ESTATE

6382 Willow Wood Drive
Palos Heights, IL 60463
312 • 385 • 6411

December 18, 1984

Mr. James A. Baker
Chief of Staff
1600 Pennsylvania Avenue
Washington, D. C. 20500

RE: Treasury Department Tax
Reform Proposals

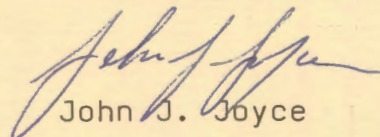
Dear Mr. Baker:

I urge you to immediately take a strong position against the Tax Reform Proposal recently issued by the United States Department of Treasury. The uncertainty of future legislation is causing anxiety in the investment community. This uncertainty is likely to result in acceleration of the recessionary pressures already building in the economic climate.

I believe that if enacted, certain provisions contained in the treasury proposal would create a disincentive for capital formation, thus greatly damaging the economy of the United States. This in turn will cripple the construction and development industries, resulting in the loss of millions of jobs and ultimately creating a severe housing shortage and higher rents for millions of tenants across the U.S.

The proposal is economically damaging and ineffectual. It conflicts with the underlying philosophy of the Reagan Administration and re-election. I, therefore, urge you in the strongest terms to publicly oppose the recent Treasury Proposal.

Sincerely yours,


John J. Joyce





Shamrock Real Estate



9 EAST JACKSON
PINCKNEYVILLE, ILLINOIS 62274
(618) 357-5333
PHILIP R. CORLEY, Broker

KC-15

December 10, 1984

James A. Baker, Chief of Staff and Assistant to the President
The White House, 1600 Pennsylvania Ave., N.W.
Washington, D.C. 20500

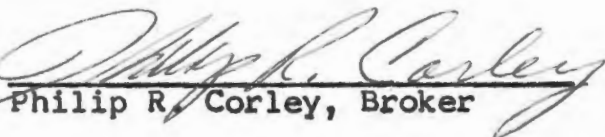
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I urge you to immediately take a strong position against the tax proposals recently issued by the U.S. Department of Treasury. The uncertainty of future legislation is causing havoc in the investment community. This uncertainty is likely to result in an acceleration of the recessionary pressures already building in the present economic climate.

I believe that if enacted, certain provisions contained in the Treasury proposal would create a disincentive for capital formation, thus greatly damaging the economy of the United States. This in turn will cripple the construction and development industries resulting in the loss of millions of jobs, and ultimately creating a severe housing shortage and higher rents for millions of tenants across the United States. The proposal is economically damaging and ineffectual and conflicts with the underlying philosophy of the Reagan administration and re-election. I, therefore, urge you, in the strongest terms, to publicly oppose the recent Treasury proposal.

Very truly yours,


Philip R. Corley, Broker

708 West Oak Street
Robinson, IL 62454
December 26, 1984

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

RE: Treasury's proposed "Tax Reform for Fairness, Simplicity and Economic Growth" to begin January 1, 1986

Dear President Reagan:

The Domestic Oil and Gas Exploration Industry in this country will be seriously impacted in present and future operations if the above Treasury's proposals remain unchallenged.

The Treasury is recommending the following major tax allowances be eliminated for all Royalty owners, Working Interest investors, Independent Oil Producers, and Major Oil Companies:

1. Depletion Allowances on existing and future production
2. Intangible and Tangible cost deductions
3. Investment Tax Credit on Tangible costs
4. Dry hole costs - only expensed over several years if acreage not abandoned by producer.
5. No deduction of Secondary and Tertiary Recovery costs.

The elimination of these necessary tax considerations would deal a devastating blow to all people in the oil and gas exploration and production business creating a heavy increased tax burden.

Also--if these Tax proposals become law, it will definitely contribute to the deficit increasing due to the necessity of this country's need for increased costly imported oil.

President Reagan, we need to ask you to publicly reject the Treasury's proposals as outlined above to avoid the catastrophic effect on the Domestic Oil and Gas Exploration Industry. Further, State Senators and key Congressmen also need to be aware of the effects of this heavy increased tax burden for all tax payers.

We ask your support to retain these tax allowances rather than eliminate them.

Sincerely,



Charles R. Godwin

cc: Edwin Meese, III
James A. Baker, III
Robert C. McFarlane
Senator Alan Dixon

Senator Paul Simon
Congressman Ken Gray
Congressman Terry Bruce
Governor Jim Thompson

JACKSON B. SPARKS

PETROLEUM GEOLOGIST

606 SOUTH MYERS
ROBINSON, ILLINOIS 62454

PHONE:
HOME (618) 544-2920
OFFICE (618) 544-8456

December 18, 1984

The President
1600 Pennsylvania Avenue
Washington, DC 20500

Sir:

This letter is sent to protest some of the provisions of the "Tax Reform for Fairness" proposal of the Treasury Department.

