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December 19, 1984

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

WADE W. EDMUNDSON  
Senior Vice President

Dear Mr. President:

As an individual strongly interested in maintaining an energy independent America and as a banker trying to help independent oil and gas companies through an already difficult period, I object to the Treasury Department's tax reform proposals for the Petroleum industry.

I am in a position to testify to the already deteriorated position of the majority of independent oil and gas producers in the Oklahoma region. This has resulted from the temporary slack demand for oil and gas translated into lower product prices and the fact that a great portion of outside capital has literally dried up.

The proposals outlined by the Treasury Department would have a further detrimental effect of diverting a significant amount of potential capital away from the oil and gas industry. This would literally wipe out a great portion of these energy independents. Since a large percentage of America's existing and expected oil and gas production is derived from independents, these Treasury proposals will place us at the mercy of foreign energy producers at some future date.

Additionally, the Oklahoma economy is still in a depressed condition and is not enjoying the same recovery as other parts of the nation. The Treasury Department proposals would effectively shut down many producers and subsequently, related service industries causing unemployment to rise even further.

Mr. President, I respectfully request that you direct the Treasury Department to reconsider its negative proposals.

Sincerely,

Wade W. Edmundson  
Senior Vice President

**THE GLENN SUPPLY CO., INC.**

OIL &amp; GAS PRODUCERS

P. O. BOX 1104

TULSA OKLAHOMA 74101

BRANCHES  
DRUMRIGHT, OKLAHOMA  
P. O. BOX 1136  
FL 2-3342

December 17, 1984

The President  
The White House  
Washington, DC 20500

Dear Mr. President:

I represent the very backbone of our nation's domestic energy industry. I am an independent producer and drilling contractor, and frankly I'm petrified at some of the tax proposals being discussed.

My concerns are very simple. If Intangible Drilling Costs and the Depletion Allowance are tampered with:

- \*Investment dollars will flow away from our industry;
- \*Production of both oil and gas will decline;
- \*Imported crude and crude oil products will destroy the market for both producers and refiners; and
- \*Once again our nation will become vulnerable to foreign manipulation.

We have already had repercussions in the drilling industry due to apprehension of what the flat tax might do in 1985. Our volume of contracts for 1985 drilling have already fallen.

Mr. President, you have done an incredible job of reasserting America's strength throughout the world through your foreign policy and military preparedness. Don't allow our military to have to depend on OPEC oil to fuel our ships.

Sincerely,

Betty R. Glenn  
Vice-President

**THE GLENN SUPPLY CO., INC.**  
OIL & GAS PRODUCERS  
P. O. BOX 1104  
TULSA OKLAHOMA 74101

**BRANCHES**  
DRUMRIGHT, OKLAHOMA  
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December 17, 1984

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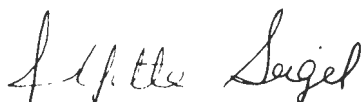
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Mr. President, you have done an incredible job of reasserting America's strength throughout the world through your foreign policy and military preparedness. Don't allow our military to have to depend on OPEC oil to fuel our ships.

Sincerely,



J. Yetta Seigel  
Secretary/Treasurer

December 17, 1984

The President  
The White House  
Washington, DC 20500

Dear Mr. President:

I know you have little time to read every letter that is addressed to you, and it is with due respect to the value of your time that I am, nevertheless, compelled to write you at this time regarding the Treasury Department's tax proposals. Fundamentally, I am horrified that such a proposal was generated under a free enterprise, Republican Administration.

Never in my life have I envisioned that Republicans would not only support, but give birth to a proposal that will threaten, realistically, the jobs of so many Americans, mine included. Mr. President, the Treasury Department's tax proposal will force many independent producers out of business. Many others will be compelled to cease exploring and drilling for new wells. Thousands of Americans will, as a result, lose their jobs, not only employees of independent producers, but employees of related businesses.

Recognizing that you have many interests to balance, I am convinced that your careful review of the effect of Treasury's tax proposals on independents, their employees and our fine nation's energy dependence will discover that you must oppose such proposals.

Sincerely,

A handwritten signature in cursive script that reads "Jackie Hope".

Jackie Hope  
Secretary for Glenn Supply Co., Inc.

Indian Wells Oil Company



A Ferrell Company

Penthouse Suite  
Adams Office Tower  
403 S. Cheyenne  
P.O. Box 2679  
Tulsa, Oklahoma 74101

Telephone: 918-583-2650

December 19, 1984

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

Dear Mr. Baker:

Attached you will find letter to The President expressing my opinion in reference to the Treasury Department's tax reform proposals regarding oil and gas.


Sincerely,

A handwritten signature in blue ink, appearing to read "Gary R. Christopher".

Gary R. Christopher  
Vice President

GRC/jlh

encl.

**KAHAN AND  ASSOCIATES**

December 20, 1984

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

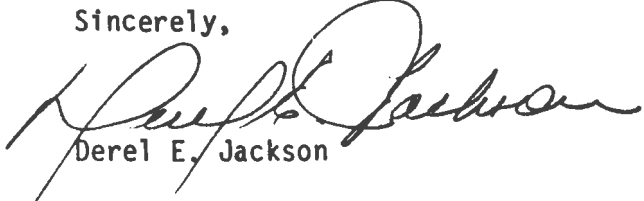
Dear Mr. President:

Relative to certain proposed tax reform regulations affecting the Petroleum Industry and as an Independent Operator, I wish to point out its damaging effects to the industry.

