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Record Group/Collection: Donated Historical Materials
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Series: Personal Papers
Subseries: Zapata Oil File, Business Alphabetical File

OA/ID Number: 25846
Folder ID Number: 25846-020

Folder Title:
Movible Offshore, Inc. - GHWB [1965]

Stack:	Row:	Section:	Shelf:	Position:
G	5	1	3	1

Movible

September 30, 1965

Dear Harvey,

Tuesday afternoon the Movible people came over and said that the deal was off. The reason they gave was somewhat vague. Our honest conclusion here is that the breakdown in the deal had something, but very little, to do with the loss of the Maverick. It mainly had to do with Bowman Thomas, the president, who wanted to run the business in his own way.

We're disappointed, of course, over the loss of this deal but there are a couple of others that possibly can be worked out.

I did wanted you to have this information. I talked to Jack Manning and he said he would let you know, but I wanted to send you this note, anyway.

Best regards.

Yours very truly,

George H. W. Bush

Mr. Harvey Fifer
National Bulk Carriers, Inc.
360 Lexington Avenue
New York, New York
GB:as

as present to Iffer

Manich II + III	\$12.5
Vine + Scorp	7.0
Rig 8	2.0
Properties Gas	2.0
Working Capital	2.0
Seacat	2.0
	\$27.5
Debt	7.5
	\$20.0

This assumes less cash applied to debt than in previous case

MOVIBLE AND ZAPATA MERGED PROJECTIONS
Revised to Reflect Loss
of Zapata's Maverick

(000 Omitted)

	1965		1966		1967	
	Zapata	Zapata & Movible	Zapata	Zapata & Movible	Zapata	Zapata & Movible
Gross Revenue	8,000	17,606	9,357	19,637	10,772	21,052
Expenses						
Contract Drilling	3,400	9,673	4,675	11,558	5,040	11,923
Depreciation	800	2,534	979	2,861	1,239	2,856
Administrative and General	700	905	700	888	700	888
	4,900	13,112	6,354	15,307	6,979	15,667
Income Contract Drilling	3,100	4,494	3,003	4,330	3,793	5,385
Other (Oil & Gas Income & Exp. Interest Equity Seacat)*	(105)	(242)	270	(20)	320	126
Net Income before Estimated Taxes	2,995	4,252	3,273	4,310	4,113	5,511
Provision for Taxes						
Estimated Taxes		2,046	1,573	2,070	1,974	2,645
Less Investment Credit		100	53	200	174	275
	1,437	1,946	1,520	1,870	1,800	2,370
Net Income	1,558	2,306	1,750	2,440	2,313	3,141
Preferred Dividends		181		181		181
Net Income after Pfd. Dividends		$2,125		$2,259		$2,960
Net Income Per Share (1,036,000)	$1.50	$2.05	$1.69	$2.17	$2.23	$2.85

*Figure includes $300,000 dry hole expense each year. Successful exploration would result in capitalizing of this expenditure and additional earnings from oil and gas production.

New York
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Boston
Philadelphia
Pittsburgh
Wilmington
Atlanta
Cleveland
Detroit
Chicago
Minneapolis
San Francisco
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Seattle
Portland
New Orleans

JOHNSON & HIGGINS

Established 1845

INSURANCE BROKERS - AVERAGE ADJUSTERS

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CABLE ADDRESS "KERODEN"

63 WALL ST., NEW YORK, N.Y. 10005
TEL. 944-3160 - AREA CODE 212 -

August 27, 1965

Mr. George H. W. Bush
Post Office Box 736
Kennebunkport, Maine

Dear Pop:

Ed Blackwell called me from New Orleans today to say that Mr. Cash, of the Movible Offshore Company (Secretary-Treasurer), was in Houston yesterday talking to Bill Greve about Zapata's insurance. He was apparently on a fishing expedition to learn as much about it as he could. He made several remarks about Movible's rates and premiums being better than Zapata's in the Workmen's Compensation field and Umbrella Liability field but, of course, he failed to take into consideration that Movible is subject to entirely different coverage being primarily an in-shore operator and overlooked completely the fact that Movible carries much lower limits than Zapata and also carries P. & I. Insurance which protects the Umbrella Policy Underwriters more than does Zapata's. The reason for this is that Zapata carries lower primary limits and therefore the Umbrella Underwriters come into a case at a much lower level.

We have no hesitation of any thorough comparison being unfavorable from your standpoint. However, Bill seemed, to Ed, to be concerned about what Cash's role was going to be and did not know how far he should go in talking about insurance matters inasmuch as his instructions were to wait before getting into the insurance matters.

If you are still in Kennebunkport on Monday, August 30, would you call me Monday morning at your convenience as I would like very much to talk this over with you. If you are not in Kennebunkport, I will call you in Houston.

By now perhaps the papers you were expecting to be signed have been completed and the Movible policy information is available. If so, we ought to get moving pretty soon so that everything will be ready by October 1 in case your legal problems are cleared up by then. If not, we have the extension through the end of October by the Travelers as respects both Companies, if necessary.

I hope you and all the family are having a marvelous time in Kennebunkport and that you get a good rest. I also hope you don't have to go back to Houston next week but can stay until the Labor Day week-end, as originally planned.

With love to all,

Yours,

Pres

Prescott S. Bush, Jr.

PSB:cda

Movible

CHEVRON OIL COMPANY

THE CALIFORNIA COMPANY DIVISION

1111 TULANE AVENUE NEW ORLEANS LOUISIANA 70112

K. H. SHAFFER
PRESIDENT

August 20, 1965

RECEIVED

AUG 23 1965

Mr. George H. W. Bush
Zapata Off-Shore Company
1701 Houston Club Bldg.
Houston, Texas 77002

Dear George:

I was very pleased to receive your letter of August 16 and to find out that you are growing substantially. I am sure that your merger with Movible should tend to diversify the areas in which you can drill, and should make a more complete and substantial company.

I am most happy, of course, to see that you are remaining as Chairman of the Board and Chief Executive Officer, and I would like to wish your new enlarged company the very best of success.

I too hope to see you soon. With best personal regards,

Sincerely,

Ken Shaffer

KHS:mw

ZAPATA OFF-SHORE COMPANY
(Movible Offshore, Inc.)

Time Schedule

Commence on August 9	Preparation of documents:
	(a) Agreement of Sale and Purchase
	(b) Charter Amendment (Preferred Stock)
	(c) Proxy Statement
	(i) Business and properties of Zapata and Movible
	(ii) Certified financial statements (5 years)
	(iii) Iterim financial data
	(d) Loan Agreement
	(e) Listing Application to American Stock Exchange (Common Stock reserved for issuance upon conversion of Preferred Stock)
	(f) Designations of:
	(i) Transfer Agent
	(ii) Registrar
	(iii) Conversion Agent
	Review of minute books, stock books, material contracts and other data of Movible
August 27	File Proxy Material with SEC
September 23	Receive letter of comments from SEC
September 25	File revised Proxy Material with SEC
September 27	Obtain final clearance from SEC
September 28	Commence mailing to stockholders
October 18	Special Meeting of Stockholders of Zapata

Moncrieffe N.

telephone # pay 14th 12 noon

GEORGE BUSH
1701 HOUSTON CLUB BUILDING
HOUSTON, TEXAS 77002

Telegram to:

Al Lasker
Beverly Hills Hotel
Beverly Hills California

Delighted with agreement of Movible - Zapata ~~detail~~ deal. Welcome as a prospective Zapata shareholder. I am looking forward to working with you - Best Regards

George Bush

August 16, 1965

Dear Milton,

I'm sure you saw in the paper about our proposed merger with Movible. I tried to get David last week to see if he thought we ought to talk with you about this. I missed him, and decided it was best not to bother you with this while out there in the hospital.

Frankly, I think it is a good deal for Zapata. The enclosed will show you how it will step up our earnings.

I am going back for vacation. If you have any questions, don't hesitate to get in touch with Bob Gow, or you can reach old Bushie out on the Maine waters by marine 'phone.

Hope this finds you feeling much better.

Best regards,

Enc. Press Release
Movible Brochure
Bd Directors' Packet 8/13 meeting

August 16, 1965

Dear Porter,

Here's some additional dope for your Movible file.

We are glad to have this completed.

Best regards,

Mr. J. Porter Brinton, Jr.

Mr. Gow
G. Bush

RECEIVED

AUG 17 1965

File

GEORGESON & CO.

52 WALL STREET, NEW YORK 5, N.Y.

HANOVER 2-1470

PROXY SOLICITATION
STOCKHOLDER RELATIONS

BOSTON-PHILADELPHIA-CLEVELAND-PITTSBURGH
CHICAGO-LOS ANGELES-SAN FRANCISCO

REPRESENTATIVES IN
ALL PRINCIPAL CITIES

August 16, 1965.

Mr. George H. W. Bush
Chairman of the Board
Zapata Off-Shore Co.
1701 Houston Club Building
Houston, Texas 77002

Dear Mr. Bush:

I would like to offer our services in connection with the solicitation of proxies for the merger of Movible Off-Shore Inc. into Zapata.

We have been active in the field of proxy solicitation for the past 30 years and now represent almost 250 corporations annually. Over that time we have developed our services to a point where we feel they are very effective in assisting our clients to obtain the highest possible vote from their stockholders.

In recent years we have participated in most of the important mergers and acquisitions, including the sale of assets of Penick & Ford to Reynolds Tobacco, both Armour and Baldwin-Lima-Hamilton for their merger and Pure Oil into Union Oil. We are presently soliciting proxies for Lone Star Cement for its acquisition of Pacific Cement.

If we may be of service we would appreciate hearing from you.

Very truly yours,

Richard B. Nye

Richard B. Nye

RBN:mc

Movible

PRESS RELEASE
August 14, 1965

The Boards of Directors of Zapata Off-Shore Company and Movible Offshore, Inc. have tentatively agreed on a plan whereby Movible would be merged into Zapata. Movible's operations will be continued as a separate division of Zapata.

Zapata has historically operated deep water drilling rigs in various locations around the world. Movible's contract drilling business has been confined to shallow water off the Louisiana-Texas coasts. In addition, Movible operates rigs from self-contained fixed platforms. The mobile rigs operated by Movible are of the submersible type. All rigs previously operated by Zapata are of the ship-shaped floating or jack-up type. This acquisition should enable Zapata to provide better service to the major oil companies, which are its customers.

Under the proposed plan, Movible stockholders will receive 2.1 shares of a new Convertible Preferred Stock of Zapata for each share of Movible stock. The Zapata Preferred will have an $.80 cumulative dividend. Each share of Zapata Preferred will be convertible into 1.04 shares of common stock of Zapata and will be non-callable for three years and at $20 per share thereafter. Movible now has 108,000 shares of stock outstanding.

Consummation of the merger is subject to approval by the shareholders of each company of a definitive Agreement of Merger. The merger is also subject to obtaining consents with respect to certain bank loans. It is expected that the meetings of shareholders will be held in October, 1965.

Nine-month figures for the period ended June 30, 1965 for Zapata and Movible are as follows:

(Stated in Thousands)

	Zapata	Movible
Gross Revenues	$5,770	$6,725
Depreciation	601	1,331
Profit before Federal Income Taxes	2,031	670
Provision for Federal Income Taxes	974	325
Net Income after Taxes	1,057	345

In other action, the Board of Directors of Zapata declared a 4% common stock dividend payable on November 15, 1965 to Zapata stockholders of record at the close of business on September 15, 1965. Prior to declaration of the stock dividend, Zapata had 1,035,940 shares of common stock outstanding.

August 16, 1965

Dear Pat,

I am attaching a press release issued on August 14th covering this Company's proposed merger with Movible Offshore, Inc. I am personally very pleased about this deal, feel that it will increase our ability to be of service to the oil industry, and that it will result in increased efficiency and desirable diversification.

We are particularly fortunate to have Bowman Thomas, the President of Movible in the Zapata picture. Bowman will be the Chairman of our Executive Committee and will be active in our over-all management.

Due to certain legal formalities and the necessity of getting the approval of our shareholders on our new preferred stock, the deal will not be consummated for several weeks, but I did want you to know about it. If any questions come to mind, I'd be happy to try to answer them. I will be remaining as Chairman of the Board and Mark Gardner will remain as President.

Hope to see you soon.

Best regards,

George H. W. Bush

Mr. T. L. Regan
Pan American Petroleum Corp.
500 Jefferson Bldg.
Houston, Texas
GB:as

August 16, 1965

Dear Johnny,

I am attaching a press release issued on August 14th covering this Company's proposed merger with Movible Offshore, Inc. I am personally very pleased about this deal, feel that it will increase our ability to be of service to the oil industry, and that it will result in increased efficiency and desirable diversification.

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Hope to see you soon.

Best regards,

George H. W. Bush

Mr. John C. Johnston
Pan-American Petroleum Corp.
500 Jefferson Bldg.
Houston, Texas
GB:as

August 16, 1965

Dear Dick,

I am attaching a press release issued on August 14th covering this Company's proposed merger with Movible Offshore, Inc. I am personally very pleased about this deal, feel that it will increase our ability to be of service to the oil industry, and that it will result in increased efficiency and desirable diversification.

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Hope to see you soon.

Best regards,

George H. W. Bush

Mr. R. A. Beutel
Brazos Oil & Gas Co.
Box 22468
Houston, Texas
GB:as

August 16, 1965

Dear Swede,

I am attaching a press release issued on August 14th covering this Company's proposed merger with Movible Offshore, Inc. I am personally very pleased about this deal, feel that it will increase our ability to be of service to the oil industry, and that it will result in increased efficiency and desirable diversification.

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Hope to see you soon.

Best regards,

George H. W. Bush

Mr. L. A. Swanson, President
Standard Oil of Texas
Box 1249
Houston, Texas
GB:as

August 16, 1965

Dear Bill,

I am attaching a press release issued on August 14th covering this Company's proposed merger with Movible Offshore, Inc. I am personally very pleased about this deal, feel that it will increase our ability to be of service to the oil industry, and that it will result in increased efficiency and desirable diversification.

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Hope to see you soon.

Best regards,

George H. W. Bush

Mr. W. F. Schafer
Pure Oil Company
Box 1391
Lafayette, La.
GB:as

August 16, 1965

Dear Fred,

I am attaching a press release issued on August 14th covering this Company's proposed merger with Movible Offshore, Inc. I am personally very pleased about this deal, feel that it will increase our ability to be of service to the oil industry, and that it will result in increased efficiency and desirable diversification.

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Hope to see you soon.

Best regards,

George H. W. Bush

Mr. Fred Van Bilderbeeck
B.I.P.M.
Carel van Bylandtlaan 30
The Hague, The Netherlands
GB:as

August 16, 1965

Dear Frank,

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Hope to see you soon.

Best regards,

George H. W. Bush

Mr. Frank West
B.I.P.M.
Carel van Bylandtlaan 30
The Hague, The Netherlands
GB:as

August 16, 1965

Dear Ed,

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Hope to see you soon.

Best regards,

George H. W. Bush

Mr. Edward Martin
American International Oil Company
Tehran, Iran
GB:as

August 16, 1965

Dear Chase,

I am attaching a press release issued on August 14th covering this Company's proposed merger with Movible Offshore, Inc. I am personally very pleased about this deal, feel that it will increase our ability to be of service to the oil industry, and that it will result in increased efficiency and desirable diversification.

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Hope to see you soon.

Best regards,

George H. W. Bush

Mr. Chase Ritts, President
American International Oil Company
555 5th Avenue
New York, New York
GB:as

August 16, 1965

Dear John,

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Hope to see you soon.

Best regards,

George H. W. Bush

Mr. John Latham
Offshore Magazine
Conroe, Texas
GB:as

August 16, 1965

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Hope to see you soon.

Best regards,

George H. W. Bush

Mr. E. E. Sands
Union Oil Company of California
800 Prudential Bldg.
Houston, Texas
GB:as

August 16, 1965

Dear Herb,

I am attaching a press release issued on August 14th covering this Company's proposed merger with Movible Offshore, Inc. I am personally very pleased about this deal, feel that it will increase our ability to be of service to the oil industry, and that it will result in increased efficiency and desirable diversification.

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Hope to see you soon.

Best regards,

George H. W. Bush

Mr. H. F. Beardmore
Gulf Oil Company
P. O. Box 2100
Houston, Texas
GB:AS

August 17, 1965

Dear Herb,

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Hope to see you soon.

Best regards,

George H. W. Bush

Mr. Herbert J. Warner
Forest Oil Company
Oil & Gas Bldg.
Houston, Texas
GB:as

August 16, 1965

Dear Dave,

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Hope to see you soon.

Best regards,

George H. W. Bush

Mr. David F. Dorn
Forest Oil Company
Oil & Gas Bldg.
Houston, Texas
GB:as

August 16, 1965

Dear Arch,

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Hope to see you soon.

Best regards,

George H. W. Bush

Mr. A. W. Baucum, Executive Vice Pres.
Texaco, Inc.
Box 52332
Houston, Texas
GB:as

August 16, 1965

Dear Ken,

I am attaching a press release issued on August 14th covering this Company's proposed merger with Movible Offshore, Inc. I am personally very pleased about this deal, feel that it will increase our ability to be of service to the oil industry, and that it will result in increased efficiency and desirable diversification.

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Hope to see you soon.

Best regards,

George H. W. Bush

Mr. M. S. Kendrick
Continental Oil Company
CATC Marine Region
P. O. Box 2197
Houston, Texas
GB:as

August 16, 1965

Dear Ed,

I am attaching a press release issued on August 14th covering this Company's proposed merger with Movible Offshore, Inc. I am personally very pleased about this deal, feel that it will increase our ability to be of service to the oil industry, and that it will result in increased efficiency and desirable diversification.

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Hope to see you soon.

Best regards,

George H. W. Bush

Mr. E. G. Christianson, Vice Pres.
Shell Oil Company
P. O. Box 2099
Houston, Texas 77001
GB:as

August 17, 1965

Dear Ed,

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Hope to see you soon.

Best regards,

George H. W. Bush

Mr. E. L. Downing
Mobil Oil Company
Box 1774
Houston, Texas
GB:as

August 16, 1965

Dear Jesse,

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Best regards,

George H. W. Bush

Mr. J. P. Chambers
Chevron Oil Company
California Company Division
California Company Bldg.
New Orleans, La. 70112
GB:as

August 16, 1965

Dear Julian,

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George H. W. Bush

Mr. E. J. Deupree, Vice President
Chevron Oil Company
California Company Division
California Company Bldg.
New Orleans, La. 70112
GB:as

ZAPATA OFF-SHORE COMPANY
1701 HOUSTON CLUB BUILDING
HOUSTON, TEXAS 77002

GEORGE H. W. BUSH
CHAIRMAN OF THE BOARD

August 16, 1965

Dear Ken,

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Mr. Ken H. Shaffer, Pres.
Chevron Oil Company
California Company Division
California Company Bldg.
New Orleans, La. 70112

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Hope to see you soon.

Best regards,

George H. W. Bush

Mr. J. W. Pittman, Production Manager
Shell Oil Company
Box 60193
New Orleans, La.
GB:as

August 16, 1965

Dear Jim,

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Hope to see you soon.

Best regards,

George H. W. Bush

Mr. James E. Wilson, Area Vice President
Shell Oil Company
Box 60193
New Orleans, La.
GB:as

ZAPATA OFF-SHORE COMPANY

1701 Houston Club Building
Houston, Texas 77002

George H. W. Bush
Chairman of the Board

August 16, 1965

Dear Joe,

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Show it to MB aist
written?

23

Letter to special customers of Zapata   GHWB small co. paper

Dear Joe:

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Best Reagards,

Get full names

send out to:
G Jim Wilson--Shell New Orleans v.p.   Jim   also to Pittman of Shell   JW   G   "P.H."
KEN H. G Ken Shafer, pres. of ~~Cal~~ Chhevron Oil Co. New Orleans.
E.J. G Julian Deupree vice pres Chevron   California Co
J.P. G Jesse Chambers- Chevron
G Ed Downing- Mobil Houston Ed.
G Ed Christiansen Shell Houston v.p. Ed.
G M.S. Kendrick CATC Marine Region Conococ Bldg Houston Ken
G Arch Baucum Texaco Houston
G Dave Dorn and Herb Warner Forest Oil Houston.... Dave and Herb
G Herb Beardmore Gulf Oil Houston. Herb
G-B Ed Sands- Union OilCo. Houston, Ed/

(over)

G John Latham- Offshore Mag Conroe... John
G Chase Ritts, ~~Pan Am International~~.. American International Oil Co
Iran New York, pres. Chase 555 5th Ave
G Ed Martin..Tehran. Amer Int. Oil Co
G Frank West Shell the Hague Frank B.I.P.M., Carel van Bylandtlaan 30, The Hague, The Netherlands
G Van Bilderbeeck BPM the Hague Fred.
G Bill Shafer Pure Oil Lafayette W.F. Box 1391
G Swede Swanson Std oil pf Texas... Houston pres Swede L A Swanson
G Dick Beutel Brazos Oil and Gas Houston.
G Pan Am... Houston Johnny Johnson Vp. G Pat Reagan. Houston TL REGAN
Pet Corp JOHN C. JOHNSTON
500 Jefferson Bldg

Meet with Gardner Taylor Mosby Gow etc.