As a geologist, I have worked for and with independent oil and gas companies for over 40 years and believe I understand their place in the industry and their problems.

The proposed repeal of Percentage Depletion, Expensing of Intangible Drilling Costs (IDC's), changing the writing-off of dry hole costs and repealing the expensing of Qualified Tertiary Injectant Expenses, would stop outside investment in the industry which medium and small Independent Producers depend on for much of their financing. The resulting decrease in drilling would have a severely adverse affect on U.S. production.

Independent producers currently account for almost one-half of the wells drilled in the United States. As no alternative fuels have been developed, imports of oil and gas will increase greatly, adversely affecting the federal deficit and enriching only the Arabs, etal.

I believe the Independent Producer is entitled to a depletion allowance and other incentives to allow him to have enough funds to replace declining reserves.

These tax changes, if they become law, will be unfair to the Independent Producer and will, over a period of time, be detrimental to the financial health of this country.

Yours very truly,

Jackson B. Sparks
Jackson B. Sparks
Petroleum Geologist

Copy

JBS/jag

209 Michael Drive
Robinson, IL 62454
December 26, 1984

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

RE: Treasury's proposed "Tax Reform for Fairness, Simplicity and Economic Growth" to begin January 1, 1986

Dear President Reagan:

The Domestic Oil and Gas Exploration Industry in this country will be seriously impacted in present and future operations if the above Treasury's proposals remain unchallenged.

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The elimination of these necessary tax considerations would deal a devastating blow to all people in the oil and gas exploration and production business creating a heavy increased tax burden.

Also--if these Tax proposals become law, it will definitely contribute to the deficit increasing due to the necessity of this country's need for increased tax payers.

President Reagan, we need to ask you to publicly reject the Treasury's proposals as outlined above to avoid the catastrophic effect on the Domestic Oil and Gas Exploration Industry. Further, State Senators and key Congressmen also need to be aware of the effects of this heavy increased tax burden for all tax payers.

We ask your support to retain these tax allowances rather than eliminate them.

Sincerely,



Kelvin S. Waggoner

cc: Edwin Meese, III
James A. Baker, III
Robert C. McFarlane
Senator Alan Dixon

Senator Paul Simon
Congressman Ken Gray
Congressman Terry Bruce
Governor Jim Thompson

December 10, 1984

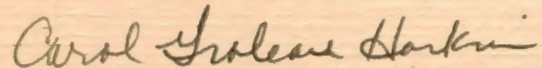
Re: Treasury Department Tax Reform Proposals

Dear Mrs. James A. Baker III,

I (We) urge you to immediately take a strong position against the tax reform proposals recently issued by the U.S. Department of Treasury. The uncertainty of future legislation is causing havoc in the investment community. This uncertainty is likely to result in an acceleration of the recessionary pressures already building in the present economic climate.

I (We) believe that if enacted, certain provisions contained in the Treasury proposal would create a disincentive for capital formation, thus greatly damaging the economy of the United States. This in turn will cripple the construction and development industries resulting in the loss of millions of jobs, and ultimately creating a severe housing shortage and higher rents for millions of tenants across the United States. The proposal is economically damaging and ineffectual and conflicts with the underlying philosophy of the Reagan administration and re-election. I, therefore, urge you, in the strongest terms to publicly oppose the recent Treasury proposal.

Very Truly Yours,



Carol Groleau Harkin
Roscoe Realtors, Inc.

CGH/pag



**ROSCOE
REALTORS INC.**

11405 Main Street • Roscoe, IL 61073 • 815-623-2182

FELLER OILFIELD SERVICE COMPANY

OILFIELD ACIDIZING, TRUCKING & SUPPLIES
P. O. BOX 67
ST. ELMO, ILLINOIS 62458

December 20, 1984

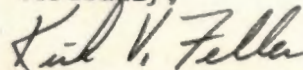
Dear President Reagan,

I am writing to urge you to publicly reject the Treasury reform proposals for the petroleum industry as listed below:

- (1) Percentage Depletion Repealed, Effective 1/1/86 for existing and future productions.
- (2) Expensing of Intangible Drilling Costs Repealed, Effective 1/1/86.
- (3) Dry hole costs could be written off only at the time a property is abandoned.
- (4) Expensing of Qualified Tertiary Injectant Expenses Repealed, Effective 1/1/86.
- (5) Investment Tax Credit Repealed, Effective 1/1/86.
- (6) Accelerated Cost Recovery System (ACRS) Repealed, Effective 1/1/86.
- (7) "At-Risk" rules retained and applied to all investments.
- (8) Partnerships with 35 or more limited partners would be taxed as corporations.
- (9) Retain individual alternative minimum tax and corporate minimum tax until 1/1/90.
- (10) Restrict the use of the cash method of accounting to businesses that do not use the accrual method for financial accounting purposes, carry no inventories, and have annual gross receipts of less than \$5 million.
- (11) To assure uniform treatment of all multiperiod production activities (i.e., oil and gas production), develop comprehensive rules for capitalization of indirect costs such as interest.
- (12) Corporations could deduct from taxable income one-half of dividends paid from income subject for tax but not dividends paid from income that had not been subject to corporate tax.

These proposals would spell economic disaster for the oil industry in Southern Illinois specifically, and United States generally. Again, I urge you to publicly reject these Treasury reform proposals for the petroleum industry. Thank you.

Cordially,



Kirk V. Feller
President

GARY K. TUSSEY

Oil Exploration & Producer

P.O. BOX 69
ST. FRANCISVILLE, ILLINOIS, 62460

TELEPHONE
618-948-2871

December 20, 1984

Dear Mr. President and Gentlemen of the Presidency:

It has been brought to my attention as an Independent Oil Producer the tax reform proposal titled as "Tax Reform for Economic Growth" myself as well as all Independent Oil Producers, Drilling Contractors and Oil Associated Industries, believe that any such tax reform proposal will be an economic disaster to the oil Industry.

Seventy-five per cent (75%) of the working force in the Southern Illinois Basin whether directly or indirectly depend on the oil industry for their livelihood. The Independent Oil Producer and the oil orientated work force came to Americas's needs during the energy crisis by rapidly increasing oil exploration and drilling. Is this the Oil Industries thank you for that response?

Many small Oil Producers have already fallen prey to the high cost and lack of investors for their operation needs.

If this tax legislation is passed there will no longer be an Oil Industry in the Southern Illinois, Indiana, Kentucky Basin.

We have placed our faith in you Mr. President and Gentlemen of the Presidency to act in all fairness on behalf of the American people.

You and you alone can prevent the total economic disaster of the Oil Industry by voting "No" to any such Tax Reform Proposal as the Tax "Reform Fairness Simplicity and Economic Growth".

Sincerely yours

Tussey Oil Exploration
and Development

Gary K. Tussey
Gary K. Tussey



Barr Drilling Corporation

BOX 148
SALEM, ILLINOIS 62881

December 11, 1984

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

Dear Mr. President :

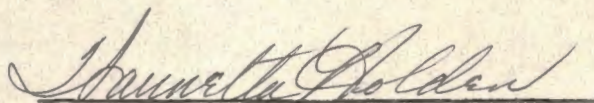
This letter follows a telegram stating our objection to the Treasury Tax Reform proposals for the petroleum industry. Having been affiliated with the petroleum industry for the past thirty years, we have seen the good years and the very lean ones. Over the years our industry has been subjected to a variety of taxes. We believe the current tax proposal which would eliminate percentage depletion and the proposed method of expensing IDC would have a paralyzing affect on the petroleum industry.

If the investors incentives to place capital at risk are removed, exploration drilling funds will surely evaporate. This evaporation creates a domino effect shutting down the producer, geologist, drilling contractor, service and supply companies, and countless others who look to the industry for their livelihood.

Since the Illinois economy is so dependent on the petroleum industry, I urge you to please reject this tax proposal.

Very truly yours,

Barr Drilling Corporation


(By) Waunetta Holden, V.P.

cc: Edwin Meese, Counselor to the President
The White House
Washington, D.C. 20500

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

The Honorable Don Hodel
Secretary of Dept. of Energy
100 Independence Ave. S.W.
Washington, D.C. 20585

Garden Drilling Co.

ROTARY AND CABLE TOOL EQUIPMENT

ROUTE 4

SALEM, ILLINOIS 62881

December 12, 1984

from

The President
The White House
Washington, DC 20500

Mr. President,

I am objecting to the Treasury Department's Proposed Tax Reform, as presented to you in regard to the Petroleum Industry. The most critical provisions include the repeal of percentage depletion and expensing of IDC. There will not be much drilling of wells for oil, if they disallow expenses of the dry holes. Every hole drilled just cannot be an oil well. The independent drilling has slowed now because of these proposals. You know, as well as I, most oil is discovered by independents, not major oil companies. These proposals must have been hatched by your opponents and the opponents of the American people.