The discovery of oil, which is vital to this country, has been enhanced by the small operator with a limited cash flow. The proposal to repeal the percentage depletion and expensing of intangible drilling costs would place one in a tax situation that would erode the already limited cash flow, thusly reducing the dollar spent each year on the exploration for oil. The provision disallowing deduction of dry hole costs until a property is abandoned goes against the principle of free enterprise.

Please review these provisions and make a just decision; one that would be good for the country.

Sincerely,

  
Derel E. Jackson

DEJ:sj

December 18, 1984

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

Dear Mr. Baker:

As an interested American and a resident of the State of Oklahoma, I urge you to work towards the rejection of the proposed tax changes that would:

- (1) repeal percentage depletion.
- (2) disallow expensing intangible drilling costs.
- (3) disallow deduction of a dry hole until property is abandoned.

It appears that all Americans, including the Federal Government, should encourage development of energy that could free our country from relying on imports from the OPEC nations.

Yours very truly,



A. J. Mason  
4228 E. 80th Place  
Tulsa, Oklahoma 74136

AJM: lw



**C. A. McNAMARA & ASSOCIATES, INC.**  
**INDEPENDENT OIL PRODUCERS**

320 South Boston  
Tulsa, Oklahoma 74103

Phone (918) 582-2737

Charles A. McNamara, III  
President

December 12, 1984

Mailing Address:  
P. O. Box 52649  
Tulsa, OK 74152

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

Dear Mr. Baker,

Enclosed is a copy of my recent letter to the President urging him to promptly and publicly reject the Treasury's Tax Proposals as they apply to the oil and gas industry.

I urge you to use your influence on the President in this regard for the following reasons:

- 1) It would drastically reduce domestic exploration by independent producers.
- 2) It would result in a net decrease in tax revenue to the federal and state governments.
- 3) It would put myself and my employees out of business.
- 4) It would be the end of the Republican Party in Oklahoma.

Yours truly,

C. A. McNAMARA & ASSOCIATES, INC.



C. A. McNamara, III  
President

CAM/kn

Enclosure

**C. A. McNAMARA & ASSOCIATES, INC.**  
**INDEPENDENT OIL PRODUCERS**

*320 South Boston  
Tulsa, Oklahoma 74103*

*Phone (918) 582-2737*

*Charles A. McNamara, III  
President*

*Mailing Address:  
P. O. Box 52649  
Tulsa, OK 74152*

December 12, 1984

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

Dear President Reagan,

The Treasury Department's Tax Reform Proposals, as they apply to the oil and gas industry, would devastate the industry, Oklahoma and ultimately our country.

What disturbs me the most is the total lack of understanding your Administration has shown toward the industry. Do you really think that there would be any oil and gas exploration if the proposals were enacted into law?

Worse yet, the proposals have set back the Republican Party many years. If they become law, the Republican Party can forget Oklahoma's future vote.

I urge you to promptly and publicly reject the provisions of the bill that apply to the oil and gas industry.

Yours truly,

C. A. McNAMARA & ASSOCIATES, INC.



C. A. McNamara, III  
President

CAM/kn



OFFICE — 3227 East 31st, Suite 100  
Office Phone — 918 - 743-7781  
Mailing Address — P.O. Box 2875  
Tulsa, Oklahoma 74101

FRANK D. MOSKOWITZ, CCIM  
RITA J. MOSKOWITZ, Realtor

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: Treasure Dept. Tax Reform Proposals

Dear Mr. Baker:

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 will 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 be disastrous for capital formation, 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, ineffectual, and conflicts with the underlying philosophy of the Reagan administration. We, therefore, urge you to publically oppose the recent Treasury proposal.

Very truly yours,

Rita and Frank Moskowitz



*Specialists in Commercial, Industrial, Acreage and Investment Properties*



PROVIDENCE RESOURCES, INC.

9235 East 58th Place

Tulsa, Oklahoma 74145

December 19, 1984

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

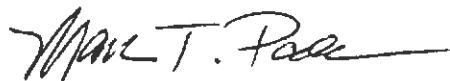
Re: Treasury Department's Tax Reform Proposal

Dear Mr. President:

The tax reform proposal introduced by Donald Regan will have a devastating impact on the nation's independent oil and gas companies and further jeopardize our country's energy independence. Independents drill 90 percent of the wildcat wells in this nation and discover more than half of all new reserves. Discouraging private investors, the independent's primary source of capital, from making such high risk investments will weaken our country's position in the world oil economy.

I certainly agree that so-called "abusive tax shelters" should be scrutinized, however, I urge you to seriously consider your position on legitimate risk oriented oil and gas exploration ventures and the long term impact it will have on our nation's economy and security. You shouldn't purge bad apples by cutting down the orchard.

Sincerely,



Mark T. Paden  
President

MTP/dd



# Scroggins Petroleum Corporation

907 Mayo Building • 420 South Main

Tulsa, Oklahoma 74103

(918) 599-7019

December 20, 1984

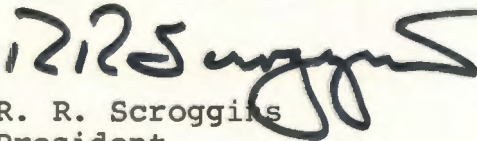
Mr. James A. Baker, III  
Chief of Staff  
The White House  
Washington, DC 20500

Dear Mr. Baker:

Enclosed is a copy of our letter to the President regarding the Treasury Department's proposed tax changes. We feel it is imperative that you encourage him to support our stand.

Sincerely,

SCROGGINS PETROLEUM CORPORATION



R. R. Scroggins  
President

RRS:cs  
Encl.