Mark... suggest that you , Russ Jim, others notify your friends in soem personal letter way onthis deal.

Letter to Pat Linton... send him copy of letters we're sending out so he can advise customers.

Notfiy perseonnel- be sure Oudshoorn and Linton get message.

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(Stated in Thousands)

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Gross Revenues	$5,770	$6,725
Depreciation	601	1,331
Profit before Federal Income Taxes	2,031	670
Provision for Federal Income Taxes	974	325
Net Income after Taxes	1,057	345

In other action, the Board of Directors of Zapata declared a 4% common stock dividend payable on November 15, 1965 to Zapata stockholders of record at the close of business on September 15, 1965. Prior to declaration of the stock dividend, Zapata had 1,035,940 shares of common stock outstanding.

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Under the proposed plan, Movible stockholders will receive 2.1 shares of a new Convertible Preferred Stock of Zapata for each share of Movible stock. The Zapata Preferred will have an $.80 cumulative dividend. Each share of Zapata Preferred will be convertible into 1.04 shares of common stock of Zapata and will be non-callable for three years and at $20 per share thereafter. Movible now has 108,000 shares of stock outstanding.

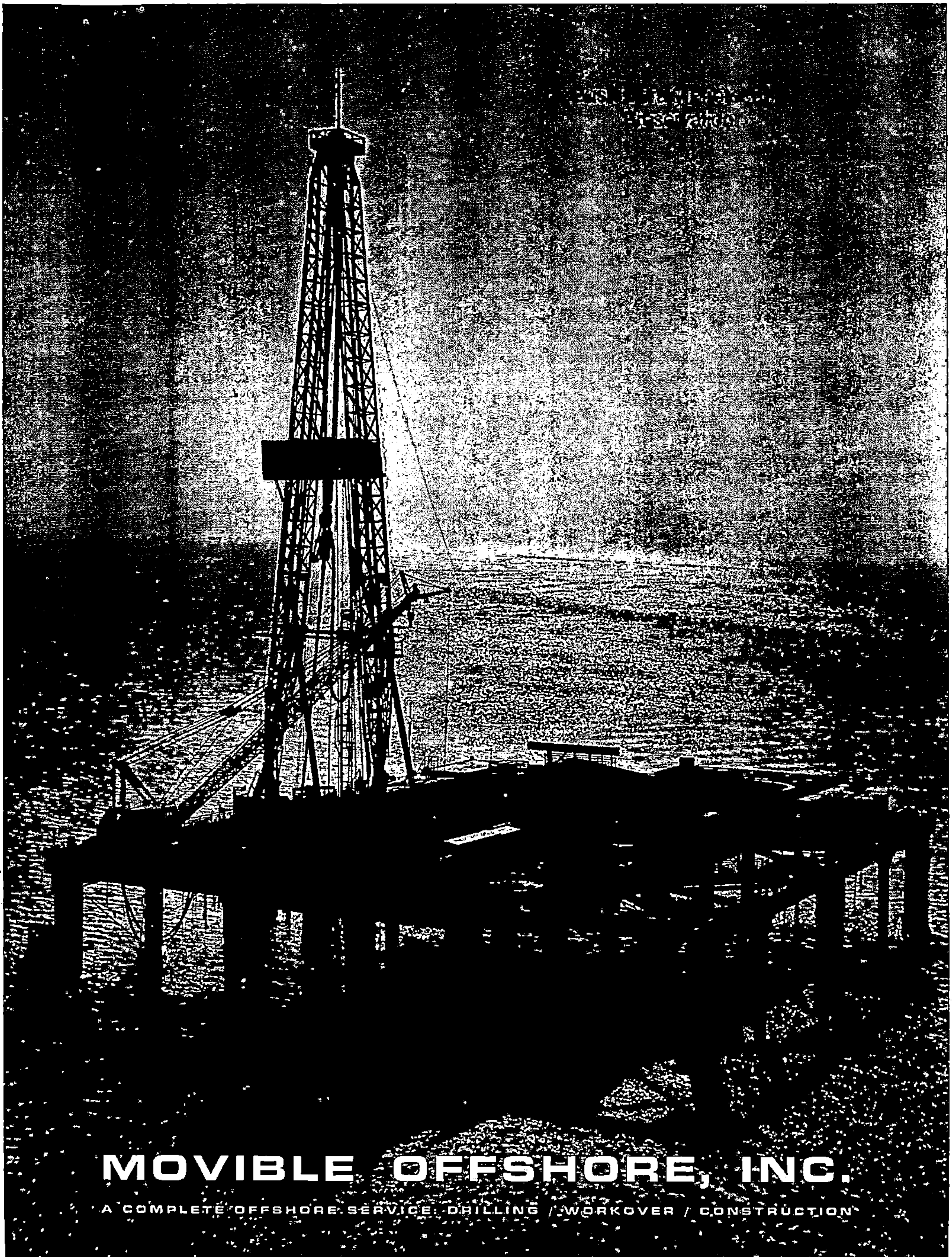
Consummation of the merger is subject to approval by the shareholders of each company of a definitive Agreement of Merger. The merger is also subject to obtaining consents with respect to certain bank loans. It is expected that the meetings of shareholders will be held in October, 1965.

Nine-month figures for the period ended June 30, 1965 for Zapata and Movible are as follows:

(Stated in Thousands)

	Zapata	Movible
Gross Revenues	$5,770	$6,725
Depreciation	601	1,331
Profit before Federal Income Taxes	2,031	670
Provision for Federal Income Taxes	974	325
Net Income after Taxes	1,057	345

In other action, the Board of Directors of Zapata declared a 4% common stock dividend payable on November 15, 1965 to Zapata stockholders of record at the close of business on September 15, 1965. Prior to declaration of the stock dividend, Zapata had 1,035,940 shares of common stock outstanding.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A COMPLETE OFFSHORE SERVICE: DRILLING / WORKOVER / CONSTRUCTION

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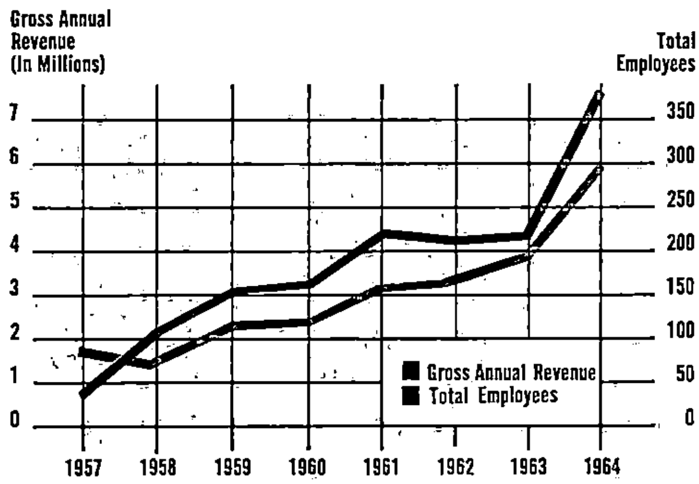
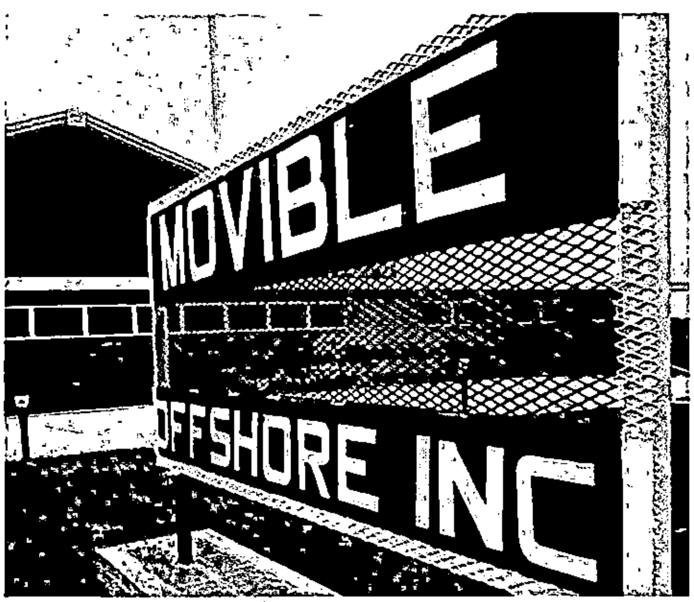
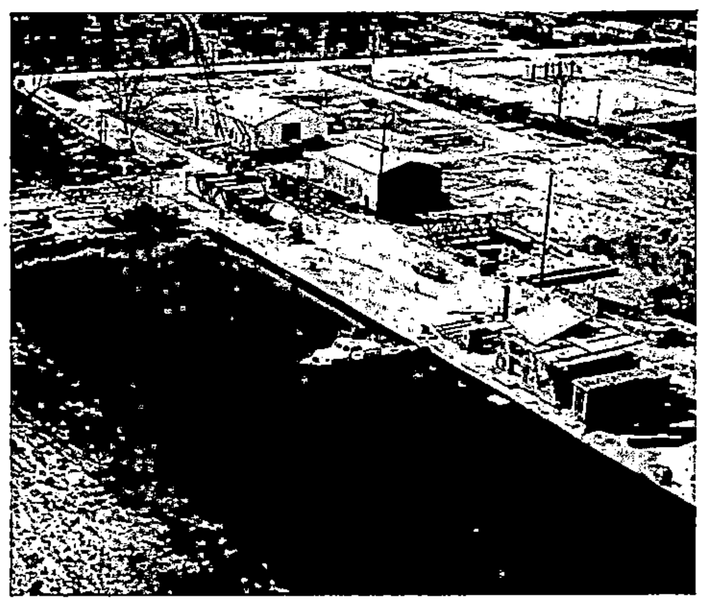
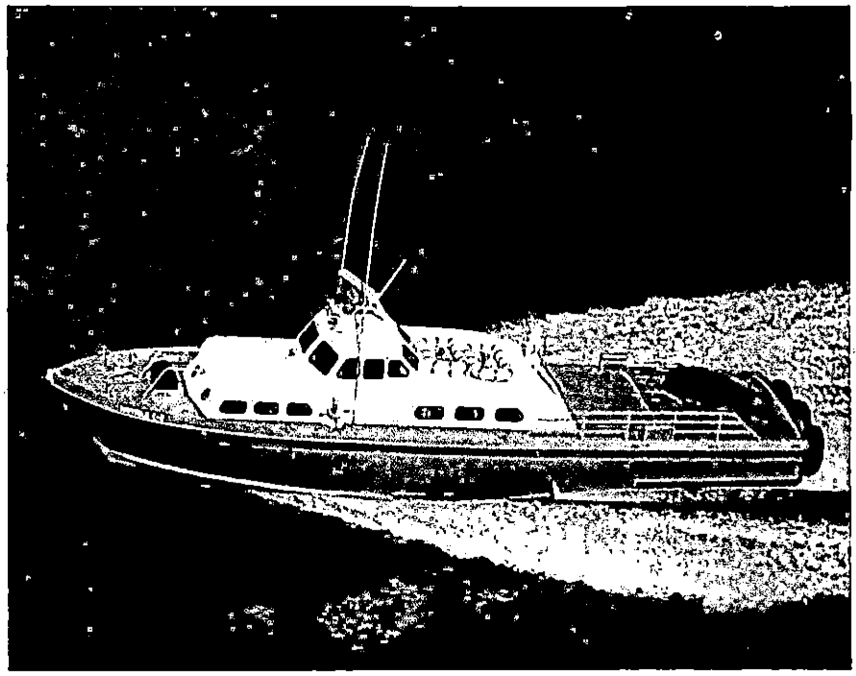
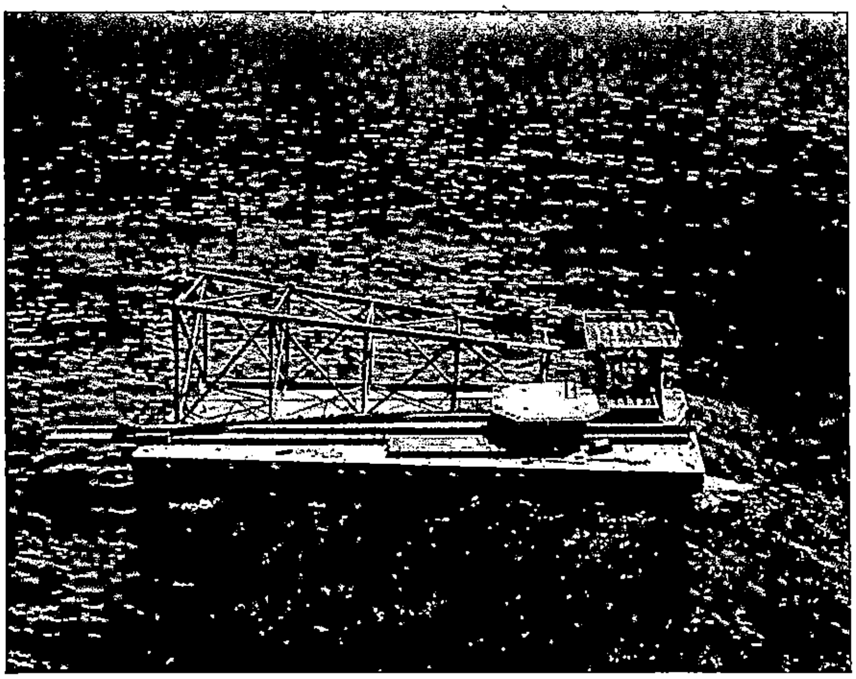


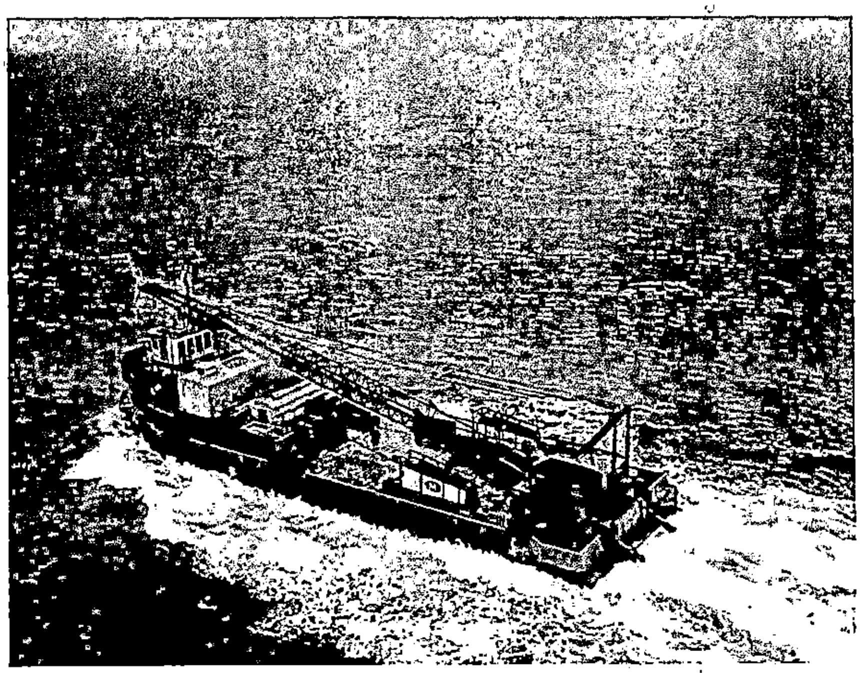


Operations headquarters, New Iberia, Louisiana


Fabrication yard, Bayou Boeuf, Louisiana







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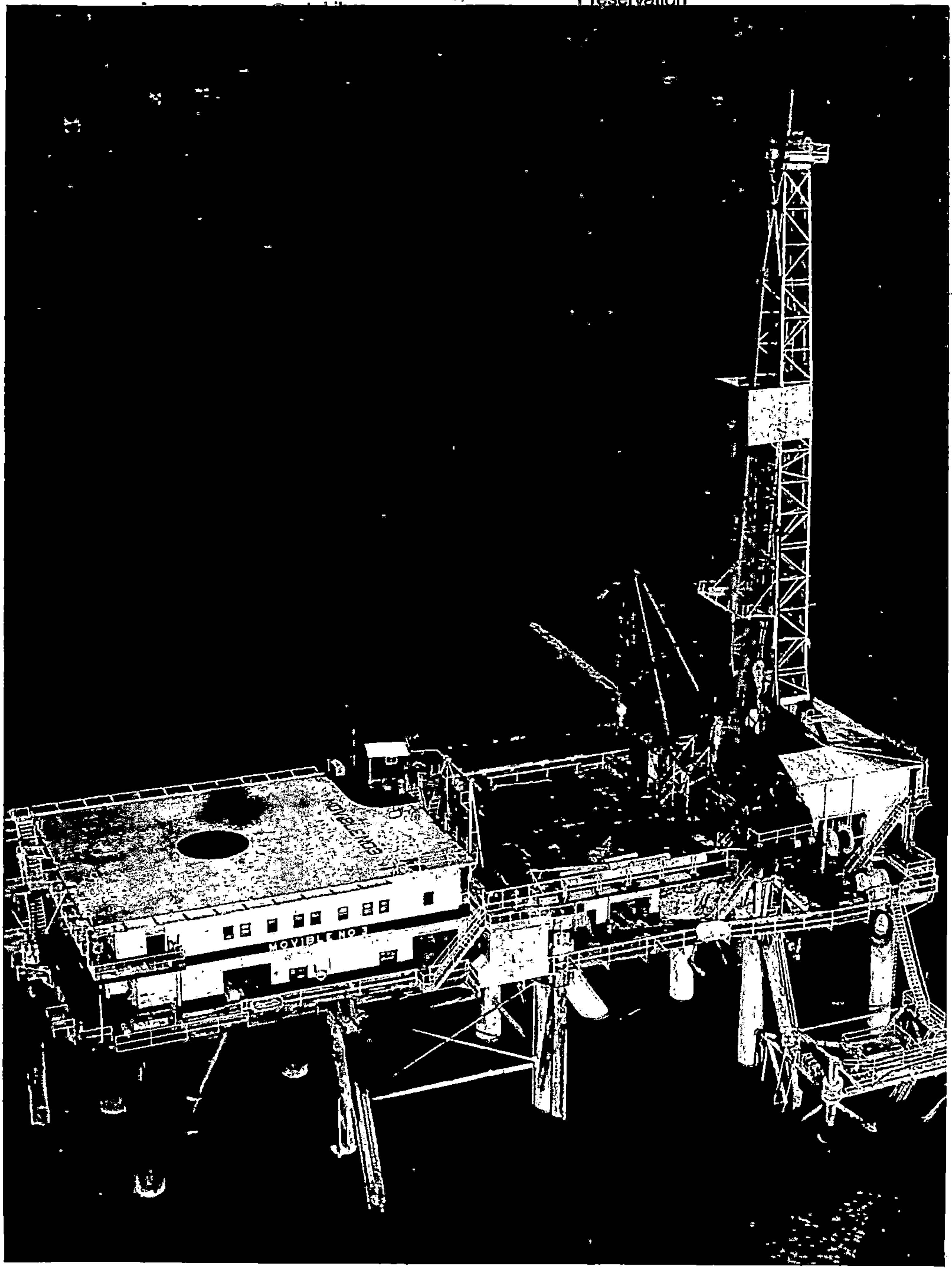