Will we again, be obligated to buy oil from other countries, and bankrupt our nation? Will we have what energy we need to fly our planes and fuel our ships, if we become embroiled in a war?

We do appreciate your consideration in this matter.

Sincerely,



Thelma Bailey

copy

PRESERVATION COPY

Marion F. Miller Drilling Co., Inc.

ROTARY DRILLING

606 E. MAIN

P.O. Box 89

SALEM, ILLINOIS 62881

(618) 548-0615



MARION F. MILLER
PRESIDENT
ALLEN AUSTIN
VICE PRESIDENT
MARSHA A. CRENSHAW
SECRETARY/TREASURER

December 20, 1984

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

Dear Mr. Baker:

Enclosed please find a copy of the letter which we have forwarded to President Reagan.

The oil industry of Southern Illinois will be placed in great danger with the acceptance of this "Tax Reform for Fairness, Simplicity and Economic Growth".

We urge you to actively oppose this tax reform and to inform the President of the economic disaster this reform will bring to the oil industry of Southern Illinois.

Thank you for your consideration.

Very truly yours,

Marion F. Miller

MFM/lab

Enclosure

Marion H. Miller Drilling Co., Inc.

ROTARY DRILLING

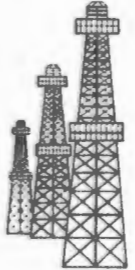
606 E. MAIN

P.O. BOX 89

SALEM, ILLINOIS 62881

(618) 548-0615

MARION F. MILLER
PRESIDENT
ALLEN AUSTIN
VICE PRESIDENT
MARSHA A. CRENSHAW
SECRETARY/TREASURER



December 20, 1984

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

Dear President Reagan:

I am writing this letter as an active member of the Illinois Oil and Gas Association and as a person who has spent most of his life involved in the oil industry in Southern Illinois.

The "Tax Reform for Fairness, Simplicity and Economic Growth", prepared by the Treasury Department is a blueprint for economic disaster to the oil industry of Southern Illinois.

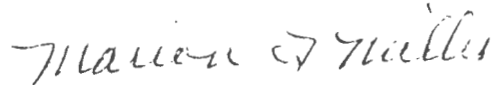
These reforms would result, most importantly, in taking away the incentive to invest in oil exploration and production. It will be very difficult for independent producers to attract outside investors in any venture because of this reform with the two major problems being repealing of expensing intangible drilling costs and the cost of dry holes being written off only at the time a property is abandoned. We do not look at these points as "tax loop-holes" but as tax breaks because of the high risk business we are in. These tax breaks have enabled us to attract outside investors and this reform would greatly hamper that ability.

The President
December 20, 1984
Page 2

Therefore, I am taking this opportunity to object to the Treasury reform proposals for the petroleum industry and respectfully request that you, Mr. President, publicly reject these provisions.

Thank you for your consideration.

Very truly yours,



Marion F. Miller

MFM/lab

cc: Honorable Edwin Meese, III
Honorable James A. Baker, III
Honorable Robert C. McFarlane
Senator Alan Dixon
Senator Paul Simon
Congressman Ken Gray
Congressman Terry Bruce
Governor Jim Thompson
Senator Frank Watson

Shakespeare Oil Company

INCORPORATED

202-A WEST MAIN STREET
BOX 669

SALEM, ILLINOIS

62881

December 18, 1984

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

Dear Sir:

This letter is in response to "Tax Reform for Fairness, Simplicity and Economic Growth" prepared under President Reagan's mandate. This tax reform, as proposed, is a devastating blow to the oil and gas exploration in the United States.

Repealing of Percentage Depletion, Expensing of Intangible Drilling Costs, Expensing of Qualified Tertiary Injectant Expenses, Investment Tax Credit and Accelerated Cost Recovery System would kill the desire to want to invest money in exploration and oil and gas recovery through Tertiary Injectants. The United States is not totally dependent on foreign oil at this time, however, with the elimination of these tax write-off incentives, our country is dampening its chance of ever being independent of foreign fuel and energy supply.

We need to continue these incentives in order to develop our exploration program. Please take a good hard look at this reform and think about the setback in oil and gas exploration that would inevitably occur.

Sincerely,
SHAKESPEARE OIL COMPANY, INC.

