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C & T PETROLEUM COMPANY, INC.

Carson City, Nevada

December 20, 1984

Regional Offices

Route 1
Westview Estates
Claremore, Oklahoma 74017
(918) 342-5733

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

Dear Sir:

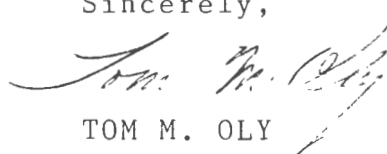
The Treasury Department has made a proposal to change a number of the tax laws. These proposed changes would have a catastrophic effect on the independent oil producers in this country and would force our company out of business. The tangible drilling expense is a true expense just like the expense a farmer has planting his crop. The bills must be paid whether any product is produced or not.

Our company relies partly on investor funds to explore for oil and gas. If the intangible drilling expense or the percentage depletion are abolished, our industry and specifically our company, will be unable to compete with other investment opportunities for the investor's dollar. Our company's cash flow would shrink to the point that we could not risk drilling more wells.

Should these proposals become law we would have to tighten our belts by letting go 10 of our 12 employees, and do everything ourselves so as to conserve our cash flow, while we try to get into another business. Our company is a small company. All but two of our wells are stripper wells. The percentage depletion allows us to keep a marginal well producing profitably. If the percentage depletion were changed some of our wells would have to be plugged. Nationally, you are talking about a lot of wells that are in the same situation. Each barrel of oil the independent oil company doesn't produce will have to be purchased from another country, further hurting our trade balance and making us more vulnerable to blackmail at the hands of OPEC.

I would much prefer an income tax surcharge somewhat similar to what was done during the Johnson Administration. It is simple, easy to figure and raises money. Please do what you can to keep these provisions from becoming law. They will decimate the independent oil companies in this country.

Sincerely,



TOM M. OLY

TMO:ho

December 17, 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 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.

Sincerely,



Therisia L. Peterson, CCIM
Manager
Commercial Investment Division