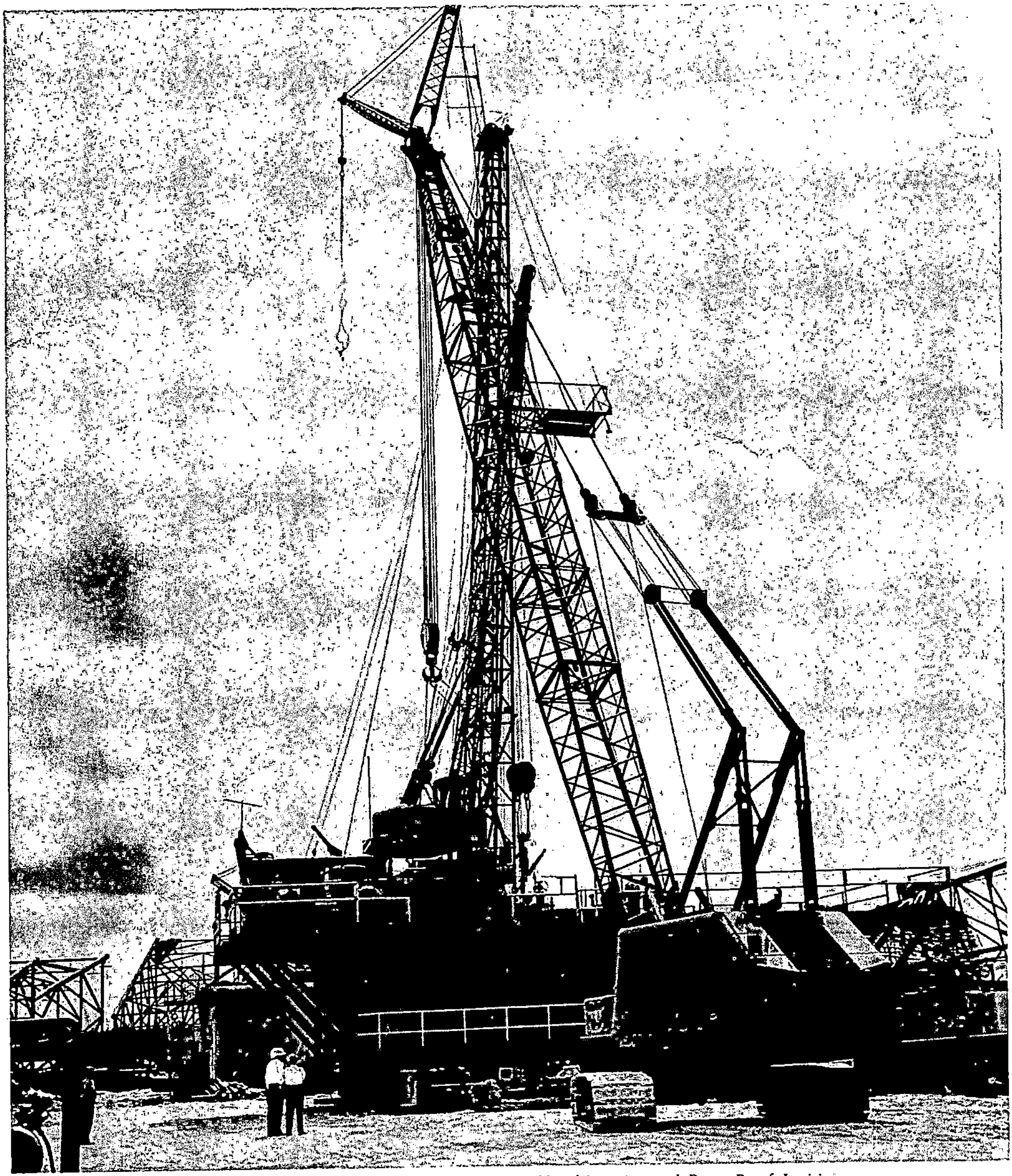

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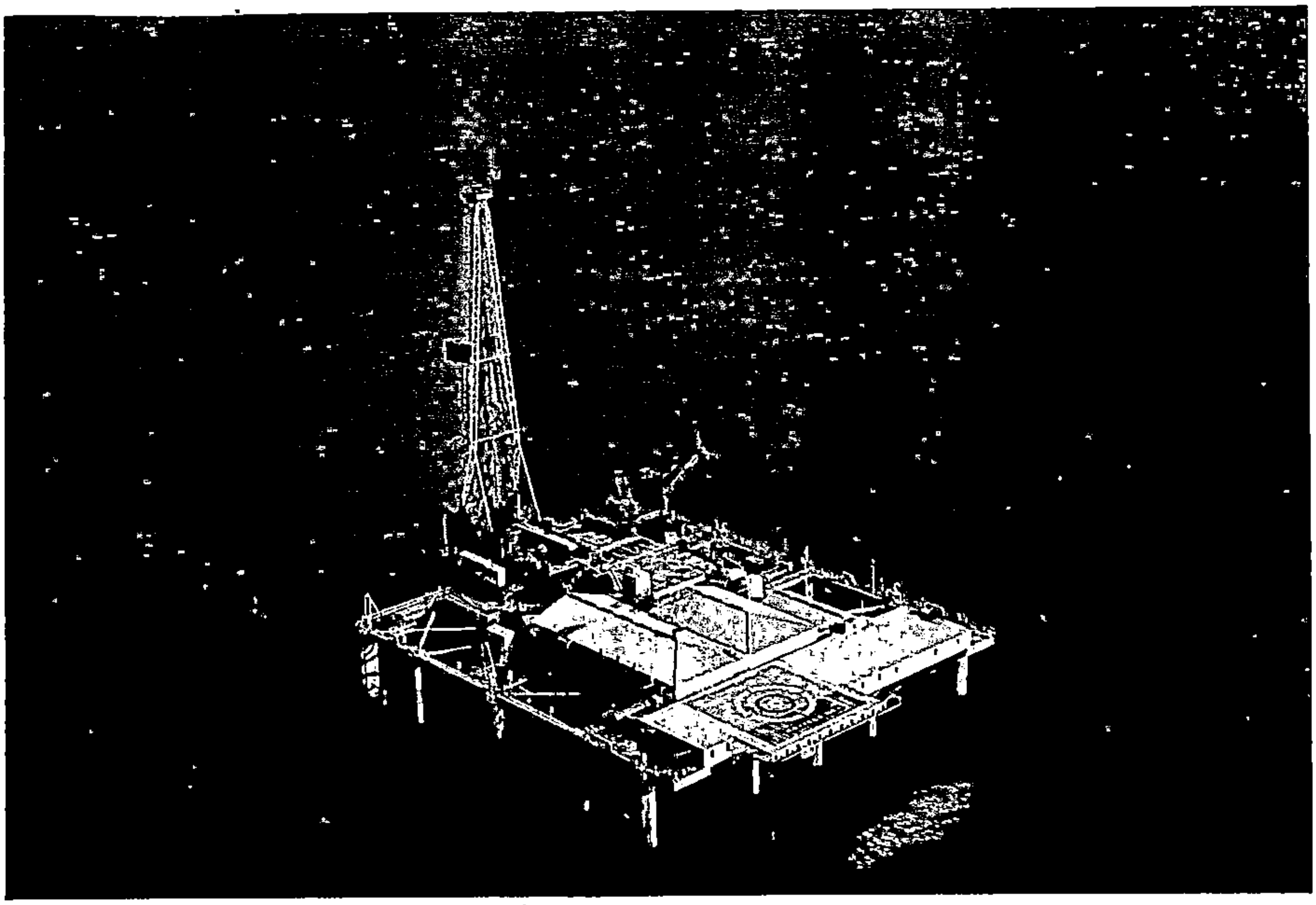

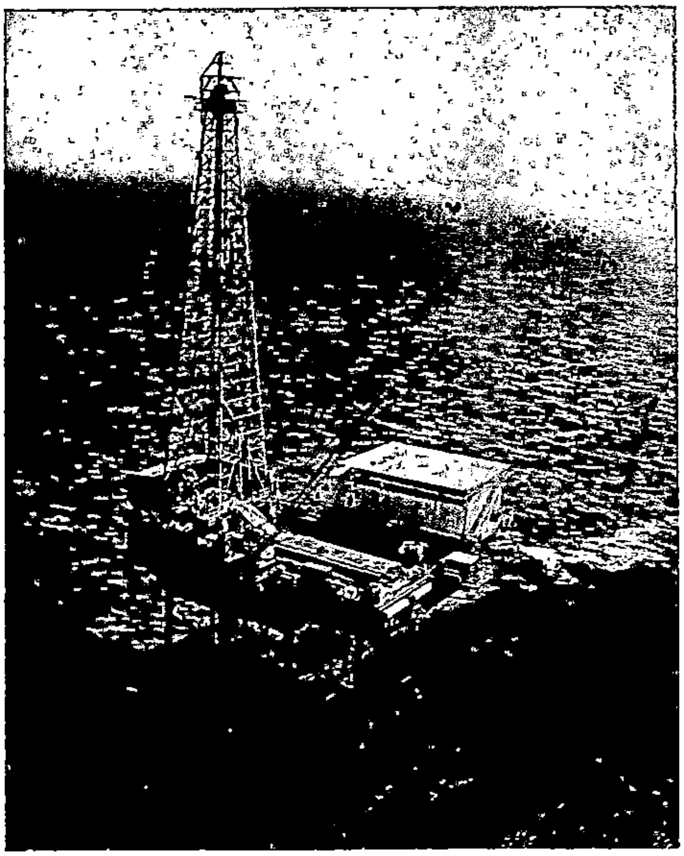

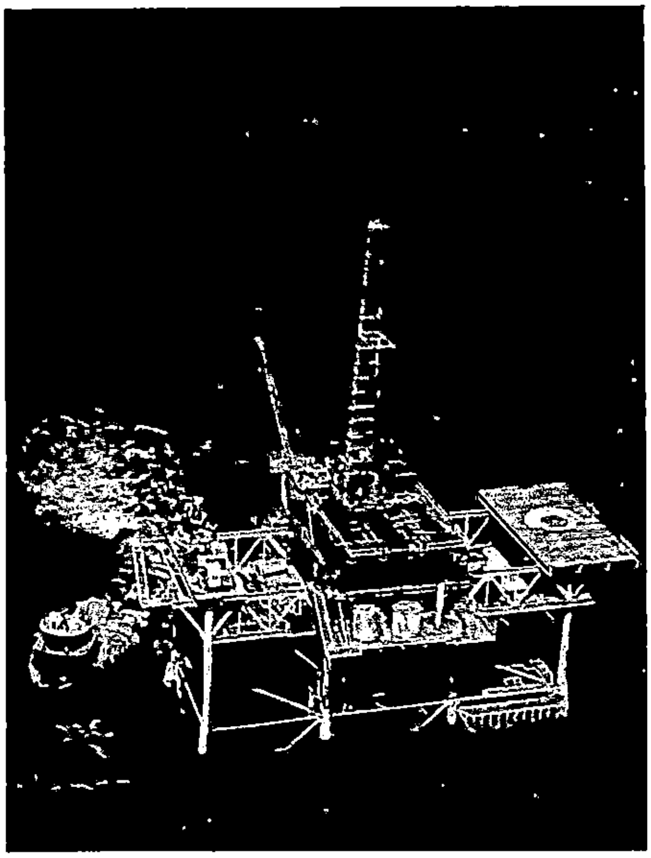

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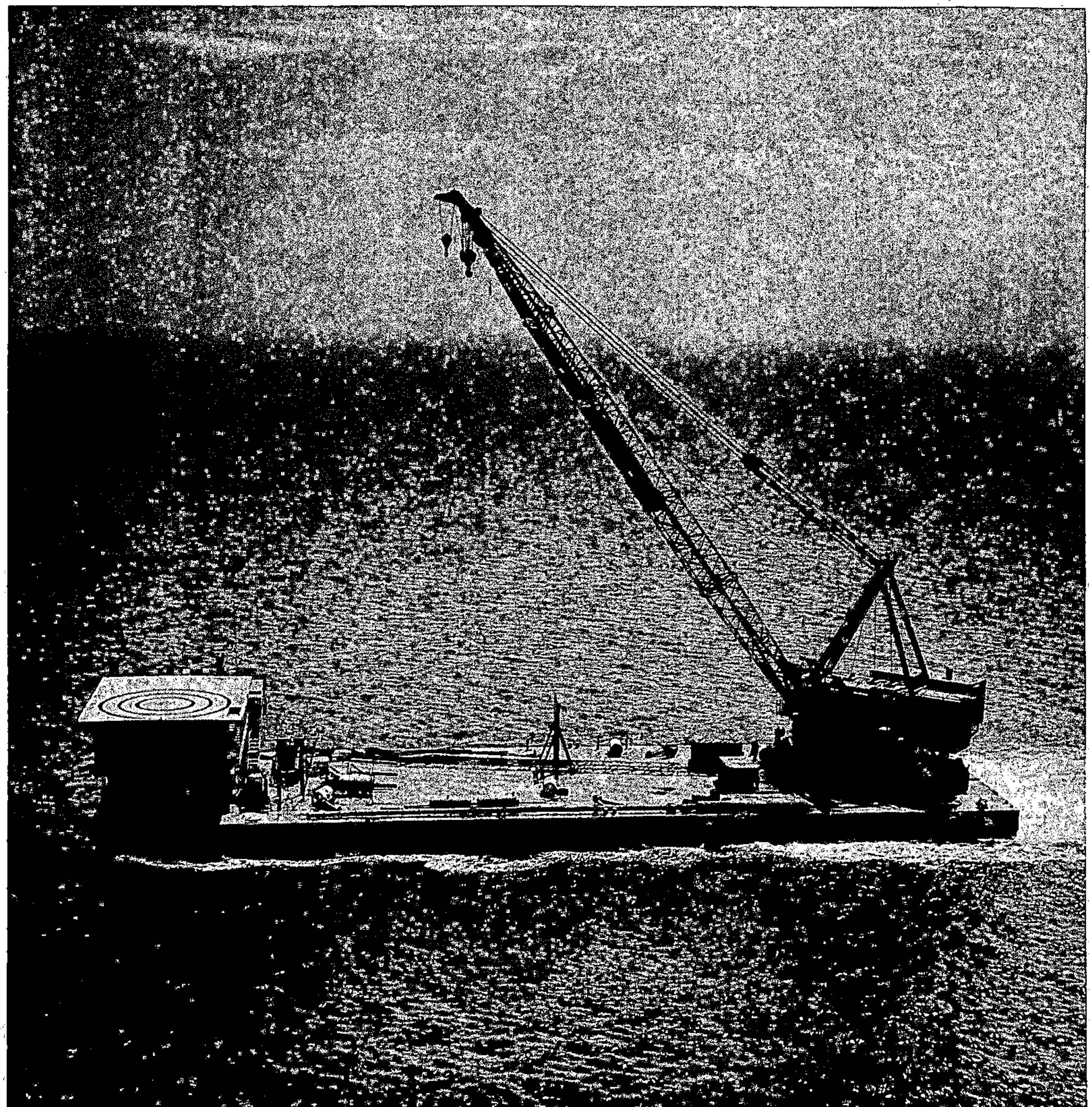
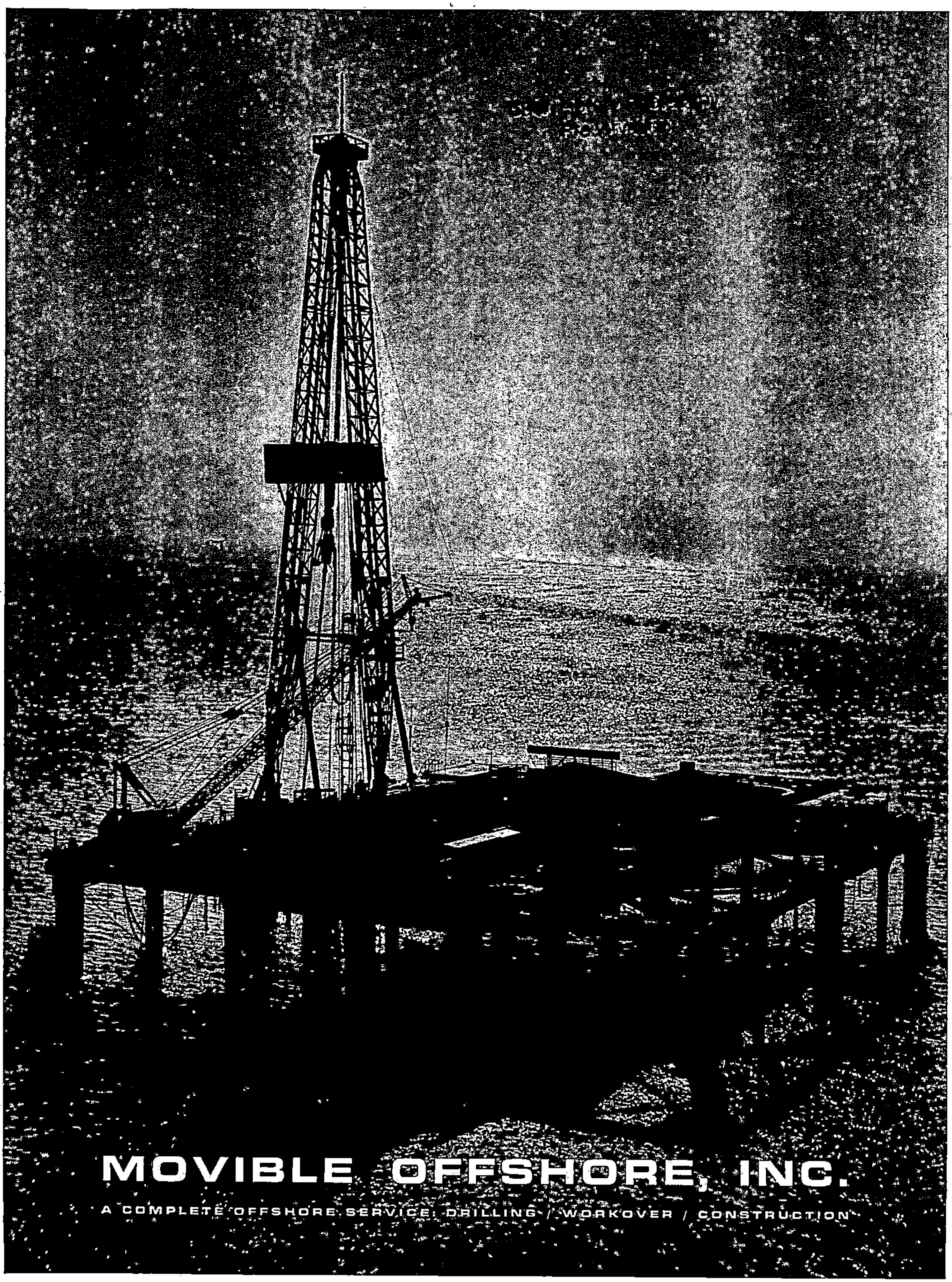