# Scroggins Petroleum Corporation

907 Mayo Building • 420 South Main

Tulsa, Oklahoma 74103

(918) 599-7019

December 20, 1984

The President  
The White House  
Washington, DC 20500

Dear Mr. President:

We've all heard the old saying "cutting off your nose to spite your face". The Treasury Department's "simplified" tax proposal concerning the oil and gas industry is surely the most classic example of this I've ever encountered!

I wish to express my strong opposition to this legislation not only as an independent producer, but as a citizen who is vitally concerned about this country's safety and welfare.

Eliminating IDC's as an expense item, expensing of dry hole costs in the year incurred, and the percentage depletion allowance will also eliminate the Independent Producer from the oil and gas industry. This group accounted for almost 40% of production from the Lower 48 in 1984! Without the independents, the U.S. would have been forced to increase its OPEC controlled imports by this amount and leave us open to another security-threatening oil embargo.

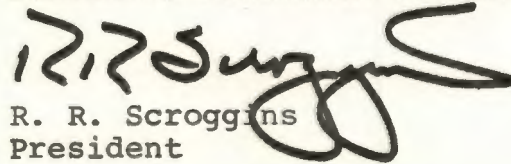
Aside from the threat to national security, forcing the Independents out of business will have a snow-ball effect on the nation's economy. Service and supply businesses that managed to survive the recent slump will finally become bankrupt. Bankrupt businesses and jobless people do not generate tax revenue!

I'm sure that you have been amply supplied with the details of how and why the proposed changes would drastically curtail the Independents' ability to continue exploring for new oil. Instead of listing them again, I will only state that I find the proposal appallingly short-sighted.

I hope that you, as our first President in many years to be so firmly dedicated to our free enterprise system and a strong defense policy, will strongly oppose the Treasury Department's tax proposal!

Sincerely,

SCROGGINS PETROLEUM CORPORATION

A handwritten signature in black ink, appearing to read "R. R. Scroggins", with a large, stylized flourish extending to the right.

R. R. Scroggins  
President

RRS:cs

P.S. The employees of Scroggins Petroleum Corporation want you to know that they all join me in expressing the above sentiments.

# SEIGEL

PETROLEUM COMPANY

December 17, 1984

The President  
The White House  
Washington, DC 20500

Dear Mr. President:

I represent the very backbone of our nation's domestic energy industry. I am an independent producer and drilling contractor, and frankly I'm petrified at some of the tax proposals being discussed.

My concerns are very simple. If Intangible Drilling Costs and the Depletion Allowance are tampered with:

- \*Investment dollars will flow away from our industry;
- \*Production of both oil and gas will decline;
- \*Imported crude and crude oil products will destroy the market for both producers and refiners; and
- \*Once again our nation will become vulnerable to foreign manipulation.

We have already had repercussions in the drilling industry due to apprehension of what the flat tax might do in 1985. Our volume of contracts for 1985 drilling have already fallen.

Mr. President, you have done an incredible job of reasserting America's strength throughout the world through your foreign policy and military preparedness. Don't allow our military to have to depend on OPEC oil to fuel our ships.

Sincerely,

*Andrew B. Seigel*





# SEIGEL

PETROLEUM COMPANY

December 17, 1984

The President  
The White House  
Washington, DC 20500

Dear Mr. President:

I know you have little time to read every letter that is addressed to you, and it is with due respect to the value of your time that I am, nevertheless, compelled to write you at this time regarding the Treasury Department's tax proposals. Fundamentally, I am horrified that such a proposal was generated under a free enterprise, Republican Administration.

Never in my life have I envisioned that Republicans would not only support, but give birth to a proposal that will threaten, realistically, the jobs of so many Americans, mine included. Mr. President, the Treasury Department's tax proposal will force many independent producers out of business. Many others will be compelled to cease exploring and drilling for new wells. Thousands of Americans will, as a result, lose their jobs, not only employees of independent producers, but employees of related businesses.

Recognizing that you have many interests to balance, I am convinced that your careful review of the effect of Treasury's tax proposals on independents, their employees and our fine nation's energy dependence will discover that you must oppose such proposals.

Sincerely,

*Jeresa K. Hawey*





# Swearingen Petroleum Management

320 South Boston - Suite 1104 • Tulsa, Oklahoma 74103-3784 • Office: (918) 599-0096

December 14, 1984

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

The proposed changes in the tax treatment for independent oil companies will result in perhaps half these companies going broke in the first year. This will cut jobs and increase all problems related to imports of oil from foreigners.

Please consider this carefully.

  
Wayne E. Swearingen

# TOOMEY OIL CO., INC.

TULSA, OKLAHOMA

18 December 1984

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

Dear Mr. President:

As a small independent producer I would respectfully urge your strong opposition to the Treasury Department's recent tax proposals regarding oil and natural gas.

As you may be aware, our industry already enjoys the highest tax burden in the nation; and the economic decline in oil and natural gas since 1981 has had a devastating impact on the State of Oklahoma.

The implementation of further punitive measures will cause thousands of producers to go out of business with those remaining greatly restricted in their ability to search for new reserves or maintain existing production.

I sincerely hope that with your leadership you will prevail over those who would, perhaps inadvertently, see to the dismantling of our domestic oil and gas industry and place us once more at the mercy of OPEC.