Jack Ward

Jack Ward
Registered Professional Engineer

JW:ab



DOWNEN
DRILLING CO. PRODUCTION CO.
P. O. DRAWER 620 TEL. (618) 269-3101
SHAWNEETOWN, ILLINOIS 62984

December 14, 1984

The President
The White House
Washington, DC 20500

Mr. President:

According to public information, we understand that the Treasury Department has proposed a tax reform which is certainly adverse for the petroleum industry. We understand that some of the provisions include repeal of percentage depletion and the expensing of the intangible drilling costs.

We earnestly request that you do not approve these proposals of the Treasury Department. These changes could be critically damaging to independent producers across the nation.

Respectfully yours,

C. Don Downen

CDD:h

JAMES E. FINLEY
BALCOR PLAZA
4849 GOLF ROAD
SKOKIE, ILLINOIS 60007
(312) 676-7750

December 13, 1984

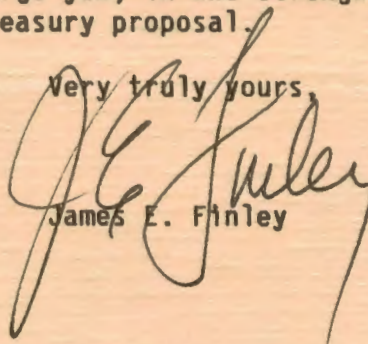
James A. Baker III
Chief of Staff and
Assistant to the President
The White House
1600 Pennsylvania Ave., N.W.
Washington, D.C. 20500

Dear Mr. Baker:

I urge you to immediately take a strong position against the tax reform proposals recently issued by the U.S. Department of Treasury. The uncertainty of future legislation is causing havoc in the investment community. This uncertainty is likely to result in an acceleration of the recessionary pressures already building in the present economic climate.

I believe that if enacted, certain provisions contained in the Treasury proposal would create a disincentive for capital formation, thus greatly damaging the economy of the United States. This in turn will cripple the construction and development industries resulting in the loss of millions of jobs, and ultimately creating a severe housing shortage and higher rents for millions of tenants across the United States. The proposal is economically damaging and ineffectual and conflicts with the underlying philosophy of the Reagan administration and re-election. I, therefore, urge you, in the strongest terms, to publicly oppose the recent Treasury proposal.

Very truly yours,



James E. Finley

JEF:dg

Mittenthal, Goldman & Company

Certified Public Accountants

5214 West Main Street
Skokie, Illinois 60077
312.673.0930

Harvey E. Mittenthal, C.P.A.
Elwin J. Goldman, C.P.A.
Robert B. Cremer, C.P.A.
Norman L. Israel, C.P.A.
David I. Stein, C.P.A.
George H. Bodenberg, C.P.A.
Alfred H. Suskin, C.P.A.

December 27, 1984

James A. Baker III, Chief of Staff & Assistant to the President
The White House, 1600 Pennsylvania Ave., N.W.
Washington, D.C., 20500

Dear Mr. Baker:

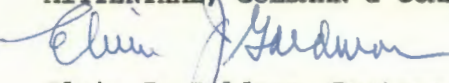
We respectfully urge you to immediately take a strong position against the tax reform proposals recently issued by the U.S. Department of Treasury. The uncertainty of future legislation is causing havoc in the investment community. This uncertainty is likely to result in an acceleration of the recessionary pressures already building in the present economic climate.

We believe that if enacted, certain provisions contained in the Treasury proposal would create a disincentive for capital formation, thus greatly damaging the economy of the United States. This in turn will cripple the construction and development industries resulting in the loss of millions of jobs, and ultimately creating a severe housing shortage and higher rents for millions of tenants across the United States. The proposal is economically damaging and ineffectual and conflicts with the underlying philosophy of the Reagan administration and reelection. I, therefore, urge you, in the strongest terms, to publicly oppose the recent Treasury proposal.

This proposal may appear to somewhat lower the Federal tax for low to moderate income households. However, it completely ignores the intent embodied in the existing tax code to help provide decent and affordable housing for low to moderate income households. In today's marketplace, fully 35 to 40% of the total rental housing capital investment is equity which is compensated solely through tax deferral and conversion with no current yield. Current rent will only support a market competitive cash yield for 60 to 65% of the construction cost (typical mortgage financing). If the pass through tax benefits are eliminated under the Treasury proposal, new rental construction will stop and rents on existing rental housing will quickly adjust to a 50% increase, thereby, costing the average American renter about \$2,000 per year. In essence, Treasury proposal is a government mandated rent increase.