150 ton derrick barge.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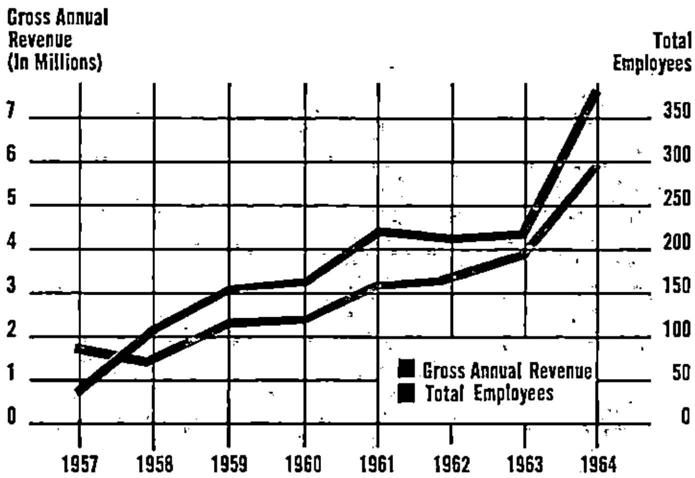
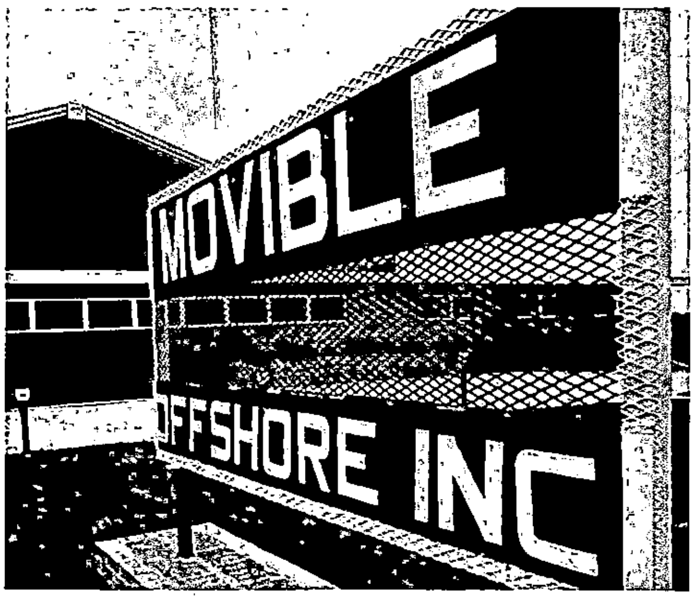
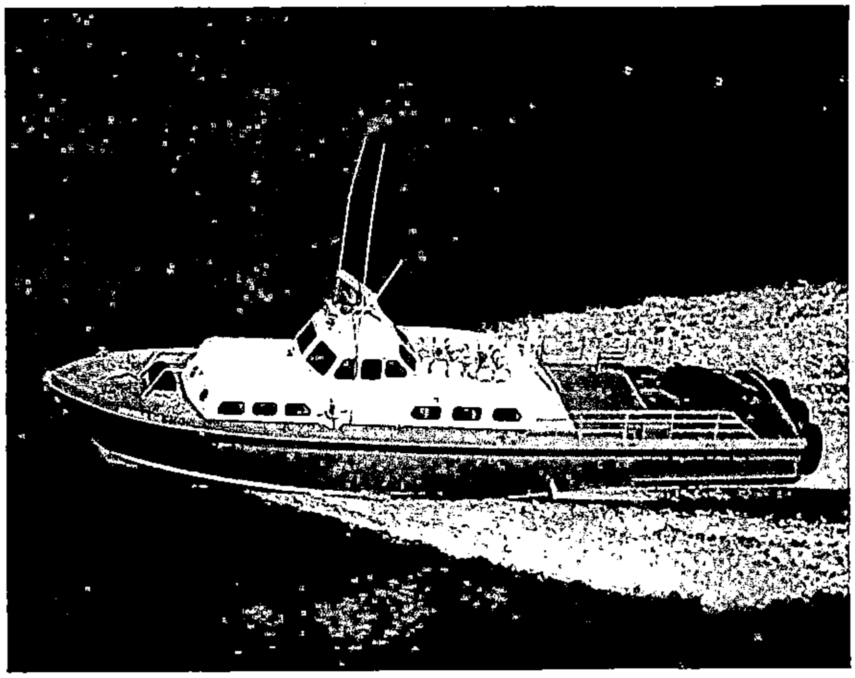
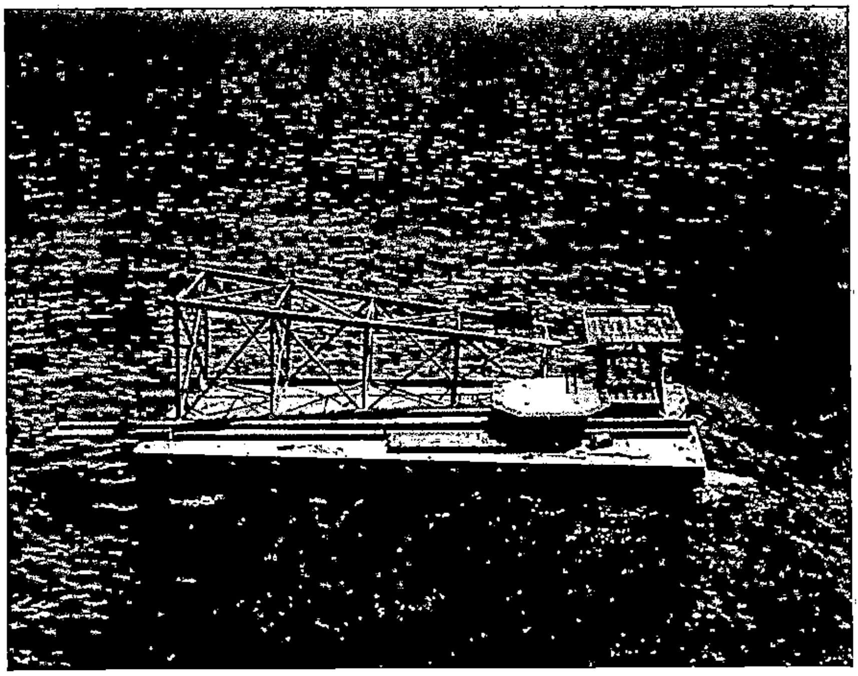


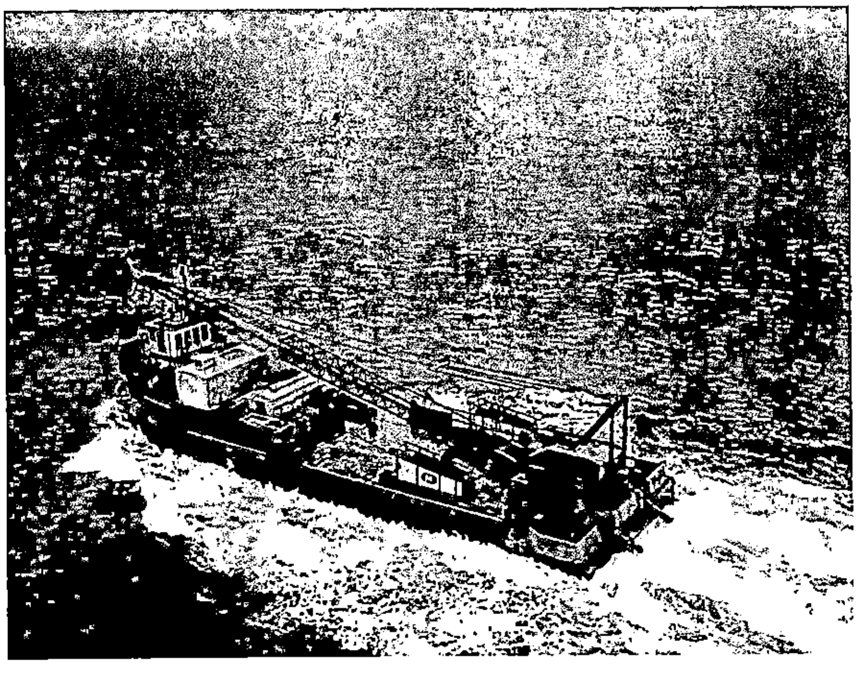


Operations headquarters, New Iberia, Louisiana


Fabrication yard, Bayou Boeuf, Louisiana







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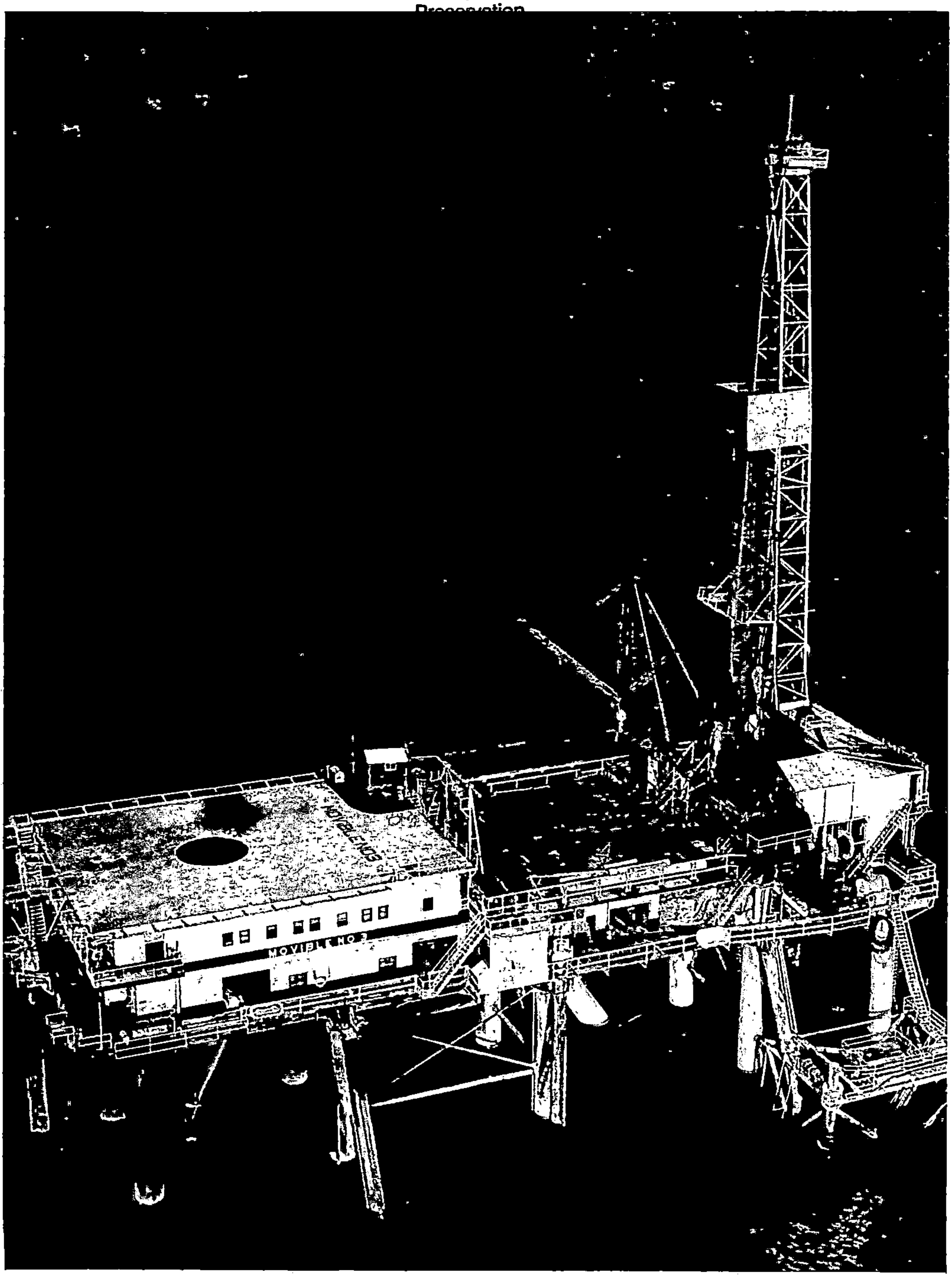
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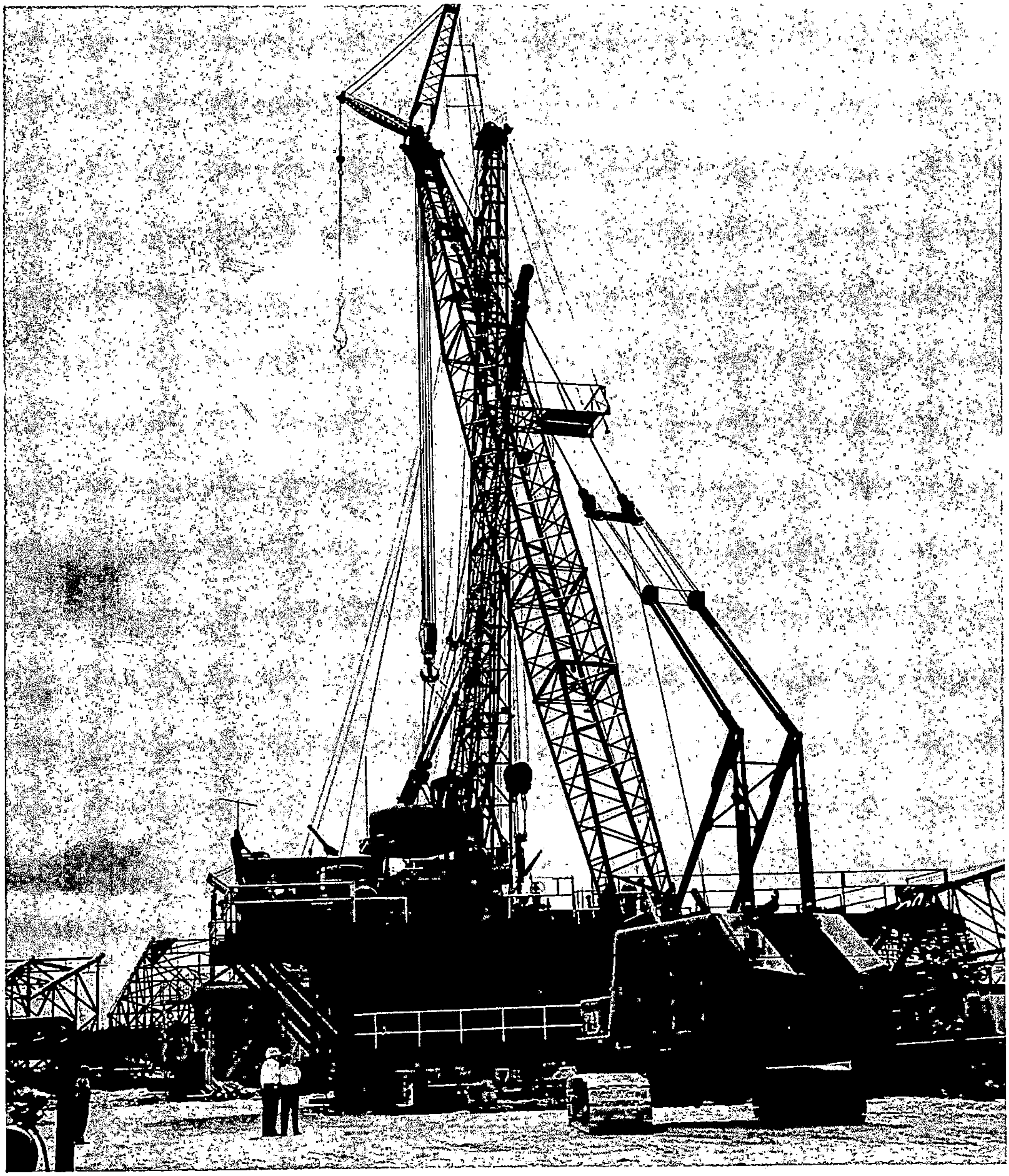

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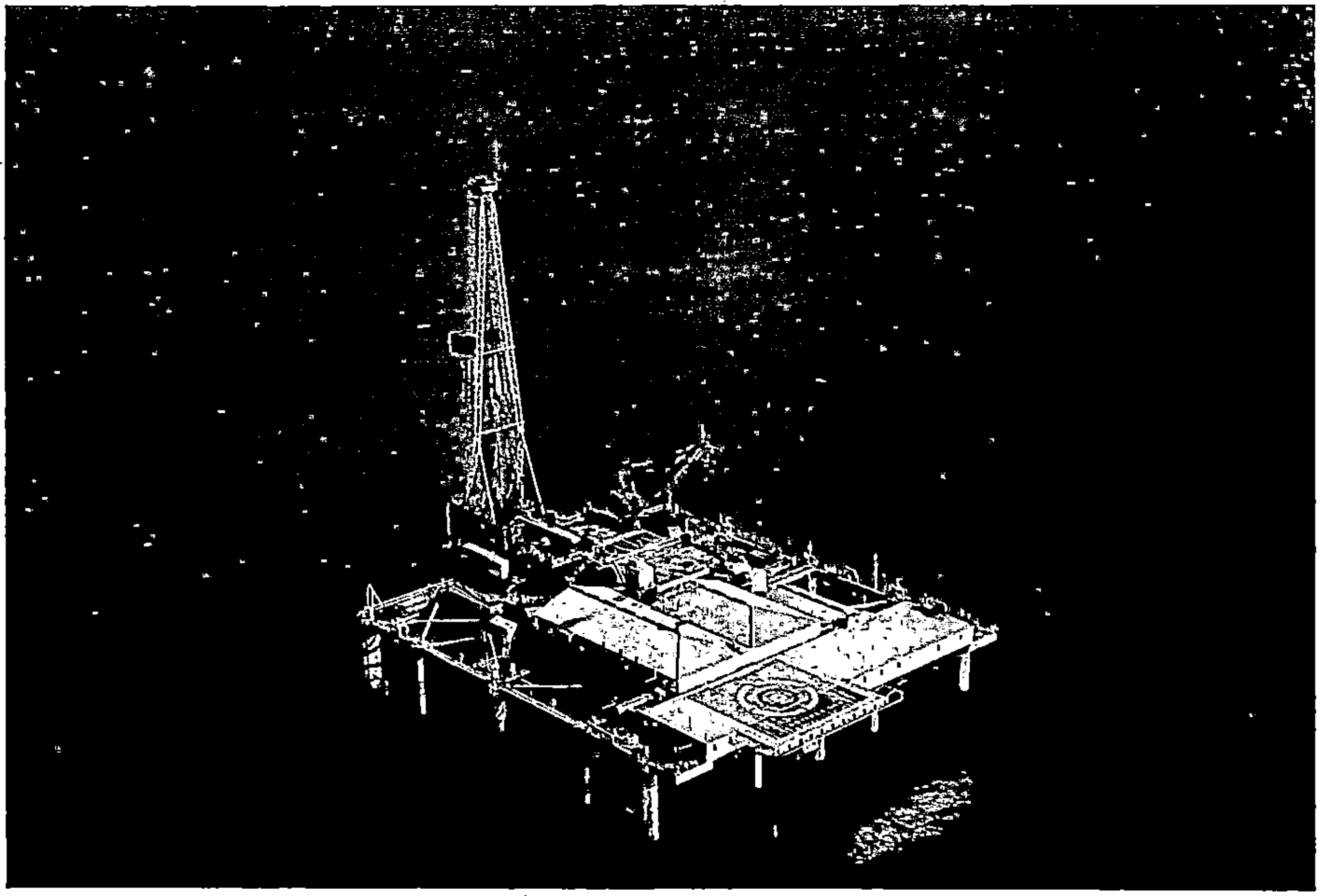