Sincerely,



D. Burdette Blue, III  
Vice President

DBB:bb

# SOUTHLAND OIL CORPORATION

1102 WEST CHEROKEE, P. O. BOX 810

WAGONER, OKLAHOMA 74477

STEVE C. KRAKER  
PRESIDENT

December 13, 1984

(918) 485-5522

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

Re: Treasury Department's Tax Reform Proposals

Dear Mr. President:

My husband and I both work for oil and gas companies in Oklahoma, more specifically the Tulsa area. Word has filtered down through management that if these tax reform proposals aimed at the Petroleum Industry are successfully passed through the House and Senate, it could conceivably shut down operations of this middle sized company. I fear for my job and livelihood and would appreciate your doing what you could to kill this proposal and not recommend it for passage to the House and Senate.

Yours very truly,

*Cindy Drake*

Cindy Drake

cc: ✓ Attached List

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,  
Assistant to the President for  
National Security Affairs  
The White House  
Washington, D.C. 20500

Vice President George Bush  
The White House  
Washington, D.C. 20501

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

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

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

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

# SOUTHLAND OIL CORPORATION

1102 WEST CHEROKEE, P. O. BOX 810

WAGONER, OKLAHOMA 74477

STEVE C. KRAKER  
PRESIDENT

December 13, 1984

(918) 485-5522

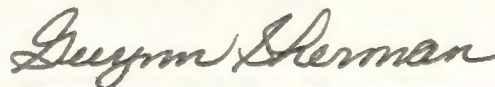
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The White House  
Washington, D.C. 20500~~

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Yours very truly,



Gwynn Sherman

cc: ✓ Attached List



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,  
Assistant to the President for  
National Security Affairs  
The White House  
Washington, D.C. 20500

Vice President George Bush  
The White House  
Washington, D.C. 20501

The Honorable Don Hodel  
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1000 Independence Ave., SW  
Washington, D.C. 20585

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

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

# POWER TRANSMISSION & Equipment Company, Inc.

December 20, 1984

P.O. Box 1150 :: 1714 Hwy. 9 West  
(405) 382-0613 : 1-800-522-2768  
Seminole, Oklahoma 74868

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

Dear Mr. President:

Energy is the life blood of our nation's economic well being. Small independent oil and gas companies that explore for and develop oil and gas have produced the bulk of new discoveries and furnished many jobs for all levels and skills of our people. The tax reform proposal that pertains to the petroleum industry in general but particularly to those of us that are small and I believe most important to the production of energy for our nation are extremely onerous. The repealing of the percentage depletion and the expensing of intangible drilling costs would make the raising of new venture capital for drilling prospects very difficult and I don't believe that's in the nation's interest. However, the proposed provision for disallowing deduction of dry hole costs until a property is abandoned would devastate our drilling, service and production activities.

As a group of voters that supported you and your programs, we hope you won't abandon us at this time. The nation's best interest for the production of its energy is with the small oil and gas producers and the support companies that furnish various services to them.

We ask that you not support tax reform proposals that would deal our industry and this nation's ability to be energy independent a serious if not mortal blow.

Sincerely,



Wesley F. Mainord  
President

WFM/ds

cc: Edwin Meese, III, Counselor to the President  
✓ James A Baker, III, Chief of Staff  
Robert C. McFarlane, Assistant to the President for  
National Security Affairs  
Vice President George Bush  
Don Hodel, Secretary of Department of Energy  
Donald Regan, Secretary of Department of Treasury  
Randall E. Davis, Special Assistant to the President for  
Energy and Natural Resources  
William Clarke, Secretary of Department of Interior



# SEMINOLE CHAMBER OF COMMERCE



P.O. Box 1190

::

Phone 405/382-3640

::

Seminole, Oklahoma 74868

December 20, 1984

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

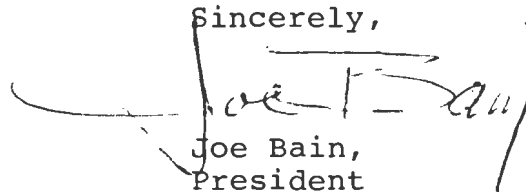
Dear Mr. President:

The Seminole Chamber of Commerce's Board of Directors has declared formal opposition to the proposed Federal Gas and Oil Industry tax hike. Repealing the percentage depletion allowance, expensing of intangible drilling costs, and disallowing deduction of dry hole costs until a property is abandoned, is disastrous to this community, Oklahoma and states that depend on the oil industry.

Without these benefits, funds could be cut off from investors and those wishing to chance the drilling for oil. Drilling could be cut as much as 50% in our area.

We sincerely ask that your Administration oppose this form of taxation.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Bain". The signature is written in a cursive style with a long horizontal stroke at the end.

Joe Bain,  
President

cc: Edwin Meese, III, Counselor to the President  
James A. Baker, III, Chief of Staff  
Robert C. McFarlane, Assistant to the President for National Security Affairs  
Vice President George Bush  
The Honorable Donald Regan, Secretary of Dept. of Treasury  
The Honorable William Clarke, Secretary of Dept. of Interior  
The Honorable Don Hodel, Secretary of Dept. of Energy  
Randall E. Davis, Special Assistant to the President for Energy and Natural Resources

*A. W. Hembree Co.*

OIL PROPERTIES

130 Broadway Building - Suite 306

P. O. Box 756

- SHAWNEE, OKLAHOMA 74801

December 20, 1984

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

Dear Mr. President:

I respectfully urge your strong opposition to the Treasury Department's tax proposal regarding oil and natural gas. This legislation will force thousands of independent oil and natural gas producers to severely curtail or stop drilling new wells. There is evidence that the rate of decline in drilling will be between 30-40%. If so, there will be a reduction in new reserves found, putting us in a dangerous position for dependence on foreign oil.