Very truly yours,

MITTENTHAL, GOLDMAN & COMPANY


Elwin J. Goldman, Partner



SIDCOR

Superior Investment & Development Corporation

Real Estate

December 20, 1984

James A. Baker III, Chief of Staff and
Assistant to the President
The White House, 1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

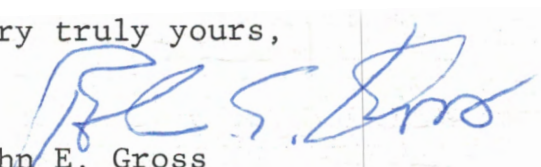
Re: Treasury Department Tax Reform Proposals

Dear Mr. Meese:

I urge you to immediately take a strong position against tax reform proposals recently issued by the U.S. Department of Treasury. The uncertainty of future legislation is causing havoc in the investment community. This uncertainty is likely to result in an acceleration of the recessionary pressures already building in the present economic climate.

I believe that if enacted, certain provisions contained in the Treasury proposal would create a disincentive for capital formation, thus greatly damaging the economy of the United States. This in turn will cripple the construction and development industries resulting in the loss of millions of jobs, and ultimately creating a severe housing shortage and higher rents for millions of tenants across the United States. The proposal is economically damaging and ineffectual and conflicts with the underlying philosophy of the Reagan administration and re-election. I, therefore, urge you, in the strongest terms, to publicly oppose the recent Treasury proposal, and particularly those aimed at the real estate industry, which is a cornerstone of our economy.

Very truly yours,



John E. Gross
Vice President

JEG/hf

700 Clipper Road
Springfield, Illinois 62707
December 13, 1984

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

Dear Mr. President:

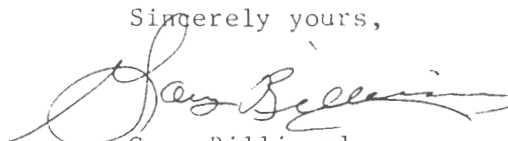
I am writing in regards to the Treasury Department's proposed Tax Reform which was presented to you. This proposal causes a great deal of concern in the independent petroleum industry. I strongly feel that if the tax plan were adopted, the way it was proposed, our industry would collapse! There are entire communities relying on the private oil and gas business; those communities (banking, retail sales, etc...) would suffer along with the oil business. I strongly urge you to publicly reject the Treasury's Tax Proposal and save us the economic catastrophe that would surely follow.

I have been a supporter of yours all along, and I am certain that you can see the results that we would burden.

I am also sure that a more justifiable tax proposal could be reached, for we in the petroleum industry recognize that some type of tax reform is necessary.

I pray that you will consider this matter and publicly reject the Treasury's proposed Tax Plan.

Sincerely yours,



Gary Billingsley
An Illinois Oil & Gas Producer

GB/cb

DAPA

December 10, 1984

James A. Baker III, Chief of Staff and Assistant to the President
The White House, 1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

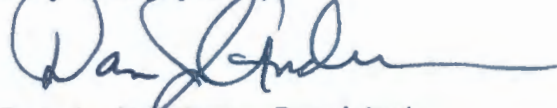
Re: Treasury Department Tax Reform Proposals

Dear Mr. Baker:

I urge you to immediately take a strong position against the tax reform proposals recently issued by the U.S. Department of Treasury. The uncertainty of future legislation is causing havoc in the investment community. This uncertainty is likely to result in an acceleration of the recessionary pressures already building in the present economic climate.

I believe that if enacted, certain provisions contained in the Treasury proposal would create a disincentive for capital formation, thus greatly damaging the economy of the United States. This in turn will cripple the construction and development industries resulting in the loss of millions of jobs, and ultimately creating a severe housing shortage and higher rents for millions of tenants across the United States. The proposal is economically damaging and ineffectual and conflicts with the underlying philosophy of the Reagan administration and re-election. I, therefore, urge you, in the strongest terms, to publicly oppose the recent Treasury proposal.

Very truly yours,



Dan J. Anderson, President

DJA/dmk

HURWITZ ENTERPRISES

516 EAST MONROE • FOURTH FLOOR
SPRINGFIELD, ILLINOIS 62701

217-544-4002

December 11, 1984

The Honorable James A. Baker III
Chief of Staff and Assistant to the President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

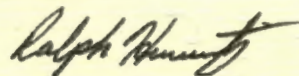
Re: Treasury Department Tax Reform Proposals

Dear Mr. Baker:

I urge you to immediately take a strong position against the tax reform proposals recently issued by the U.S. Department of Treasury. The uncertainty of future legislation is causing havoc in the investment community. This uncertainty is likely to result in an acceleration of the recessionary pressures already building in the present economic climate.