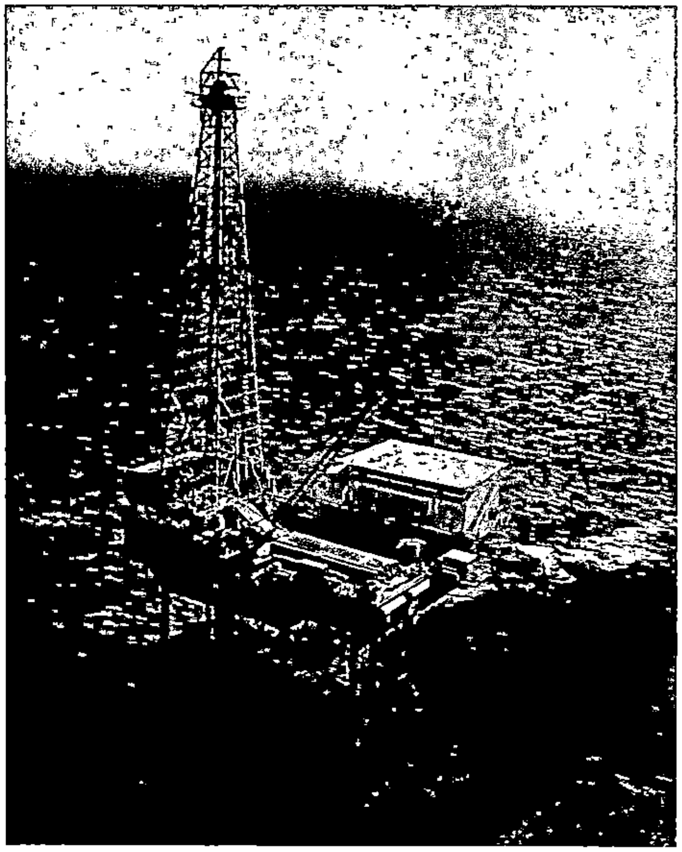

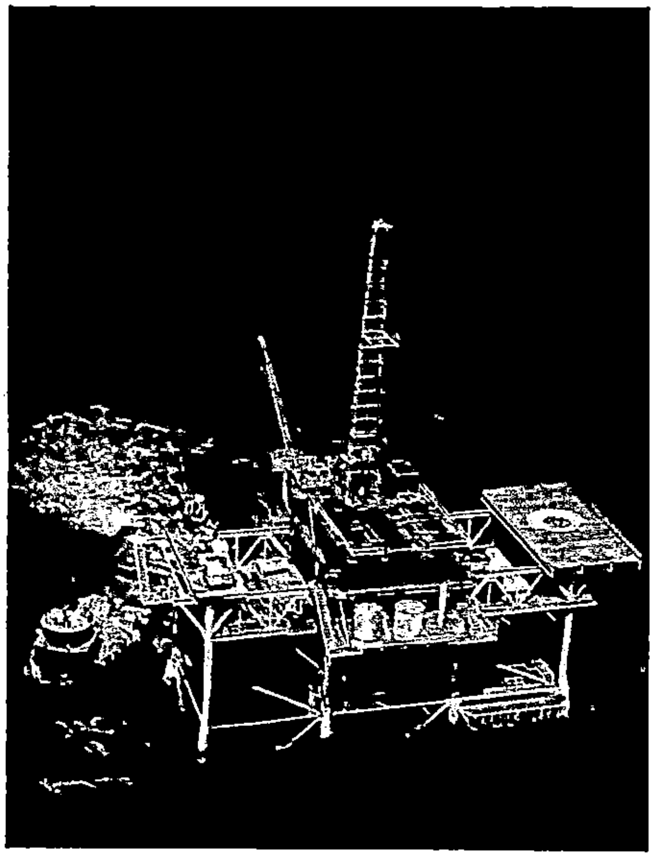

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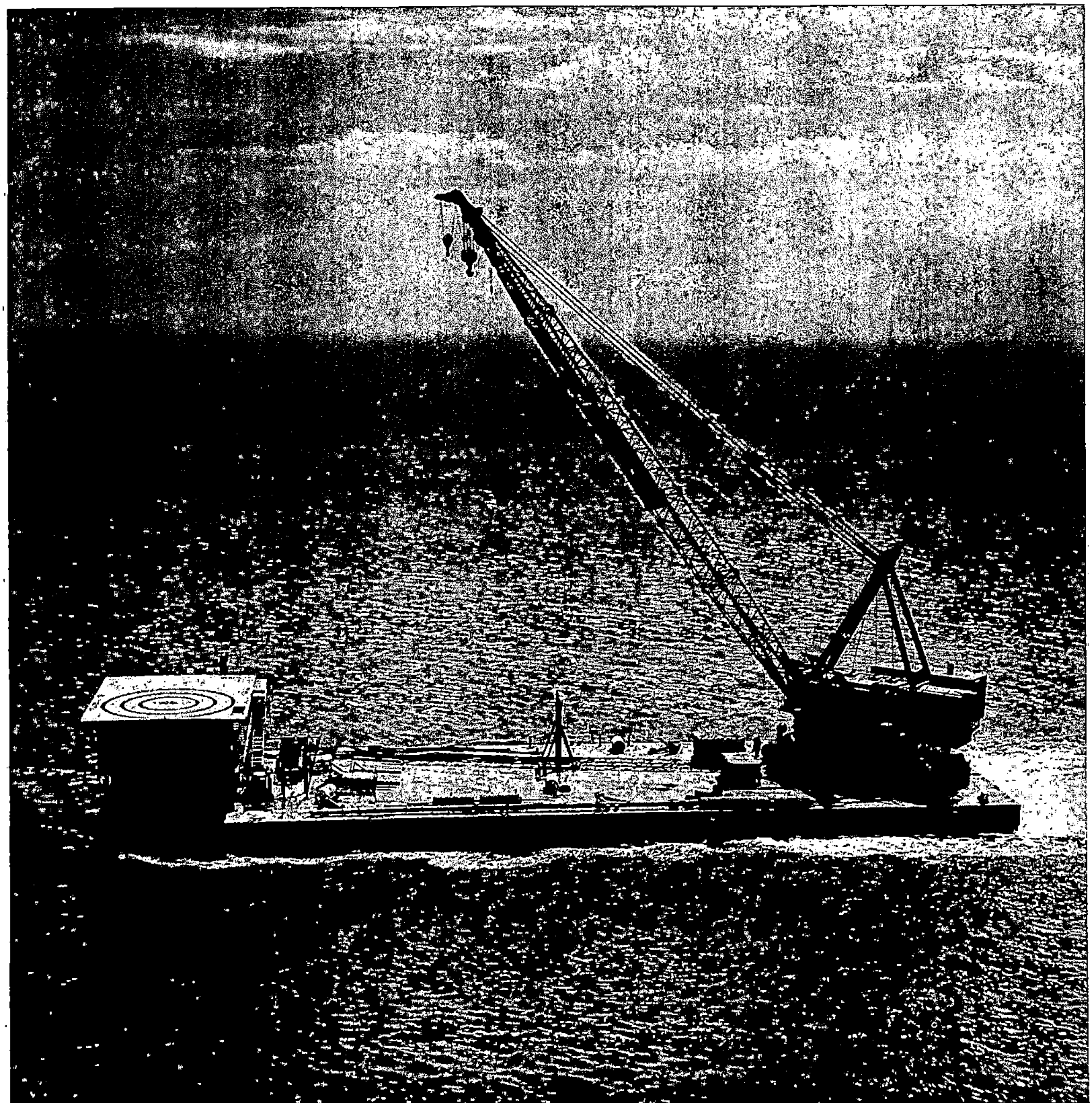
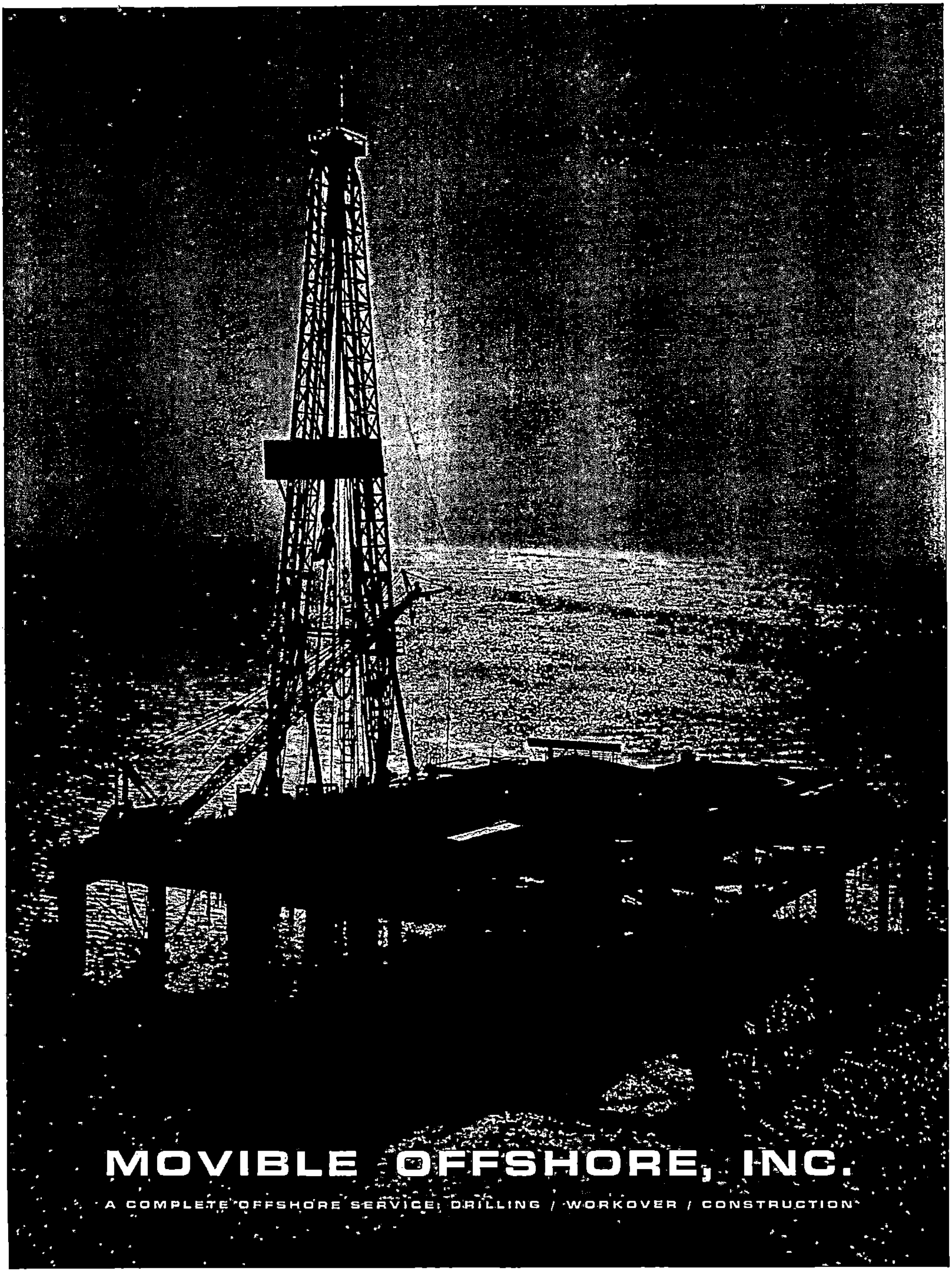


150 ton derrick barge.

MOVIBLE OFFSHORE, INC.

902 BANK OF SOUTHWEST BLDG., HOUSTON, TEXAS 77002, Phone: 713-227-3176. **DRILLING AND WORKOVER:** P. O. Box 759, New Iberia, Louisiana / Phone: 318-364-4153. **CONSTRUCTION:** P. O. Box 51936, Lafayette, Louisiana. / Phone: 318-232-5120. BAYOU BOEUF BASE: P. O. Box 67, Amelia, Louisiana. / Phone: 504-631-2124.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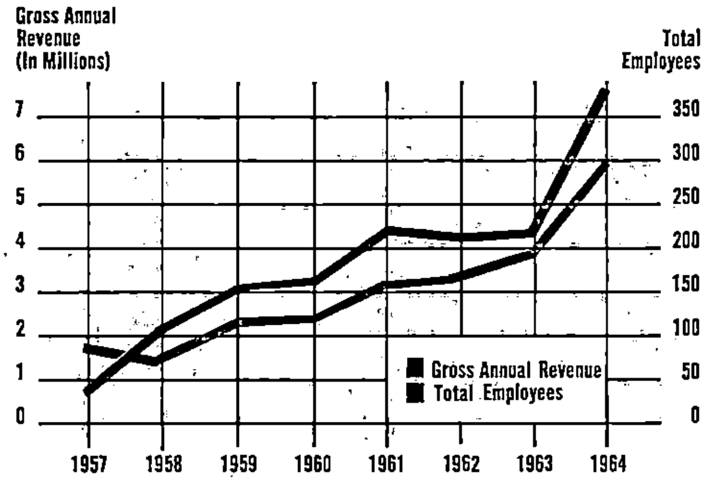

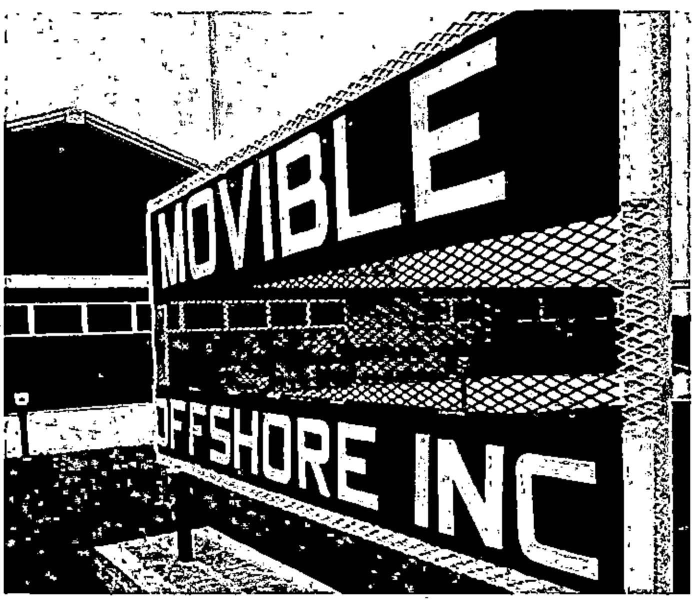

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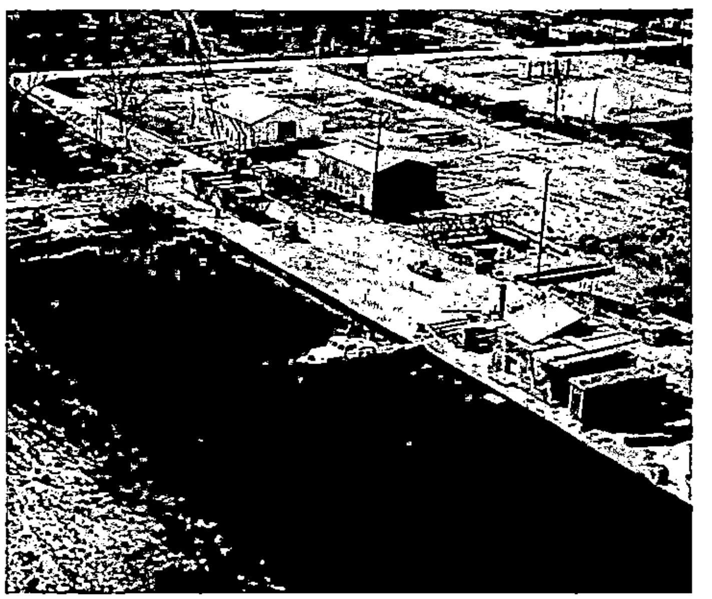
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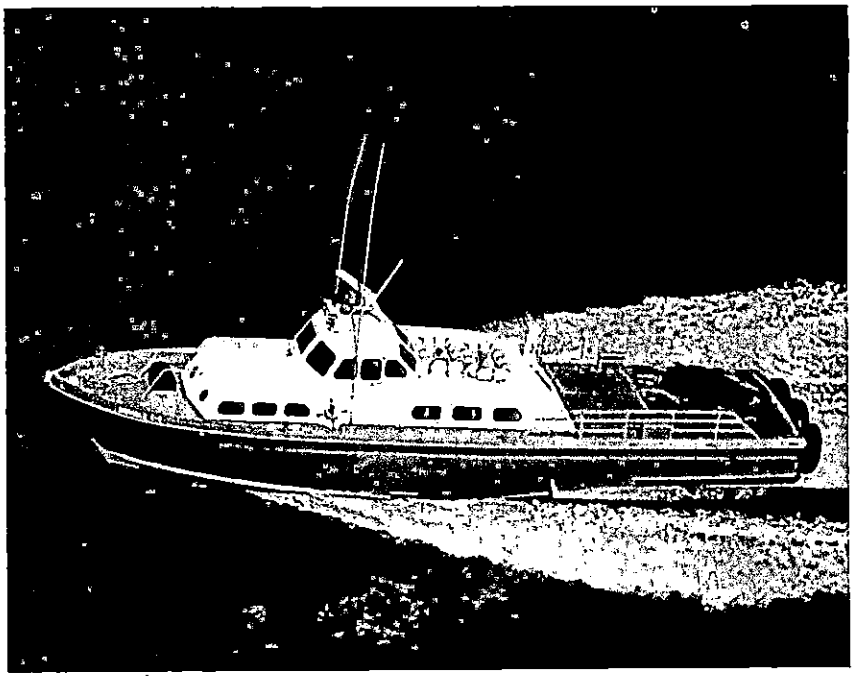

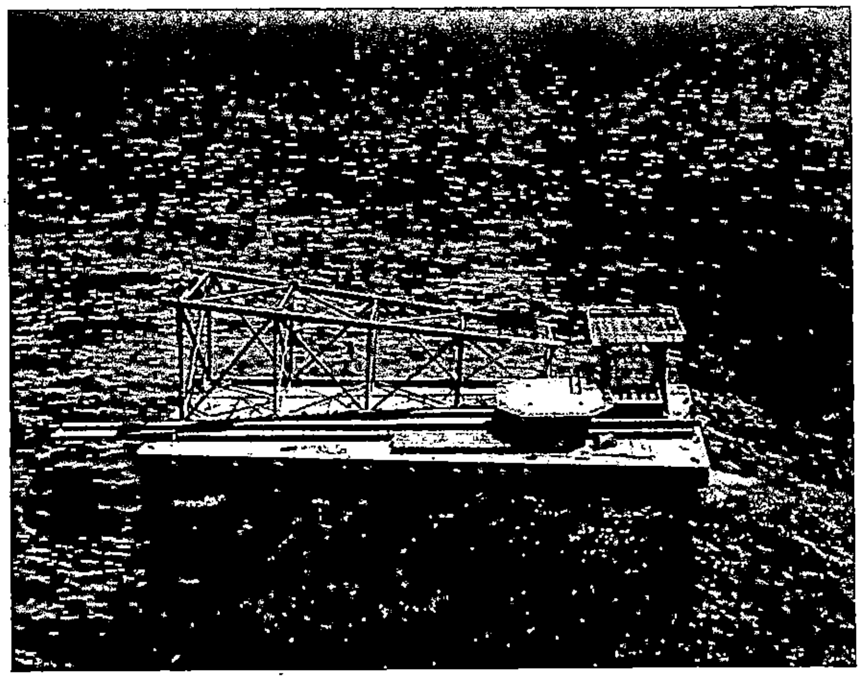

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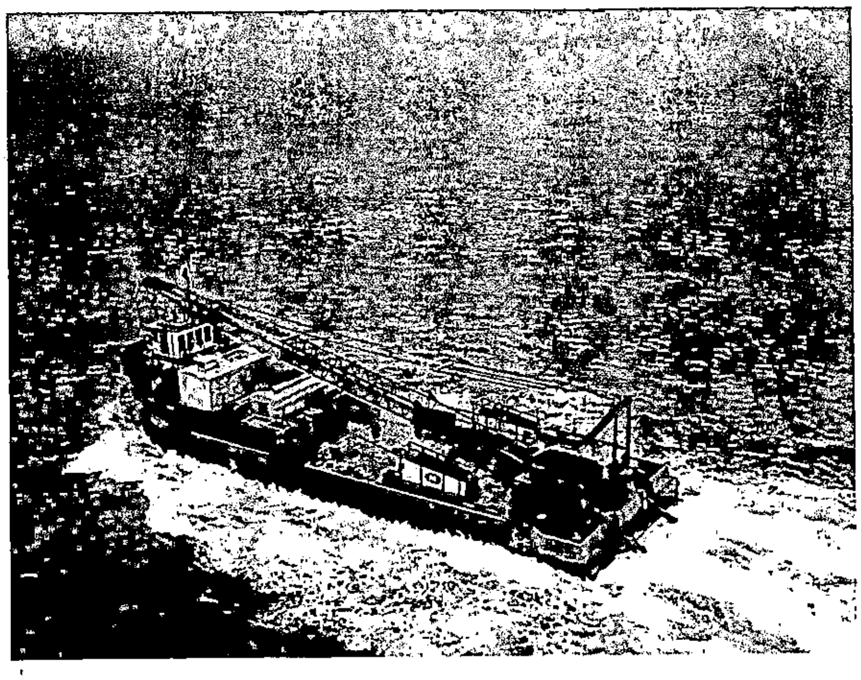

