



4704 HARLAN SUITE 300 303/433-6151

LAW DEPARTMENT

INTER-OFFICE MEMORANDUM

SUBJECT: Sharing of Geothermal Gradient Data

DATE: 3/2/77

TO: Dean Pilkington

FROM: Gerald Kitchen

You have told us that Chevron desires to exchange thermal gradient data from holes we are drilling on our respective properties in the Bully Creek area of Oregon. This letter will confirm the advise I gave you on this matter by telephone today.

We see no difficulties with exchanging downhole data with Chevron provided the exchange of such information is the limit of our association with them.

Our general guidelines on dealings with Chevron are as follows. First, we must avoid arrangements with any party which would result in the creation of a restraint in trade. These activities are prohibited by Section I of the Sherman Act. Second, if the proposed activity would not result in a restraint in trade, we should not refuse to deal with Chevron on the same activity. If this is a transaction we would enter into with X company, we should also enter into it with Chevron.

Please advise me if you have any further questions on this matter.


Gerald J. Kitchen

cc: W.M. Dolan
H.J. Aolson

GJK/cw