I believe that if enacted, certain provisions contained in the Treasury proposal would create a disincentive for capital formation, thus greatly damaging the economy of the United States. This in turn will cripple the construction and development industries, resulting in the loss of millions of jobs, and ultimately creating a severe housing shortage and higher rents for millions of tenants across the United States. The proposal is economically damaging and effectual and conflicts with the underlying philosophy of the Reagan administration and re-election. I, therefore, urge you, in the strongest terms, to publicly oppose the recent Treasury proposal.

Sincerely,



RALPH HURWITZ

RH:kb

CC: Alan J. Dixon
Richard J. Durbin
Paul Simon

1304 Oakland Hills Court
Springfield, Illinois 62704
December 13, 1984

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

Dear Mr. President:

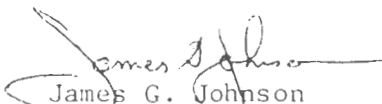
I am writing in regards to the Treasury Department's proposed Tax Reform which was presented to you. This proposal causes a great deal of concern in the independent petroleum industry. I strongly feel that if the tax plan were adopted, the way it was proposed, our industry would collapse! There are entire communities relying on the private oil and gas business; those communities (banking, retail sales, etc...) would suffer along with the oil business. I strongly urge you to publicly reject the Treasury's Tax Proposal and save us the economic catastrophe that would surely follow.

I have been a supporter of yours all along, and I am certain that you can see the results that we would burden.

I am also sure that a more justifiable tax proposal could be reached, for we in the petroleum industry recognize that some type of tax reform is necessary.

I pray that you will consider this matter and publicly reject the Treasury's proposed Tax Plan.

Cordially yours,


James G. Johnson
An Illinois Oil & Gas Producer

JGJ/cb

RALPH SPRAGUE AND SON TRUCKING COMPANY

EQUIPMENT, EXCAVATING AND TRUCK SERVICE

THOMPSONVILLE, ILLINOIS 62890

December 28, 1984

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

Dear Mr. Baker:

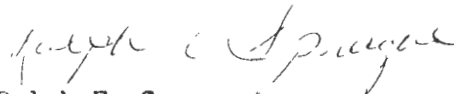
The tax revisions being proposed by your advisors would be a disaster to the independent oil and gas producers of the nation. As you are no doubt aware, the independent segment of the industry has historically discovered over 90% of the nation's oil and gas reserves.

If the proposed revisions affecting this industry become law, the capital that has made this possible will be non-existent. It has been available only because of the opportunity for investors to defer taxable income through its investment in exploration for oil and gas reserves. Are we to become totally dependent upon foreign suppliers?

As a life long self-employed, independent oil and gas producer, it is inconceivable to me that the party of conservatism would propose the destruction of free enterprise as represented by the independent segment of a vital industry.

I urge that you consider very carefully the total ramifications of this part of your tax proposal. It vitally affects a great industry; your actions will likewise vitally affect the view of this voter and supporter.

Respectfully yours,



Ralph E. Sprague
Oil Producer

RES/jlb

Illinois Basin Mud

Distributor For:

**NEWPARK
DRILLING FLUIDS**

WAYNE CITY, ILL.

(618) 895-2247

answering service (618)

December 28, 1984

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

Dear Sir:

Please find enclosed, a copy of a letter mailed to the President of the United States.

Your time in reading the letter and consideration of this very important issue, is vital to the future prosperity and general well being of our country. Thank you.

Sincerely,

ILLINOIS BASIN MUD

Leon Barnard

Leon Barnard

LB/jt

Enclosure

cc



Illinois Basin Mud

Distributor for:

**NEWPARK
DRILLING FLUIDS**

WAYNE CITY, ILL.

(618) 895-2247

answering service (618)

December 28, 1984

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

Dear Mr. President:

As owner of Illinois Basin Mud Company, which supplies drilling mud and chemical for oil industry, I am very much concerned about the future of the oil business. Especially, if the so called tax reformers have their way on the new tax bill. I am sure you are aware of the import the slow down in oil activity in 1981 - 1982 had on banks such as Penn Square, Continental Illinois, Sea First and numerous others when only about one half of the drilling rigs were idle.

What do you think would happen if all drilling rigs are stopped? Untold bankruptcy from drilling companies through all supporting suppliers such as our own business to bank failures and at the same time threatening national security by playing right into O.P.E.C. hands.