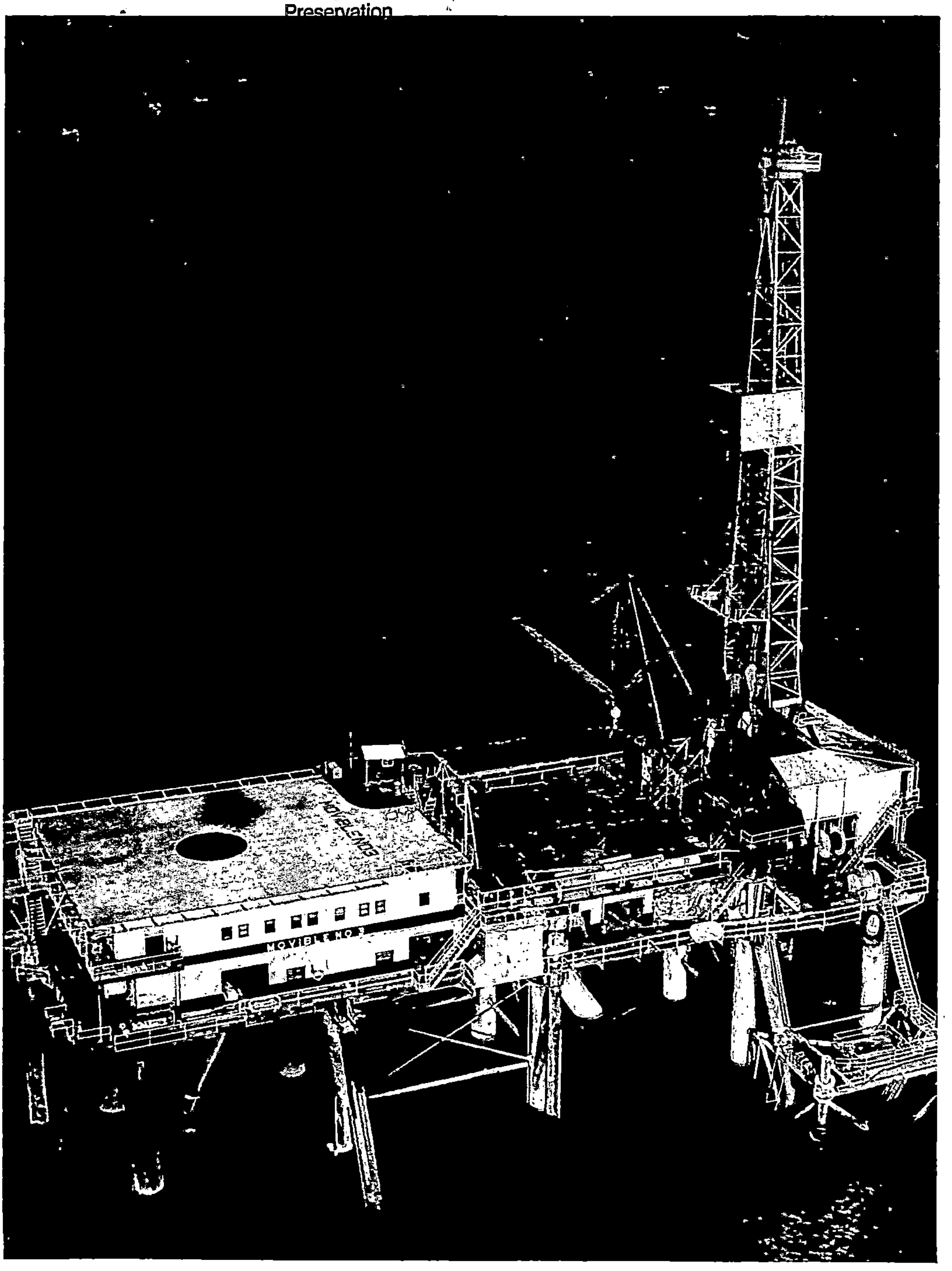
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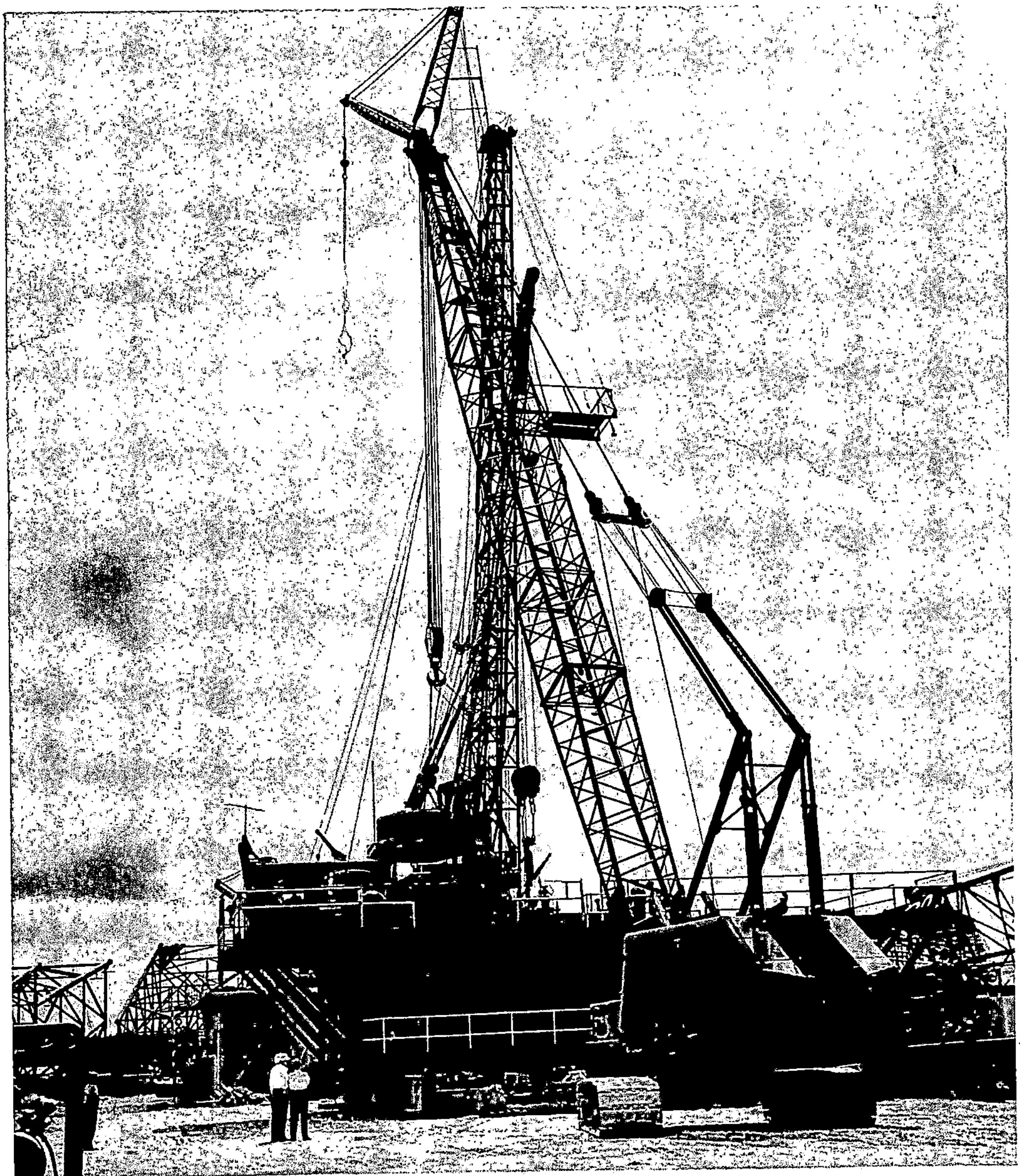

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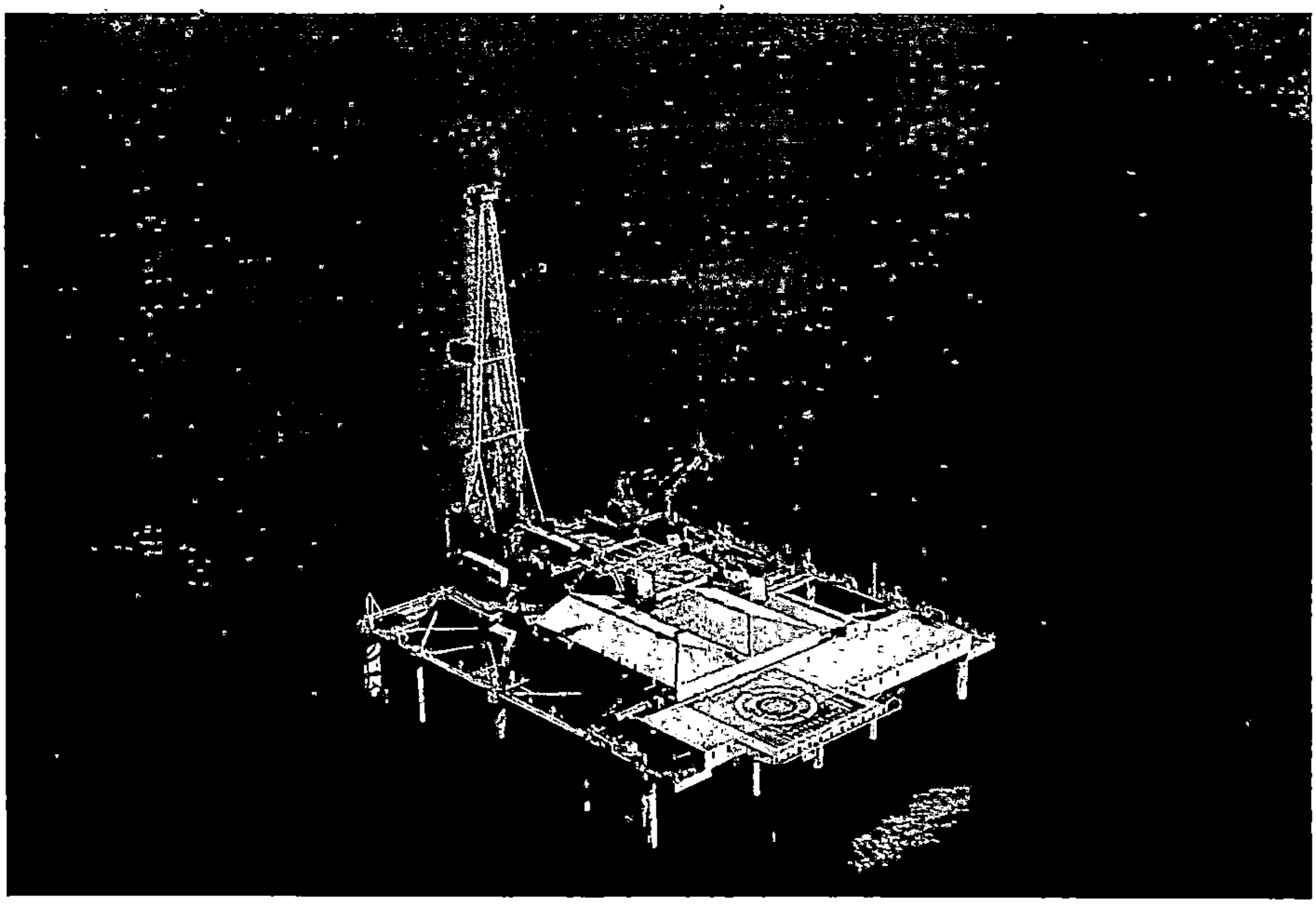

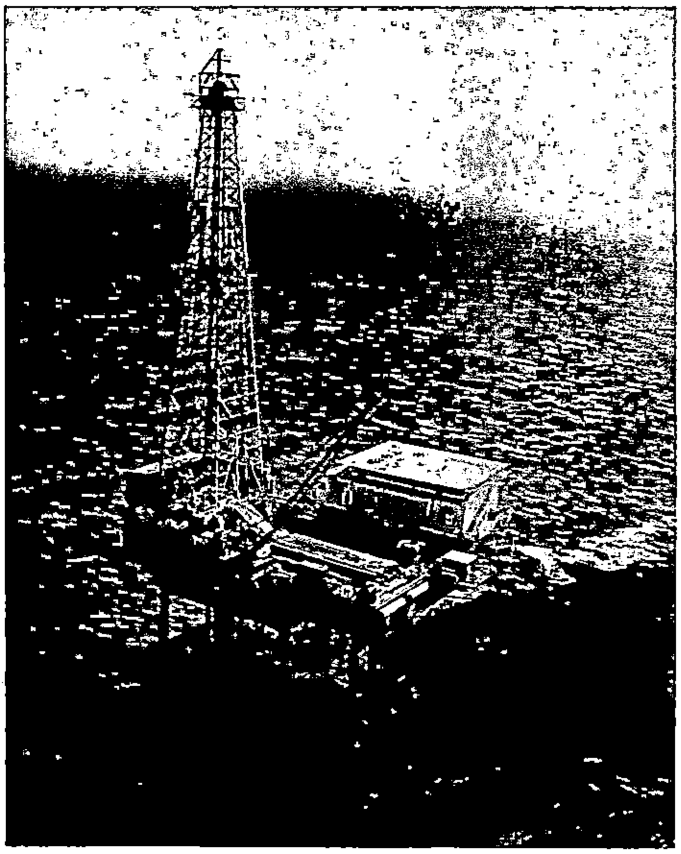

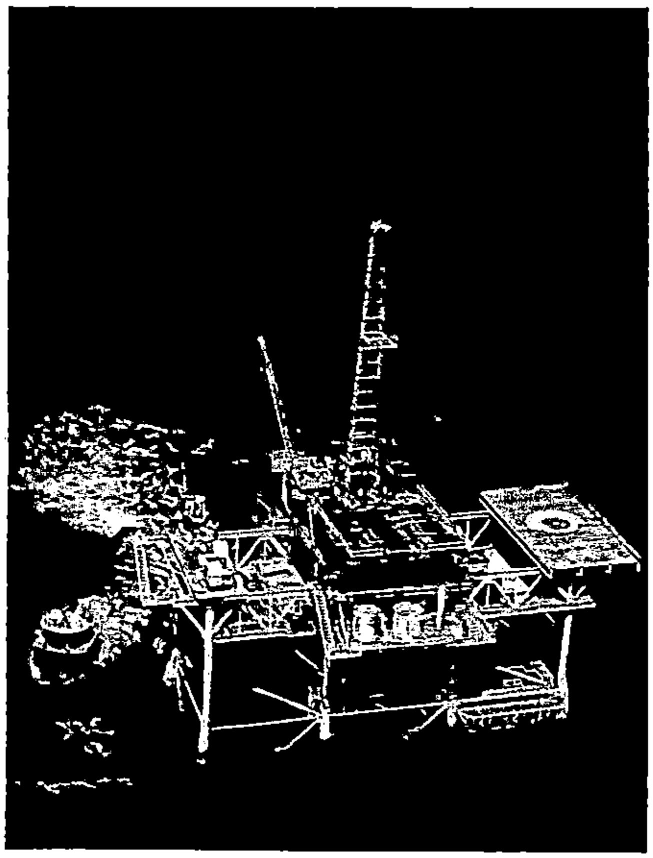

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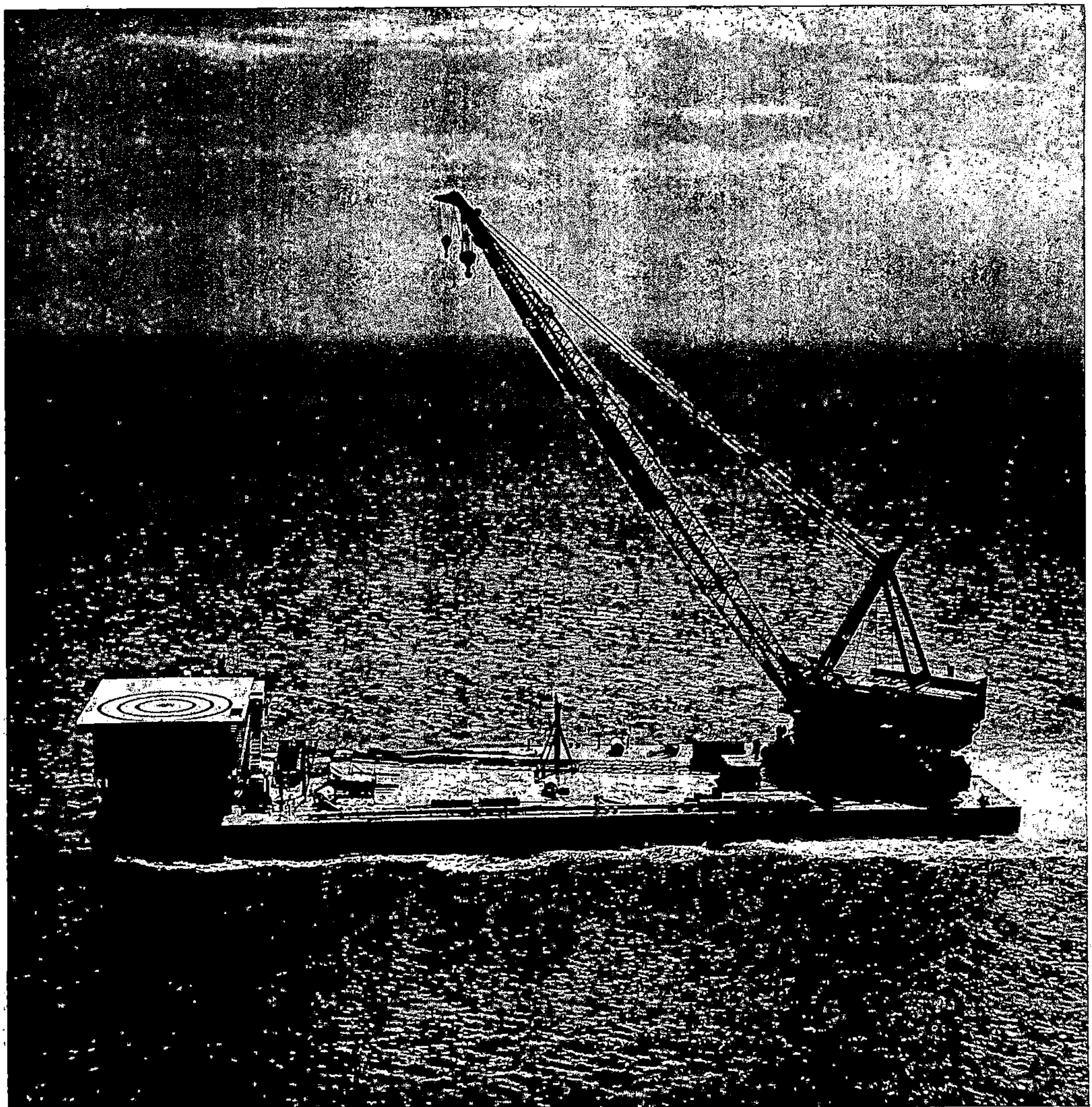


150 ton derrick barge.

August 4, 1965

Messrs: Frank Frain
Lockheed Aircraft Corporation
Corporate Offices
Burbank, California 91503

Charles G. Gillette
Arthur Young & Company
277 Park Avenue
New York, New York

Norman J. Dunbeck
I. M. C. Corporation
Old Orchard Road
Skokie, Illinois

Dear Frank, Charlie, and Norm,

You requested, as soon as possible, projections of the effect on Zapata's financial statements of a possible merger between Movible Offshore, Inc. and Zapata Off-Shore Company. Enclosed are these projections.

Schedule I shows pro forma income statements after Movible Offshore Company's depreciation is put on the same basis as Zapata's. Schedule I gives no effect to the investment credits of either company.

Schedule II shows how Zapata's financial summary would look if Movible's accounting system is left on the same depreciation basis it is now using, and if no investment credits were carried into income.

Schedule III depicts combined income statements assuming that Movible Offshore Company's depreciation schedule is left unchanged.

Schedule IV shows the combined balance sheets assuming that income is reported as shown in Schedule III.

As you can see, Schedules II, III, And IV are based on the same assumptions. Schedule I has the depreciation schedule adjusted to make the depreciation methods of the two companies comparable. Schedule V shows the effect of various treatments of the investment credit and its effect upon earnings.

These figures are still a little rough and may require a small amount of additional revision, however, we feel they present an essentially correct picture of the effect of this merger.

The exact number of shares in Zapata which would be traded for shares in Movible has not yet been determined. We regard the 216,000 shares shown as being in the upper range that we would be willing to trade. In addition to the financial effect on Zapata, we regard Movible as a desirable acquisition from the point of view of their compatible type of equipment, expanded customer relations, complimentary capabilities and great diversity of equipment.

I have talked with Bob Pender regarding the depreciation schedules you requested. These have been delayed because of preparation of the enclosed merger analysis. However, we will send them to you shortly.

If there is any additional information you require, be sure and let us know. Thank you very much.

Sincerely,

Robert H. Gow

RHG:sh

cc: Mr. G. H. W. Bush
Mr. J. M. Gardner
Mr. R. J. Ford

INFORMATION ON SOME POINTS REGARDING MOVIBLE OFFSHORE COMPANY

1. Movible charges its rig employees $1.00 per day for their food on the rig.

2. Bob Cash informs me today (August 4) that the prepayment on Movible's Bank of New York debt consists of 1/2 of 1% per year on the unpaid balance.

3. The only two note holders presently employed by the company are Meadows and Thomas. According to Cash, approximately 18% of the presently outstanding notes are owned by Thomas and 9% of the outstanding notes are owned by Meadows.

   Since the outstanding debt total on September 30, 1965, is scheduled to be $3 million, $540 thousand would be held by Thomas and $270 thousand would be held by Meadows.

Bob Gow

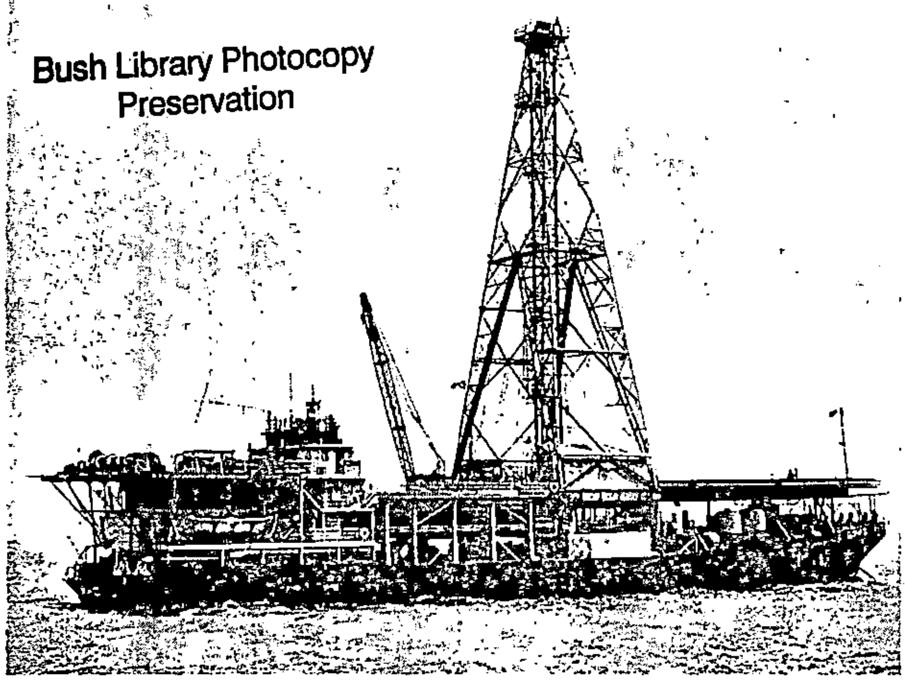


FIG. 1—The 268-foot, 5,800-ton floating drilling rig Glomar III, used by Esso Exploration in drilling Australia's first offshore well, off Gippsland, Victoria.