If your tax proposal passes, not only will independent producers suffer, but also all of the service and supplier businesses involved in independent operations. Most of them will go out of business and thousands will lose their jobs. Bankrupt businesses and jobless people do not generate tax revenues.

Sincerely,

A. W. Hembree

AWH/cb

Copies to: Edwin Meese, III Counselor to the President  
James A. Baker, III, Chief of Staff  
Robert C. McFarlane, Assistant to the President for  
National Security Affairs  
Vice President George Bush  
The Honorable Don Hodel, Sec. of Department of Energy  
The Honorable Donald Regan, Sec. of Dept. of Treasury  
Randall E. Davis, Special Asst. to the President for  
Energy & Natural Resources  
The Honorable William Clarke, Sec. of Dept. of Interior

*A. W. Hembree Co.*

OIL PROPERTIES  
130 Broadway Building - Suite 306  
P. O. Box 756  
SHAWNEE, OKLAHOMA 74801

December 20, 1984

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

Dear Mr. President:

I represent the very backbone of our nations's domestic energy industry. As an independent producer, I am petrified at some of the tax proposals being discussed. If Intangible Drilling Costs and the Depletion Allowance are tampered with, the whole network of independent producers will collapse, not only affecting them, but also all of the service and supplier businesses involved in independent operations. Unemployed people and bankrupt businesses cannot pay their share of the tax burden, thereby creating more of a monster deficit than imagined.

If the tax proposal passes, production of both oil and gas will decline and imported crude and crude oil products will destroy the market for both producers and refiners; and once again our nation will become vulnerable and at the mercy of foreign manipulation.

Sincerely,

Lewis A. Hembree

LAH/cb

Copies to: Edwin Meese, III, Counselor to the President  
James A. Baker, III, Chief of Staff  
Robert C. McFarlane, Assistant to the President for  
National Security Affairs  
Vice President George Bush  
The Honorable Don Hodel, Sec. of Dept. of Energy  
The Honorable Donald Regan, Sec. of Dept. of Treasury  
Randall E. Davis, Special Asst. to the President for  
Energy & Natural Resources  
The Honorable William Clarke, Sec. of Dept. of Interior

*A. W. Hembree Co.*

OIL PROPERTIES

130 Broadway Building - Suite 306

P. O. Box 756

SHAWNEE, OKLAHOMA 74801

December 20, 1984

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

Dear Mr. President:

I am compelled to write to you at this time regarding the Treasury Department's tax proposal. Fundamentally, I am horrified that such a proposal was generated under a free enterprise, Republican Administration.

Never in my life have I envisioned that Republicans would not only support, but give birth to a proposal that will threaten, realistically, the jobs of so many Americans. Mr. President, the Treasury Department's proposal will force many independent producers out of business. Many others will be compelled to cease exploring and drilling for new wells.

Recognizing that you have many interests to balance, I am convinced that your careful review of the effect of Treasury's tax proposals on independents and service and supplier businesses and of course our fine nation's energy dependence will discover that you must oppose such proposals.

Sincerely,



Ronald W. Hembree

RWH/cb

Copies to: Edwin Meese, III, Counselor to the President  
James A. Baker, III, Chief of Staff  
Robert C. McFarland, Assistant to the President for  
National Security Affairs  
Vice President George Bush  
The Honorable Don Hodel, Sec. of Dept. of Energy  
The Honorable Donald REgan, Sec. of Dept. of Treasury  
Randall E. Davis, Special Asst. to the President for  
Energy & Natural Resources  
The Honorable William Clarke, Sec. of Dept. of Interior





*Hembree Bros. Oil Production* OFFICE 405/275-4944 • POST OFFICE BOX 1225  
OIL PRODUCERS, DEVELOPERS AND PROPERTY MANAGEMENT SUITE 206 — 130 BROADWAY BUILDING SHAWNEE, OKLAHOMA 74801

December 19, 1984

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

Dear Mr. President:

I am very concerned about your new tax proposal regarding oil and natural gas and would like to express my opposition to it. This legislation will force thousands of independent oil and natural gas producers along with service and supplier businesses involved in the industry out of business. This in turn would create a domino effect in lots of other commodities such as housing, manufacturing, etc. Bankrupt business and jobless people do not generate tax revenues.

Loss of production of oil and natural gas and their byproducts will destroy the market for both producers and refiners and will place our nation in a very vulnerable position to foreign manipulation, something you have repeatedly been against and have fought for. I urge you to consider all aspects this proposal would encounter and again stand fast for the independence our country was built upon and stands for.

Sincerely,

*A. W. Hembree*

A. W. Hembree

AWH/d1

Copies to: Edwin Meese, III, Counselor to the President  
✓ James A. Baker, III, Chief of Staff  
Robert C. McFarlane, Assistant to the President  
for National Security Affairs  
Vice President George Bush  
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December 19, 1984

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

Dear Mr. President:

I represent the very backbone of our nation's domestic energy industry. As an independent producer, I'm petrified at some of the tax proposals being discussed. If Intangible Drilling Costs and the Depletion Allowance are tampered with, the whole network of independent producers will collapse, not only affecting them, but also all of the service and supplier businesses involved in independent operations. Unemployed people and bankrupt businesses cannot pay their share of the tax burden, thereby creating more of a monster deficit than imagined.

If the tax proposal passes, production of both oil and gas will decline and imported crude and crude oil products will destroy the market for both producers and refiners; and once again our nation will become vulnerable and at the mercy of foreign manipulation.