In southern Illinois the oil industries' massive employment is also at stake. I agree that something has to be done about the deficit but to make such a dramatic change is unthinkable.

I believe if you people in Washington, would spend more time stopping fraud, waste and mismanagement, that you would be more close to doing what you were elected for. How do you think the private sector can keep tolerating higher taxes and more government?

Enclosed find a copy of U.S. Income tax rate by industry, which shows the Petroleum industry as one of the higher brackets.

I know you will consider this matter, before voting. Think about it!

Sincerely,

ILLINOIS BASIN MUD

Leon Barnard
Leon Barnard

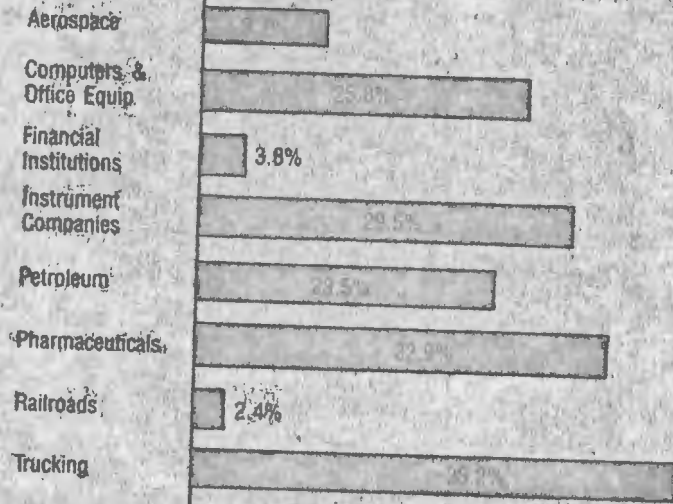
LB/jt



U.S. INCOME TAX RATE BY INDUSTRY

INDUSTRY

1980-83 AVERAGE



Pollack Production Company

114 WEST MAIN STREET

P.O. Box 336

WEST FRANKFORT, ILLINOIS 62896

December 26, 1984

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

Dear Mr. Baker:

The tax revisions being proposed by your advisors would be a disaster to the independent oil and gas producers of the nation. As you are no doubt aware, the independent segment of the industry has historically discovered over 90% of the nation's oil and gas reserves.

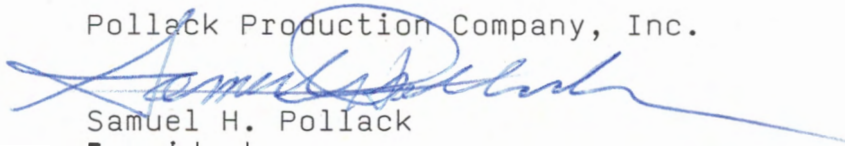
If the proposed revisions affecting this industry become law, the capital that has made this possible will be non-existent. It has been available only because of the opportunity for investors to defer taxable income through its investment in exploration for oil and gas reserves. Are we to become totally dependent upon foreign suppliers?

As a life long self employed, independent oil and gas producer, it is inconceivable to me that the party of conservatism would propose the destruction of free enterprise as represented by the independent segment of a vital industry.

I urge that you consider very carefully the total ramifications of this part of your tax proposal. It vitally affects a great industry; your actions will likewise vitally affect the view of this voter and supporter.

Respectfully yours,

Pollack Production Company, Inc.



Samuel H. Pollack
President

SHP/nvm

Trend-Tronics, Inc.

SALES ENGINEERING REPRESENTATIVES



December 28, 1984

James A. Baker III, Chief of Staff and Assistant to the President
The White House, 1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. Baker:

We respectfully urge you to immediately take a strong position against the tax reform proposals recently issued by the U.S. Department of Treasury. The uncertainty of future legislation is causing havoc in the investment community. This uncertainty is likely to result in an acceleration of the recessionary pressures already building in the present economic climate. In particular, we wish to express grave concern over the requirements applying to Company Automobiles as they are the most important tool of our profession.

I believe that if enacted, certain provisions contained in the Treasury proposal would create a disincentive for capital formation, thus greatly damaging the economy of the United States. This in turn will cripple the construction and development industries resulting in the loss of millions of jobs, and ultimately creating a severe housing shortage and higher rents for millions of tenants across the United States. The proposal is economically damaging and ineffectual and conflicts with the underlying philosophy of the Reagan administration and re-election. I, therefore, urge you, in the strongest terms, to publicly oppose the recent Treasury proposal.

Very truly yours,


Tom Jagielski

TJ:sp