Australia's offshore areas to be explored extensively

Drilling is expected in coastal waters of various areas. Gas was encountered in first offshore well. Marine geophysical work is in progress

Jan Howell, Research Economist,
Petroleum Information Bureau
(Australia),
Melbourne, Australia

EXTENSIVE OFFSHORE exploration is in prospect for Australia. Marine geophysical work is in progress in various areas. Drilling of the continent's first offshore well commenced in early 1965 at a site 25 miles off the coast of Victoria, southeastern Australia. In mid-May the well, Esso's Gippsland Shelf 1 in Bass Strait, was drilling ahead at 6,954 feet, after proving capable of commercial production of gas and distillate from zones around 3,800, 3,750 and 3,500 feet.

In mid-July Esso's Gippsland Shelf 2 also yielded gas and distillate at the 3,750 and 3,500-foot levels. And a third offshore well, Esso's Bass 1, was due to be drilled 130 miles southwest of the two gas producers.

Drilling is expected also in coastal waters in other parts of the continent. Exploratory applications already granted or pending cover most of the Australian coastline, with particular interest centered on tenements off the northwestern coast, following discovery of oil on Barrow Island, off the coast of Western Australia, in 1964.

First offshore well. The exploration license on which the first offshore well was located was held by The Broken Hill Proprietary Company Ltd., large Australian iron and steel company, through its subsidiary, Haematite and Explorations Pty. Ltd. In association with Broken Hill, Esso Exploration Australia, Inc., carried out the drilling program.

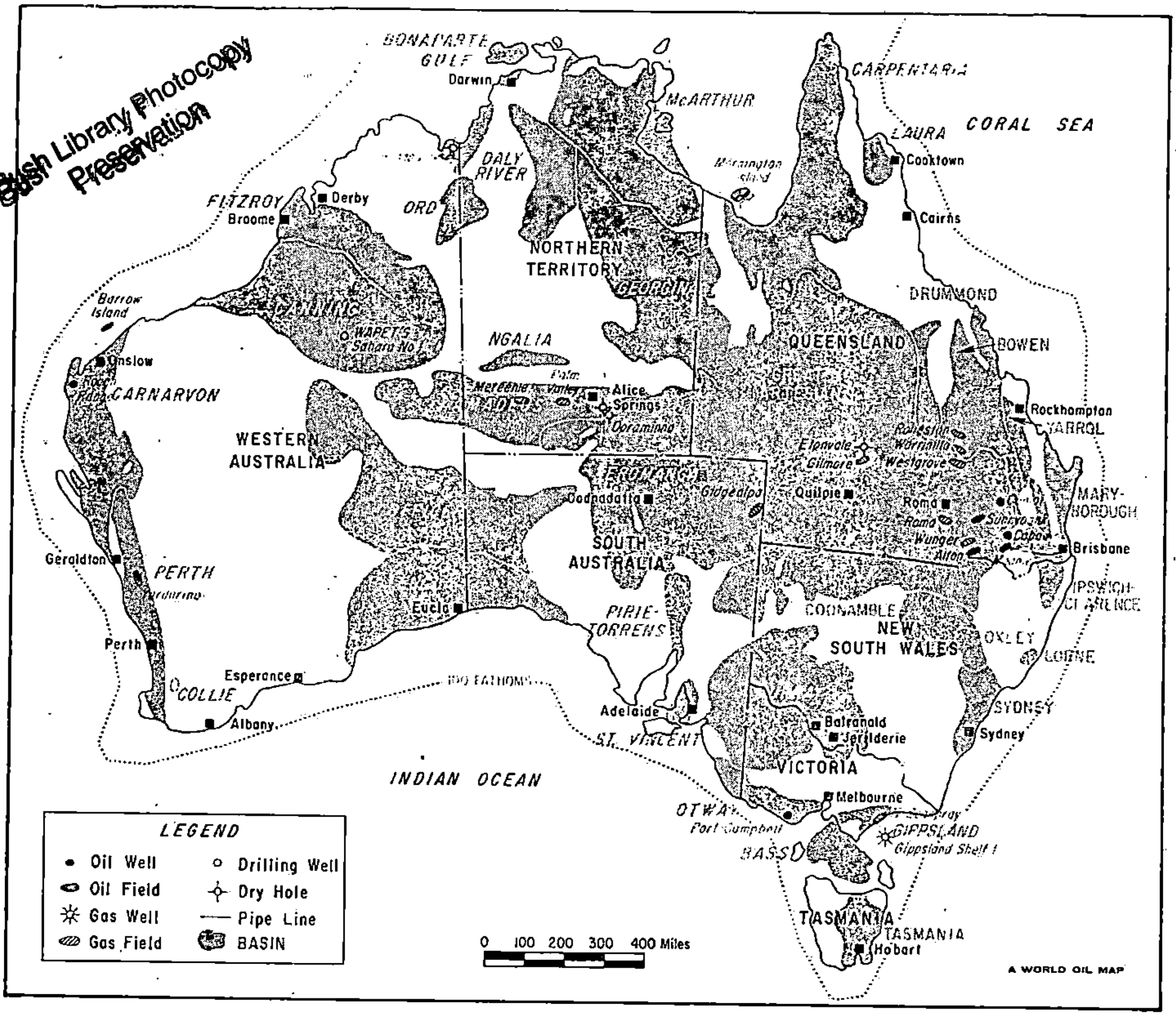
The first well, Gippsland Shelf No. 1, was located 25 miles offshore and about 28 miles southeast of Seaspray, in Permit P.E.P. 38. It reached 6,109 feet early in April 1965. After 9⅝-inch casing was set at that depth, tests through perforations around 3,800 and 3,750 feet indicated that the well was capable of commercial production of gas. It was scheduled to be drilled deeper after completion of the testing.

A 3½-hour production test of the interval at 3,809-3,814 feet yielded a calculated open flow of 3 million cubic feet per day of high quality combustible gas and 750 barrels of water. The flow was through a ½-inch choke. It was indicated that the gas-water contact was in the zone tested. Another interval at 3,752-3,757 feet was tested after squeeze-cementing of the lower zone, and it yielded a flow of 10.5 million cubic feet of gas per day through a 28/64-inch choke, along with a small amount of distillate and no trace of water.

At mid-April this zone was squeeze-cemented prior to a test through perforations at 3,492-3,497 feet. From that interval, through chokes of various sizes, the well flowed gas at rates of 2 to 9 million cubic feet per day, with small amounts of condensate and no water. This zone also was then squeeze-cemented, after which the well was drilled deeper.

Esso in mid-July announced completion of successful production tests on Gippsland Shelf 2. From perforations at 3,731-3,738 feet on a 56/64-inch choke, the well flowed natural gas at a rate of 9.6 million cubic feet per day with some distillate and no water. Later, from perforations at 3,488-3,507 feet, on a 56/64-inch choke, it flowed natural gas at a rate of 9.4 million cubic feet per day with some distillate and no water. Operations were then carried out to suspend the well for later production.

After completion of the two gas producing wells, the rig with which they were drilled was due to move to its third location, Esso Bass 1, about 130 miles southwest of Gippsland Shelf 2. There Esso Exploration Australia, Inc., will drill on Exploration License 1/60 issued by the state of Tasmania to Haematite and Explorations Pty. Ltd., a subsidiary of The Broken Hill Proprietary Co. Ltd.



Active offshore drilling and extensive marine geophysical work henceforth are indicated for Australia's vast continental shelf. It is thousands of miles in length and mostly 50 to 150 miles or more in width. Along the coast are numerous sedimentary basins, some of which already have yielded onshore production or good showings of oil or gas. Offshore exploration has been greatly encouraged by discoveries of gas in Bass Strait, off the southeastern coast, and oil on Barrow Island, off the northwestern coast.

Rig. For doing its offshore drilling, Esso chartered the 268-foot, 5,800-ton floating rig, Glomar III of Global Marine (Australia) Pty. Completed in 1962, the rig previously was used in the Gulf of Mexico. It reached Australia in late December 1964 after a 71-day voyage under its own power. Gippsland Shelf 1 was spudded in Dec. 27, 1964. It was located in 150 feet of water, and was scheduled to be drilled to 10,000 feet. The rig was described as capable of drilling to 20,000 feet in 600 feet of water. The drilling unit was positioned by five 16,000-pound and three 23,000-pound anchors, to withstand the turbulent conditions encountered in the area.

Other operators. Several other large international oil groups also have been showing increased interest in offshore drilling prospects in Australia. Shell Development (Australia) Pty. Ltd., the oil exploration affiliate of the Shell group, has been exploring in a 4,910-square mile area off the New South Wales coast. Upon completion of the program, operations were to be transferred to another Shell permit area in the vicinity of Hervey Bay, off the Queensland coast near Bundaberg.

Shell is already associated with Pacific American Oil Co. in tenement area 70P in Southeast Queensland, most of which is offshore, and, in association with BOC (Burmah Oil Co.) of Australia Ltd., has taken up a participating interest in offshore areas of Northwest Australia and the Timor Sea held by Woodside (Lakes Entrance) Oil and Mid-Eastern Oil. California Asiatic Oil Co. has taken 50 percent of Shell's interest in the West Australian areas.

A marine seismic survey of this area

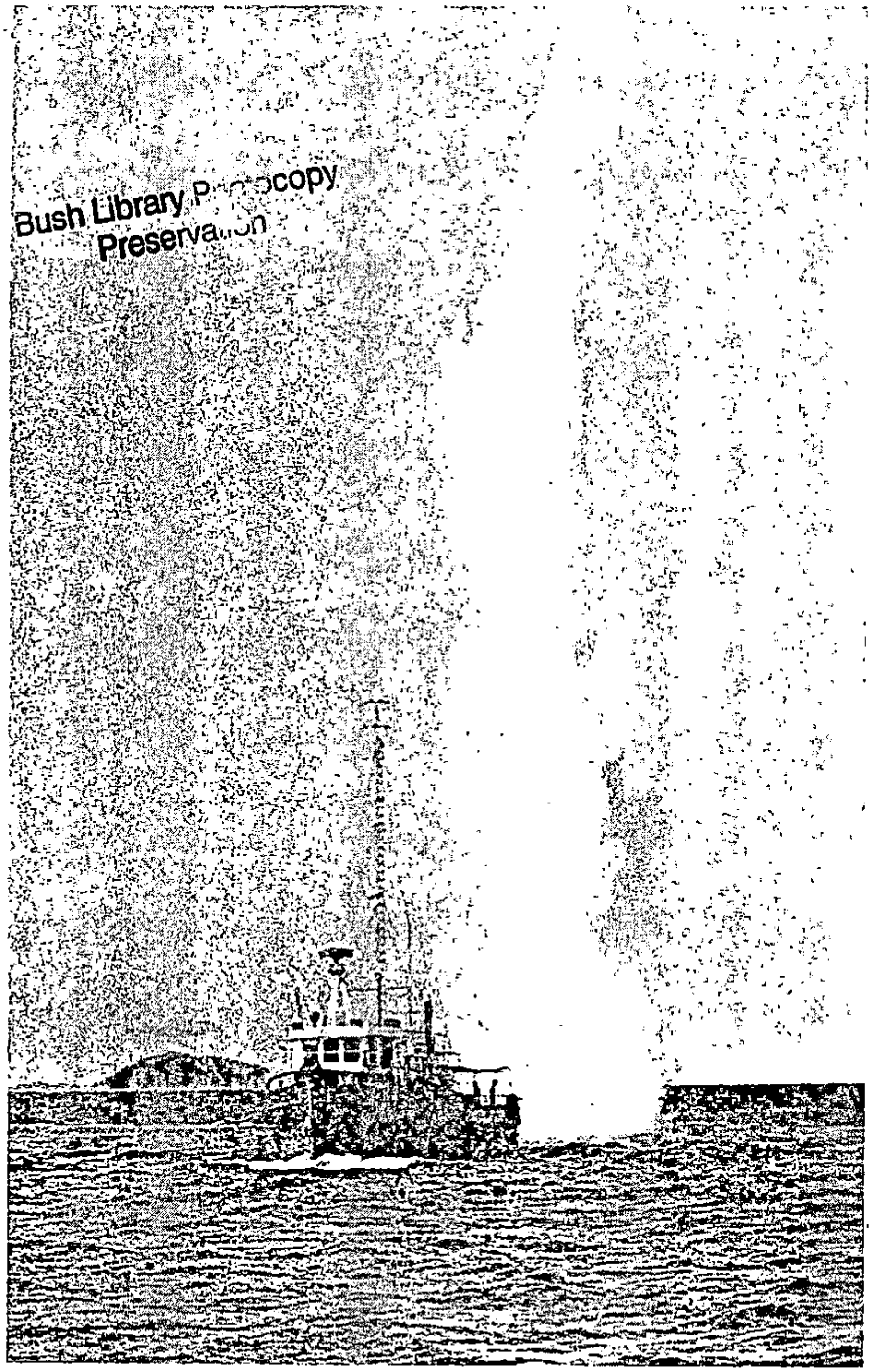


FIG. 2—Offshore seismic explosion during marine seismic survey near Mackay, off the Queensland coast for Ampol Exploration (Queensland) Pty. Ltd. The ship is the U.S.-owned Bluff Creek.

covering more than 2,000 miles of traverse was completed last October. It was the largest survey of its kind so far undertaken in Australia. BOC was operator for the group.

The Gulf Oil Corp., by an arrangement with Australian Oil & Gas Corporation Ltd., holders of Authority to Prospect 90P, is exploring offshore areas on the North Queensland coast extending an average of 150 miles out to the Barrier Reef and beyond.

Last October BP announced a joint offshore undertaking with Abrolhos Oil N.L. in an offshore area near Geraldton, Western Australia. BP's interest will be held through a new company formed for the purpose, namely, BP Petroleum Australia Pty. Ltd.

Floating rigs. In Australia many exploration wells probably will be drilled in 200 feet or more of water, so that a floating vessel would be suitable, at least in the initial stages. In theory, there are no physical limits to the water depth at which drilling can be undertaken. In practice, economical considerations determine the operating depth.

The disadvantage of free-floating vessels is that they are adversely affected by the weather; and the smaller, single-hulled types may find it necessary to suspend operations when waves are more than 10 feet high.

In the south coastal waters of Australia such weather conditions could cause a loss of working time of 20 to 30 percent in summer and up to 50 percent in the winter months.

Semi-submersible rigs. For Australian conditions semi-submersible floating platforms probably would be advantageous. Units of that type have drilled a number of wells in water 300 to 400 feet deep. And with some adjustments, chiefly of the moorings, they would be capable of operating in water 1,500 feet deep.

The drilling platform of a semi-submersible barge is a rigid superstructure raised from the hull. Instead of resting on the bottom of the sea as in fully submersible barges, the hull floats sufficiently far beneath the surface of the water to minimize the effect of wind and waves.

Those units can undertake all drilling operations in waves up to 12 feet high, and can continue to drill ahead in waves up to 22 feet high. They could be used in Australian waters all the year round with a loss of less than 20 percent of working time.

The lack of maneuverability of this type of vessel, however, makes transportation difficult and expensive.

Areas of interest. Extensive geological and geophysical work performed in Australia has drawn attention to several areas of interest on the enormous continental shelf around the coast, where it is thought that oil accumulations might exist.

The Broken Hill Pty. Co. Ltd. pioneered serious offshore exploration in Australia. The company, through Haematite Explorations Pty. Ltd., holds permits to explore more than 60,000 square miles of territory covering the entire Bass Strait area between Victoria and Tasmania, and part of the coastal waters of South Australia.

BHP's tenement areas are beyond the 15-mile strip held by Frome-

Broken Hill Company Pty. Ltd. which extends from Cape Schank in southern Victoria to the South Australian border; the area held by Alliance Oil Development which extends from Cape Schank to Wilson's Promontory; and the slightly narrower strip held by Woodside (Lakes Entrance) Oil Co. along the Ninety Mile Beach off the Gippsland coast.

Since BHP acquired these offshore tenements in 1960, the area has been extensively surveyed. Following an aerial magnetometer survey, a marine seismic survey was carried out by an American geophysical company. This company also surveyed the permit area held by Frome-Broken Hill in which company BP, Mobil, and Interstate Oil have equal shares.

The southern continental shelf was explored earlier than other promising areas partly because of the many traces of crude oil that had been found along the southeastern coastline of Victoria, and partly because the promising younger sediments of the Gippsland and Otway basins extend across the coastal margins. Some geologists believe that the Bass basin could be the most extensive Tertiary sedimentary basin in Australia.

Other parts of the Australian continental shelf in which increased interest has lately been shown are the Great Barrier Reef off the coast of Northern Queensland and the Sahul Shelf off the northwestern Australian coast. WAPET's discovery of oil on Barrow Island has resulted in new interest being taken in nearby offshore areas. WAPET (owned by Shell 2/7, California Asiatic 2/7, Texaco Overseas Petroleum Co. 2/7 and Ampol Exploration Ltd. 1/7) already holds extensive offshore areas in Western Australia.

There has also been some activity by Delhi-Santos in the Gulf of Carpentaria, by Ampol off Queensland, by Australian Aquitaine and Farmout Drillers in the Northern Territory, and by Beach Petroleum in St. Vincent Gulf, South Australia.

FIG. 3—Francis Muir (left) and Keith Walsh plotting locations for seismic survey work in the Exmouth Gulf area of Western Australia.

Jurisdiction. As interest in offshore drilling has quickened in Australia, there has been discussion between the Commonwealth and States about the extent of their respective jurisdictions over rights to prospect on the continental shelf. For Australian legislative purposes the continental shelf is described as offshore territory not exceeding 100 fathoms in depth.

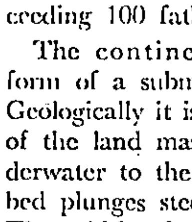
The continental shelf takes the form of a submerged ledge of land. Geologically it is defined as that area of the land mass which extends underwater to the point where the sea bed plunges steeply to great depths. The width of the shelf varies from place to place, and it was not until commercial underwater mineral production became possible that any economic significance was attached to it. With this came the realization that the conventional 3-mile limit, which had been used for centuries to measure the limit of a country's jurisdiction, was no longer adequate.

Drafting legislation. In Australia, the Commonwealth and States agreed at a conference in April 1964, that a national solution was necessary for the problems of offshore oil exploration and exploitation. It was recognized that the Commonwealth and States had conflicting constitutional claims in relation to the offshore sea bed.

As a result of this conference the Commonwealth has begun preparing draft legislation in consultation with the States to establish a scheme applicable to all submarine areas, both the territorial sea bed and the outer continental shelf.

Administration of the scheme will be in the hands of the States. Granting of tenements and other authorities will, it is proposed, be subject to approval by the Commonwealth as the authority responsible for external affairs, defense, customs and navigation.

The sovereign rights of a country over its continental shelf were defined at Geneva in 1958. Broadly the Geneva Convention provided that coastal states were entitled to explore the continental shelf adjacent to their shores and to exploit certain of the natural resources including mineral reserves. Unless otherwise agreed, the limit of rights over the continental shelf is the median line between two coastal states.



About the author

Miss Jan Howell, a graduate in Commerce of the University of Melbourne, is a research economist attached to the research staff of the Petroleum Information Bureau (Australia), Melbourne. She is in charge of the collection and collation of statistical material relating to the oil and associated industries.

BIBLIOGRAPHY

Petroleum Gazette, Petroleum Information Bureau (Australia), Melbourne, Australia.