Sincerely,

Lewis A. Hembree

LAH/d1

Copies to: Edwin Meese, III, Counselor to the President  
✓ James A. Baker, III, Chief of Staff  
Robert C. McFarlane, Assistant to the President  
for National Security Affairs  
Vice President George Bush  
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December 19, 1984

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

Dear Mr. President:

I respectfully urge your strong opposition to the Treasury Department's tax proposal regarding oil and natural gas. This legislation will force thousands of independent oil and natural gas producers to severely curtail or stop drilling new wells. There is evidence that the rate of decline in drilling will be between 30-40%. If so, there will be a reduction in new reserves found, putting us in a dangerous position for dependence on foreign oil.

If your tax proposal passes, not only will independent producers suffer, but also all of the service and supplier businesses involved in independent operations. Most of them will go out of business and thousands will lose their jobs. Bankrupt businesses and jobless people do not generate tax revenues.

Sincerely,

Ronald W. Hembree

RWh/dl

Copies to: Edwin Meese, III, Counselor to the President  
James A. Baker, III, Chief of Staff  
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Security Affairs  
Vice President George Bush  
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The Honorable Donald Regan, Sec. of Dept. of Treasury  
Randall E. Davis, Special Asst. to the President for  
Energy & Natural Resources  
The Honorable William Clarke, Sec. of Dept. of Interior



# **aufleger-garrett enterprises**

**301 south duck street · suite 2 · stillwater, oklahoma 74074 · 405 / 372-6556**

December 17, 1984

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

Dear Mr. Baker:

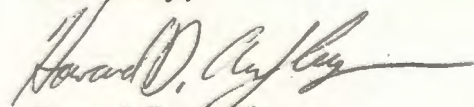
RE: TREASURY DEPARTMENT TAX REFORM PROPOSALS

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.

This proposal is economically damaging and ineffectual and conflicts with the underlying philosophy of the Reagan administration and re-election. Therefore, I urge you, in the strongest terms, to publicly oppose the recent Treasury proposal.

Sincerely,

  
Howard D. Aufleger

afs



# aufleger-garrett enterprises

301 south duck street · suite 2 · stillwater, oklahoma 74074 · 405 / 372-6556

December 12, 1984

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

Dear Mr. Baker:

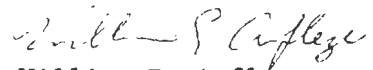
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Sincerely,

  
William E. Aufleger  
President

afs

# aufleger-garrett enterprises

301 south duck street · suite 2 · stillwater, oklahoma 74074 · 405 / 372-6556

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Chief of Staff and Assistant to the President  
The White House  
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Washington, DC 20500

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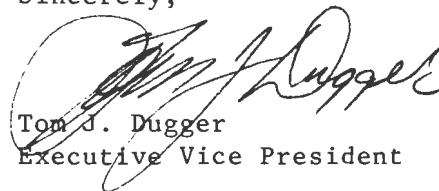
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Sincerely,



Tom J. Dugger  
Executive Vice President

afs

# **aufleger-garrett enterprises**

**301 south duck street · suite 2 · stillwater, oklahoma 74074 · 405 / 372-6556**

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Chief of Staff and Assistant to the President  
The White House  
1600 Pennsylvania Avenue, N.W.  
Washington, DC 20500

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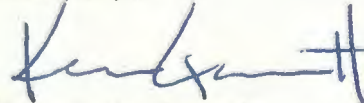
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Sincerely,



Kenneth E. Garrett

afs

# ausleger-garrett enterprises

301 south duck street · suite 2 · stillwater, oklahoma 74074 · 405 / 372-6556

December 17, 1984

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Chief of Staff and Assistant to the President  
The White House  
1600 Pennsylvania Avenue, N.W.  
Washington, DC 20500

Dear Mr. Baker:

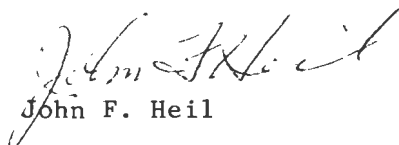
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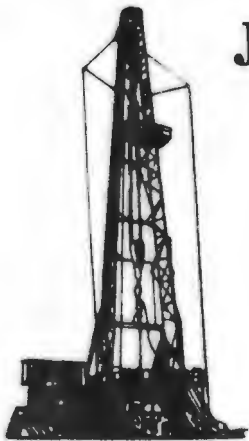
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This proposal is economically damaging and ineffectual and conflicts with the underlying philosophy of the Reagan administration and re-election. Therefore, I urge you, in the strongest terms, to publicly oppose the recent Treasury proposal.

Sincerely,

  
John F. Heil

afs



# John Cassidy Companies

Drawer P

Stroud, Oklahoma 74079

(918) 968-3551

John Cassidy, Jr.  
Contractors' Exchange, Inc.  
Contractors' Exchange International, Inc.  
Cyclone Drilling & Workover, Inc.

5350 East 46th Street  
P.O. Box 35667  
Tulsa, Oklahoma 74135  
(918) 663-8570

Drawer P  
Stroud, Oklahoma 74079  
(918) 968-3551

TWX No. 910-840-3212  
ANSWER BACK: CASSIDY TUL

December 12, 1984

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

Dear President Reagan:

I am writing this letter to express my deep concern over Treasury Secretary Don Regan's flat tax proposals, many areas of which are flawed. But the part that applies to oil is unacceptable, particularly where independent domestic producers are concerned.

Our State of Oklahoma gave you an overwhelming vote margin. You carried seventy-five of our seventy-seven counties. My city of Tulsa gave you a 73% vote, but the new tax proposals as recommended by Secretary Treasurer Regan would be devastating to the state, and I seriously don't believe a Republican would carry any elections in the near future if you support them and they are enacted. Drilling and producing capabilities such as we now have are so fragile that oil business as we have known it would not survive. We simply can't do away with depletion and intangible drilling costs all at one time. Production incentive is the lifeline of the domestic oil industry. I call on you to publicly reject this portion of the Treasury proposals. I can assure you if Treasury proposals are enacted I will discontinue any further exploration or development. And I will cut my payroll from the fifty people I now have to not more than twelve or fifteen and we will produce the wells we have to depletion.

I have been one of your strongest backers in Oklahoma, as the record will reflect; having joined the Eagles in California in 1979 and have been an Eagle since that time. I have worked closely with Joe Rodgers, Regan-Bush Finance Chairman, during this time and at Joe's request I agreed to serve as a trustee for the Jim Brady Foundation, but Treasury proposals not limited to oil seem to me to be a contradiction of the things you have advocated in the past.

Regards,

  
JOHN CASSIDY, JR.

JCJ/1h

# Robert Gordon Oil Co.

P.O. Box 278  
Stroud, Oklahoma 74079

December 13, 1984

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

Dear Mr. President:

As an independent oil producer and drilling contractor I urge you to reject the provisions in the new tax reform proposals that pertain to the energy field.

The oil industry will suffer tremendously if we are not able to expense our intangible drilling costs on dry hole or abandoned wells.

Oil exploration is a high risk investment. One of the advantages that has proven beneficial to the oil industry is allowing the investment of oil and gas properties to expense its intangible drilling costs. If we are not allowed to deduct the dry hole costs surely we will see a great loss in oil exploration.

If this bill permits the expensing of dry hole costs but does not permit the expensing of intangible drilling costs there will be a great separation in these two expenses. As a result stripper wells may be plugged in order to get the deductions.

If this bill permits the expensing of dry hole costs but does not permit the expensing of intangible drilling costs there will be a great separation in these two expenses. As a result stripper wells may be plugged in order to get the deductions.

Mr. President  
Page 2  
December 13, 1984

Again we urge you to support the present tax deductions on intangible drilling costs. Thank you for your time and hopefully your much needed support.

Sincerely,

ROBERT GORDON OIL CO.



Robert Gordon  
President

RG/mm

cc:

Edwin Meese, III

James A. Baker, III

Robert C. McFarlane

Vice President George Bush

The Honorable Donald Regan

The Honorable Don Hodel

Randall E. Davis

The Honorable William Clarke

P.O. Box 33016  
Tulsa, Oklahoma 74153  
Tel. No. Home : (918)628-1245  
Tel. No. Office : (918)250-3572  
December 18, 1984

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

Dear Mr. Baker:

Enclosed please find a letter that was addressed to the President of the United States. It expresses my sentiments with regard to the new tax proposals with respect to the oil industry. I hope that you too, Mr. Baker, will also take time to read this letter and take appropriate action.

Thank you,

John A. Blair, P.E.  
Petroleum Engineer  
Geologist

JB:sm



P.O. Box 33016  
Tulsa, Oklahoma 74153  
Tel. No. Home : (918) 628-1245  
Tel. No. Office: (918) 250-3572  
December 18, 1984

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

Dear Mr. President,

I wish to express my opposition to the proposed tax reforms with respect to the Petroleum Industry. I suppose the feeling behind these proposals was the belief that America had gotten over its energy crisis and that the oil industry, dripping in money, no longer needed tax incentives to attract investors.

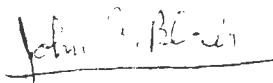
Our present energy situation is similar to a flood in the desert. In time of periodic floods, residents of a desert think they have too much water only to find out shortly thereafter that they still live in a desert.

With our present supposed glut of oil, we act like the residents of that flooded desert. Only the concerted efforts of all Americans together, conserving energy with insulation and smaller cars; looking for alternative sources of energy; and continuing to drill for oil and gas helped to provide us with a brief respite from our energy crisis.

It is appropriate to remember during this Christmas season the dedicated men and women of the oil industry working 24 hours a day under the Christmas Star just as similar people have worked on the Fourth of July under the light of distant fireworks. It is dedication like this that has won us relief from the energy crisis. To cripple these people who are now working in a recessionary industry by destroying the tax incentives that encourage domestic exploration would be a severe mistake.

I urge you, Mr. President, to reject these proposals and to help encourage the energy independence of the United States.

Sincerely,



John A. Blair, P.E.  
Petroleum Engineer  
Geologist

JB: sm



CANADIAN EXPLORATION CORP.

P.O. Box 35586  
4532-H East 51st Street  
Tulsa, Oklahoma 74153  
918/492-0059

December 13, 1984

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

Dear Mr. President:

I am writing to you in regard to the Treasury Department's tax reform proposal for the petroleum industry. As proposed, the new reforms will have a devastating effect on every aspect of the domestic petroleum industry. I am speaking specifically with reference to the independent who will eventually be forced out of business by these new proposals. Historically, the independent has been the main domestic producer of oil and gas and if only the major oil companies are to survive our dependence on foreign oil will soar to alarming levels.

The independent's ability to survive is contingent on private investment from sources outside the petroleum industry. The elimination of percentage depletion and the expensing of intangible drilling costs will result in the private capital moving into other less risky ventures. Since 1913 the incentive to invest in drilling oil and gas wells has been percentage depletion and the intangible drilling writeoff. Without such incentives, the risk is too great. I know many people in the petroleum industry who themselves will move their own investments into safer areas. The elimination of the windfall profits tax will not offset these proposed reforms in the least.

Because of the current oil and gas surplus, the public has forgotten what it was like to be at the mercy of foreign oil producers. If these reforms are passed and the independent fades away, our nation will suffer. It is definitely in our national interest to insure that our domestic petroleum industry survive.

(Cont'd.)

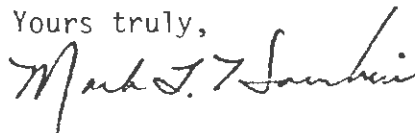
President Ronald Reagan  
December 13, 1984  
Page 2

I am a co-owner of a small oil and gas company in Tulsa, Oklahoma. We directly employ fourteen people and through our drilling activities provide jobs for many others. Without the ability to raise funds from investors outside the petroleum industry, our drilling activity will cease thereby resulting in the elimination of half of our work force as well as having a ripple effect within the industry. Our industry is still in its own recession and the last thing we need right now is the elimination of our main source of exploration funds.

I am a Republican and an avid supporter of yours. These so-called reforms are something I would expect from Tip O'Neill, not someone within your administration. Please ask Vice-President Bush what these reforms will do to the domestic petroleum industry. I urge you to publically reject these reforms.

Thank you for your consideration in this matter.

Yours truly,



Mark L. Hambric  
Vice President

MLH/se

cc Vice-President George Bush  
James A. Baker, III  
The Honorable Donald Regan  
The Honorable Don Hodel  
Senator David L. Boren  
Senator Don Nickles  
Representative James R. Jones



Jim Hays  
President

December 13, 1984

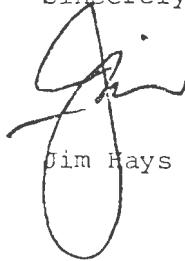
The President  
The White House  
Washington D.C. 20500

Dear Mr. President:

The proposed tax legislation as presented by Mr. Regan will undoubtedly unravel our already weak oil and gas industry. Unless private investors have economic merit for taking such heavy risk, the flow of new exploration funds will stop.

I adamantly agree that many of the so-called "loophole" tax shelters should be scrutinized, but please re-evaluate your position on legitimate risk-associated oil and gas exploration ventures. Our country will grow forever weaker if we allow non-allied countries of the world to control the strategic flow of oil and gas. Our industry has provided millions of jobs and billions of dollars to the government coffers over the last few decades. This proposed tax legislation could change that overnight.

Sincerely,



Jim Hays

JRH/kw

December 18, 1984

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

Dear Mr. Baker:

As an interested American and a resident of the State of Oklahoma, I urge you to work towards the rejection of the proposed tax changes that would:

- (1) repeal percentage depletion.
- (2) disallow expensing intangible drilling costs.
- (3) disallow deduction of a dry hole until property is abandoned.

It appears that all Americans, including the Federal Government, should encourage development of energy that could free our country from relying on imports from the OPEC nations.

Yours very truly,



Pamela L. Cichon  
3288 S. Lakewood, #13C  
Tulsa, Oklahoma 74135

PLC: lw

**CLARK**  
Resources, Inc.

Dick Clark  
President

December 16, 1984

The President  
The White House  
Washington D.C. 20500

Re: Treasury Department's Tax  
Reform Proposal

Dear Mr. President:

The tax reform proposals will have a damaging effect on the independent petroleum companies in this country. The synergism that will be created when intangible drilling cost deductions are eliminated, coupled with depressed and declining oil prices, will make this damage irreparable. The viscissitudes what will inevitably result will have a manifold effect of the same nature in almost all American industries. In addition, the associated decline in proved producing oil and gas reserves in this country will have a negative strategic impact.

You have a responsibility to act for the common good. Please consider all factors in making your recommendations.

Sincerely,



Dick Clark

DRC/kw

**Cotton Petroleum Corporation**  
A United Energy Resources, Inc. Company

Suite 4200, One Williams Center/P.O. Box 3501/Tulsa, Oklahoma 74102/(918) 560-3500

A. Ralph Reed *President*

December 19, 1984

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

Dear Mr. President:


I wish to express my deep concern as to recent tax proposals which would repeal percentage depletion, expensing of intangible drilling costs and disallow deduction of dry hole costs until a property is abandoned. The oil industry, at the small company and independent producer level, is in serious economic condition already. Oil prices, once at \$40 per barrel, are now near \$27 with great pressure for further reduction due to foreign imports of refined products at low price. Gas, once selling for \$3.50 to \$10.00 per MMBTU, is now barely saleable under new contracts at \$2.50 to \$2.75. With such a pricing environment, individuals, institutions and most companies already have little incentive to invest in drilling programs. Removal of tax incentives will further debilitate an already weak major segment of the energy industry.

As President of a small exploration and production subsidiary of a publicly held company, I have seen our employees shrink from 340 in mid-1982 to 270 at present. Our capital budget, which was over \$200 million in 1981 and 1982, was less than \$50 million in 1984. Any additional significant price declines or loss of tax incentives will not allow this subsidiary to show acceptable rates of return on current drilling programs. I don't expect the Government to subsidize inefficiency by private companies, but I believe our 1984 finding costs to be better than those of our competition. Even with low finding costs, we will be unable to compete with risk free alternative investments with further price reduction or loss of tax incentives.

I do believe the deficits must be reduced. I have supported the Republican Party in recent State and Federal elections because I believe the Republican Party provides hope in terms of the leadership and foresight capable of achieving this objective. Please believe me when I tell you that the small company and independent segment of the energy industry simply cannot survive the dual threats of continuing product price decreases and loss of tax incentives.

Sincerely,

COTTON PETROLEUM CORPORATION

  
A. R. Reed  
President

ARR:ph