	M/V C-1	MOVIBLE 1	CARGO BARGE	S-4	M/V C-2	BAYOU BOEUF	TOTAL
	-	491 573 68	72 461 25	146 511 90	14 294 00	156 877 18	4 278 510 11
							41 787 50
	-	491 573 68	72 461 25	146 511 90	14 294 00	156 877 18	4 320 297 61
	7 689 83	552 998 25	34 623 59	237 436 39	20 574 69	181 084 54	2 253 057 67 ~~[illegible]~~
	-	-	-	-	-	-	1 205 495 55
	-	-	-	-	-	-	162 645 47
	-	-	-	-	-	-	135 884 41
	-	45 160 38	5 777 12	14 399 72	1 313 18	14 412 20	81 002 60
	7 689 83	598 157 33	40 340 71	251 836 11	21 887 87	195 497 74	3 838 085 65 ~~[illegible]~~
	⟨7 689 83⟩	⟨106 585 65⟩	32 120 54	⟨105 324 21⟩	⟨7 593 87⟩	⟨38 619 56⟩	482 213 96 ~~507 212 96~~
OTHER CHARGES:							
Adm. & Gen'l							116 622 35
Interest							69 763 21
Other (Income) Expense							⟨10 036 31⟩
Total							176 349 25
NET INCOME							305 864 71 ~~[illegible]~~
	-0-	100	84	62	39		
	-0-	55%	49%	34%	37%		

MOVIBLE OFFSHORE, INC.

INCOME AND EXPENSE - TRIAL BALANCE

JUNE 30, 1965

	RIG NO. 2	RIG NO. 3	RIG NO. 4	RIG NO. 5	RIG NO. 6	RIG NO. 7
GROSS REVENUE						
Drilling	919 511 47	717 010 48	564 274 16	579 141 67	501 985 96	114 868 36
MH & Q	7 128 50	7 467 50	7 936 50	8 809 00	7 408 00	3 040 00
Total	926 639 97	724 477 98	572 210 66	587 950 67	509 393 96	117 908 36
OPERATING COST						
Drilling	265 757 81 ~~240 757 81~~	255 078 69	239 991 33	197 781 68	211 683 54	48 256 51
Barge	329 844 70	299 199 46	215 563 93	203 169 89	145 942 62	11 774 93
MH & Q	35 153 23	35 061 47	26 564 05	29 074 03	27 240 96	9 551 73
Oper. Hdqtrs.	36 618 59	28 629 63	22 612 39	23 234 40	20 130 12	4 459 28
Marine Hdqtrs.	-	-	-	-	-	-
Total	667 374 33 ~~[illegible]~~	612 969 25	504 731 70	453 260 00	404 997 24	74 342 5[illegible]
NET OPER. PROFIT	259 265 64 ~~[illegible]~~	106 508 73	67 478 96	134 690 67	104 396 72	43 565 8[illegible]
DAYS WORKED	181	181	181	181	181	65
% OF TIME WORKED	100%	100%	100%	100%	100%	100%

MOVIBLE OFFSHORE, INC.

BALANCE SHEET--JUNE 30, 1965

	June 30 1965
ASSETS	
CURRENT ASSETS:	
Cash	406,026.67
Account receivable -	
Trade	1,096,596.48
Employees	5,048.32
Unbilled work	22,743.10
Inventories	53,763.90
Prepaid expenses	185,721.10
	1,769,895.63
LESS--CURRENT LIABILITIES:	
Short-term notes payable	42,933.23
Accounts payable	1,569,226.57
Accrued liabilities	139,257.41
	1,751,417.21
Net working capital	18,478.42
PROPERTY, PLANT AND EQUIPMENT	
Real estate and building	148,550.89
Rig No. 2, Barge, drill pipe and equipment	2,503,408.22
Rig No. 3, Barge, drill pipe and equipment	1,711,538.78
Rig No. 4, Tender, drill pipe and equipment	1,338,166.23
Rig No. 5, Barge, drill pipe and equipment	1,309,500.88
Rig No. 6, Barge, drill pipe and equipment	873,145.58
Rig No. 7, Barge, drill pipe and equipment	1,965.49
Construction work in progress	529,516.93
Marine equipment	1,660,167.05
Other equipment	357,707.81
	10,433,667.86
Less--allowance for depreciation	3,605,971.68
Net property, plant and equipment	6,827,696.18
Total	6,846,174.60
LIABILITIES AND STOCKHOLDERS' INVESTMENT	
LIABILITIES:	
Deferred Federal Income Tax	474,187.82
Long-term debt	5,161,884.64
~~Interest on debt payable at maturity~~	— 0 —
	5,636,072.46
STOCKHOLDERS INVESTMENT:	
Capital stock	108,000.00
Earned surplus	759,317.43
Paid in surplus	11,920.00
Profit since January 1, 1965	330,864.71
	1,210,102.14
	6,846,174.60

G Bush

ZAPATA NEW ORLANS

TO ZAPATA HOUSTN

ATTN R C MOSBY

MOVIBLE OFFSHORE COMPANY RIGS AS FOLLOWS

RIG NUMBER TWO , SUBMERSIBLE, 70 FT. SHELL , SOUTH PASS ✓

RIG NUMBER THREE , SUBMERSIBLE, 40 FT. SHELL , SOUTH PASS ✓

RIG NUMBER FOUR, ~~SUBMERSIBLE,~~ SELF CONTAINED SHELL , EUGENE ISLAND ✓

RIG NUMBER FIVE , SELF CONTAINED, SHELL , EUGENE ISLAND ✓

RIG NUMBER SIX , SELF CONTAINED, UNION OIL, SOUTH MARSH ISLAND

Mr Pittman said "We have been using movible for 4 to five years. That should give you an indication of what we plan." — actually all these units are now doing development drilling work

THAT IS ALL

J B MC DONOUGH

RCM
July 12 65

END OR GA PSEIQVPLS

END THANKS

T

ZAPATA OFF-SHORE COMPANY
1701 HOUSTON CLUB BUILDING
HOUSTON 2, TEXAS

July 21, 1965

PERSONAL & CONFIDENTIAL

Mr. M. E. Gormly, Jr.
Johnson & Higgins
512 Whitney Building
New Orleans, Louisiana

Dear Mr. Gormly:

In the near future, there is the possibility that Zapata will take over Movible Offshore, Inc., of New Iberia, Louisiana.

Attached is a rough schedule of the property and insurance coverage of Movible Offshore, Inc. Movible writes their insurance through an agency they created for that purpose.

Our financial and accounting section has requested that a comparison be made between Movible's coverage and ours. We would like to know whether Movible's coverage is, in your opinion, adequate as it stands, whether the premiums are in line with the coverage, what recommended procedures we should follow to completely incorporate Movible's coverage into our insurance program, what we can do to prevent Movible from renewing expiring policies through their own agency, i.e., can Zapata, by some sort of binder arrangement, pick up Movible's expiring policies even though the deal has not been finalized?

We would also like to have recommendations for incorporating Movible's Workmen's Compensation and Comprehensive General Liability coverage into our insurance program.

It is important that we receive as much information on these matters as you are able to furnish us as soon as possible.

If additional information is required before you can make any comparison or recommendations, let us know exactly what information you may need.

Very truly yours,

ZAPATA OFF-SHORE COMPANY

William F. Grove, Jr.

WFG:ms

cc: Mr. P. S. Bush, Jr.
Johnson & Higgins
63 Wall Street
New York City, N. Y.
Mr. G. H. W. Bush
Mr. J. M. Gardner
Mr. R. H. Gow

M NO. 10

MOVIBLE OFFSHORE, INC.

P. O. BOX 759
NEW IBERIA, LOUISIANA 70561

DATE JUNE 24, 1965

INVOICE NO. MI-665-9

SHELL OIL COMPANY
DELTA DIVISION
ATTENTION: INVOICE SECTION
P. O. BOX 8321
NEW ORLEANS, LOUISIANA

LOCATION SOUTH PASS BLOCK 27, S/L 1012, WELL NO. 138, GULF OF MEXICO, LA.

FOR USE OF DRILLING RIG MOVIBLE NO. 3 IN ACCORDANCE WITH DRILLING CONTRACT DATED FEBRUARY 7, 1962, AND LETTER DATED SEPTEMBER 28, 1964, ACCEPTED SEPTEMBER 29, 1964, ACCEPTING INCREASE IN RATES EFFECTIVE AUGUST 15, 1964, AND LETTER AGREEMENT "NOT DATED", ACCEPTED MAY 29, 1965:

1965 JUNE		HOURS WORKING @ \$4050/DAY	HOURS MOVING @ \$3550/DAY
1 - 19	WORKING AS DIRECTED 24 HOURS EACH DAY	456	
20	WORKING AS DIRECTED 13-1/2 HOURS (RIG RELEASED 1:30 P.M.); LOWERING DERRICK 1/2 HR.; PUMPING OUT BARGE 3 HOURS (SEE MOVING OPERATIONS FORM #54 ATTACHED)	13-1/2	3-1/2
	TOTAL HOURS	469-1/2	3-1/2

SUMMARY

DAYS	RATE/DAY	TOTAL
19	\$4050.00	\$76,950.00
HOURS	RATE/HOUR	
13-1/2	\$168.7500	2,278.13
HOURS	RATE/HOUR	
3-1/2	\$147.9167	517.71
INVOICE TOTAL		\$79,745.84

EVS/vl
6-24-65

ATTACHMENT

RM NO. 10

MOVIBLE OFFSHORE, INC.

P. O. BOX 759
NEW IBERIA, LOUISIANA 70561

DATE JUNE 17, 1965

INVOICE NO. NI-665-5

LOCATION EUGENE ISLAND BLOCK 239, OCS G-0985, WELL NO. A-11, GULF OF MEXICO, LOUISIANA

SHELL OIL COMPANY
MARINE PRODUCTION DIVISION
ATTENTION: INVOICE SECTION
P. O. BOX 0321
NEW ORLEANS, LOUISIANA

FOR USE OF DRILLING RIG MOVIBLE NO. 4 IN ACCORDANCE WITH DRILLING CONTRACT DATED NOVEMBER 29, 1963, AND LETTER INCREASING RATES DATED AUGUST 10, 1964, ACCEPTED AUGUST 11, 1964 EFFECTIVE JULY 15, 1964:

1965 JUNE		HOURS WORKING @ $3120/DAY
1 - 12	WORKING AS DIRECTED 24 HOURS EACH DAY	288
13	WORKING AS DIRECTED 20 HOURS (RIG RELEASED 8:00 P.M.)	20
	TOTAL HOURS	308

S U M M A R Y

DAYS	RATE/DAY	TOTAL
12	$3120.00	$37,440.00
HOURS	**RATE/HOUR**	
20	$130.0000	2,600.00
INVOICE TOTAL		$40,040.00

EVS/vl

6-17-65

MOVIBLE OFFSHORE, INC.

P. O. BOX 759
NEW IBERIA, LOUISIANA 70561

DATE JUNE 17, 1965

INVOICE NO. M1-665-3

LOCATION EUGENE ISLAND BLOCK 189 FIELD, OCS G-0423, WELL NO. B-7, GULF OF MEXICO, LA.

SHELL OIL COMPANY
MARINE PRODUCTION DIVISION
ATTENTION: INVOICE SECTION
P. O. BOX 6321
NEW ORLEANS, LOUISIANA

FOR USE OF DRILLING RIG MOVIBLE NO. 5 IN ACCORDANCE WITH DRILLING CONTRACT DATED NOVEMBER 25, 1964:

1965 JUNE		HOURS WORKED @ $3200/DAY
1 - 9	WORKING AS DIRECTED 24 HOURS EACH DAY	216
10	WORKING AS DIRECTED 5 HOURS. (RIG RELEASED 5:00 A.M.)	5
	TOTAL HOURS	221

SUMMARY

DAYS	RATE/DAY	TOTAL
9	$3200.00	$28,800.00
HOURS	RATE/HOUR	
5	$133.3333	666.67
	INVOICE TOTAL	$29,466.67

EVS/vl

6-17-65

M. NO. 10

MOVIBLE OFFSHORE, INC.

P. O. BOX 759
NEW IBERIA, LOUISIANA 70561

DATE JUNE 17, 1965

UNION OIL COMPANY OF CALIFORNIA
603 PRUDENTIAL BUILDING
HOUSTON, TEXAS

INVOICE NO. MI-665-2

LOCATION SHIP SHOAL BLOCK 208,
OCS G-1228, WELL NO. F-8,
GULF OF MEXICO, LOUISIANA

FOR USE OF DRILLING RIG MOVIBLE NO. 6 IN ACCORDANCE WITH DRILLING CONTRACT DATED NOVEMBER 25, 1963 AND AMENDMENT LETTER DATED JULY 13, 1964, ACCEPTED JULY 13, 1964:

1965 JUNE		HOURS WORKING RATE @ $2775/DAY
1 - 10	WORKING AS DIRECTED 24 HOURS EACH DAY	240
11	WORKING AS DIRECTED 23 HOURS (RIG RELEASED 11:00 P.M.)	23
	TOTAL HOURS	263

S U M M A R Y

DAYS	RATE/DAY	TOTAL
10	$2775.00	$ 27,750.00
HOURS	RATE/HOUR	
23	$115.6250	2,659.38
INVOICE TOTAL		$ 30,409.38

EVS/vl

6-17-65

FORM NO. 10

MOVIBLE OFFSHORE, INC.

P. O. BOX 759
NEW IBERIA, LOUISIANA 70561

DATE JUNE 17, 1965

INVOICE NO. MI-665-6

SHELL OIL COMPANY
MARINE PRODUCTION DIVISION
ATTENTION: INVOICE SECTION
P. O. BOX 6021
NEW ORLEANS, LOUISIANA

LOCATION SHIP SHOAL BLOCK 274, OCS 0-1039, WELL NO. A-8, GULF OF MEXICO, LOUISIANA

FOR USE OF WORKOVER RIG MOVIBLE NO. 7 IN ACCORDANCE WITH WORKOVER CONTRACT DATED APRIL 2, 1965:

1965 JUNE		HOURS WORKING @ $1756/DAY
1 - 9	WORKING AS DIRECTED 24 HOURS EACH DAY	216
10	WORKING AS DIRECTED 5-1/2 HOURS (RIG RELEASED 5:30 A.M.)	5-1/2
	TOTAL HOURS	221-1/2

SUMMARY

DAYS	RATE/DAY	TOTAL
9	$1756.00	$15,804.00
HOURS	RATE/HOUR	
5-1/2	$73.1666	402.42
INVOICE TOTAL		$16,206.42

EVB/vl

6-17-65

RM NO. 10

MOVIBLE OFFSHORE, INC.

P. O. BOX 759
NEW IBERIA, LOUISIANA

Mobil Oil Company
P. O. Box 910
Morgan City, Louisiana

DATE June 30, 1965

INVOICE NO. M-665-11

LOCATION Block 129 Eugene Island - Block 280 Ship Shoal - Gulf of Mexico, Louisiana (Movible Job 1-39

For use of MOVIBLE NO. 1 to move Delta Marine Rig No. 8 in accordance with our Rental Rate Schedule dated February 15, 1965.

EQUIPMENT	HOURS	RATE/HOUR	AMOUNT
MOVIBLE NO. 1	50	$180.00	$ 9,000.00
Tug Gulf Queen (1800 h.p.)	50	60.00	3,000.00
MOVIBLE C-2 Crewboat (65')	48	14.00	672.00
		Total Equipment	$12,672.00

LABOR			
Captain	26	$ 10.00	$ 260.00
Captain (Travel)	3	10.00	30.00
Field Engineer	26	8.00	208.00
Clerk	36	4.25	153.00
Crane Operator	48	8.75	420.00
Crane Operator (Travel)	12	8.00	96.00
Deckhand	28	6.25	175.00
Deckhand (Travel)	3	5.50	16.50
Rigger Foreman	39	8.75	341.25
Rigger Foreman (Travel)	6	8.00	48.00
Rigger	178	6.75	1,201.50
Rigger (Travel)	30	6.00	180.00
Welder	37	8.25	305.25
		Total Labor	$ 3,434.50
		Invoice Total	$16,106.50

WWB:cc
7-6-65 - 21

Attachments: Copy of Daily Force Account Reports

2.5 SHARES OF ZAPATA FOR 1 SHARE OF MOVIBLE[1]

	ZAPATA	MOVIBLE	TOTAL
1965			
Earnings/Share	$1.51	$3.64	$1.95
Cash Flow/Share	$3.43	$10.41	$4.88
Book Value/Share	$8.65	$9.27	$8.78
1966			
Earnings/Share	$2.10	$3.61	$2.42
Cash Flow/Share	$5.56	$10.81	$6.65
Book Value/Share	$10.75	$12.64	$11.15
1967			
Earnings/Share	$2.52	$3.72	$2.78
Cash Flow/Share	$6.80	$8.06	$7.06
Book Value/Share	$13.28	$16.61	$13.97

1-Assuming 270,000 shares for Movible; 1,032,000 shares for Zapata; and 1,302,000 for both.

2.25 $243000

RParker/jk
7/6/65

2.25 SHARES OF ZAPATA FOR 1 SHARE OF MOVIBLE[1]

	ZAPATA	MOVIBLE	TOTAL
1965			
Earnings/Share	$1.51	$4.05	$1.99
Cash Flow/Share	$3.43	$11.56	$4.98
Book Value/Share	$8.65	$10.30	$8.96
1966			
Earnings/Share	$2.10	$4.02	$2.47
Cash Flow/Share	$5.56	$12.02	$6.79
Book Value/Share	$10.75	$14.05	$11.38
1967			
Earnings/Share	$2.52	$4.14	$2.83
Cash Flow/Share	$6.80	$8.95	$7.21
Book Value/Share	$13.28	$18.45	$14.26

1-Assuming 243,000 shares for Movible; 1,032,000 shares for Zapata; and 1,275,000 shares for both.

RParker/jk
7/6/65

2 SHARES OF ZAPATA FOR 1 SHARE OF MOVIBLE[1]

	ZAPATA	MOVIBLE	TOTAL
1965			
Earnings/Share	$1.51	$4.55	$2.04
Cash Flow/Share	$3.43	$13.01	$5.09
Book Value/Share	$8.65	$11.58	$9.16
1966			
Earnings/Share	$2.10	$4.52	$2.52
Cash Flow/Share	$5.56	$13.52	$6.93
Book Value/Share	$10.75	$15.81	$11.63
1967			
Earnings/Share	$2.52	$4.66	$2.89
Cash Flow/Share	$6.80	$10.07	$7.37
Book Value/Share	$13.28	$20.76	$14.57

1-Assuming 216,000 shares for Movible; 1,032,000 shares for Zapata, and 1,248,000 shares for both.

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PROJECTED INCOME STATEMENTS AND BALANCE SHEETS

FOR ZAPATA, MOVIBLE, AND COMBINED COMPANIES

1965 (000's Omitted)	ZAPATA	MOVIBLE	TOTAL
Gross Income	$8,000	$9,121	$17,121
Less: Cash Operating Expenses	4,100	6,311*	10,411
Depreciation	800	919	1,719
Total Expenses	$4,900	$7,230	$12,130
Gross Margin	$3,100	$1,891	$ 4,991
Other Income or (Expenses)	(105)	-	(105)
Income Before Taxes	$2,995	$1,891	$ 4,886
Taxes:			
Cash	$ 550	$ -	$ 550
Deferred	887	908	1,795
Total	$1,437	$ 908	$ 2,345
Net Income	$1,558	$ 983	$ 2,541
Cash Flow	$3,540	$2,810	$ 6,350
Net Working Capital	$2,569	$ 818	$ 3,387
Property (net)	$14,164	$9,032	$23,196
Long-Term Debt	$7,170	$5,289	$12,459
Deferred Income Taxes	3,218	2,059	5,277
Net Worth	8,928	2,502	11,430
Total Capitalization	$19,316	$9,850	$29,166
Long-Term Debt as a % of Total Capitalization	37.1%	53.7%	42.7%

* Including interest expense of $29,750

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1966 (000's Omitted)	ZAPATA	MOVIBLE	TOTAL
Gross Income	$12,257	$10,281	$22,538
Less: Cash Operating Expenses	6,575	7,361*	13,936
Depreciation	1,454	1,044	2,498
Total Expenses	$ 8,029	$ 8,405	$16,434
Gross Margin	$ 4,228	$ 1,876	$ 6,104
Other Income or (Expense)	(59)	-	(59)
Income Before Taxes	$ 4,169	$ 1,876	$ 6,045
Taxes:			
Cash	$ 100	$ -	$ 100
Deferred	1,900	900	2,800
Total	$ 2,000	$ 900	$ 2,900
Net Income	$ 2,169	$ 976	$ 3,145
Cash Flow	$ 5,733	$ 2,920	$ 8,653
Net Working Capital	$ 2,587	$ 1,548	$ 4,135
Property (Net)	$19,620	$ 8,388	$28,008
Long-Term Debt	$ 9,075	$ 3,499	$12,574
Deferred Income Taxes	5,118	2,958	8,076
Net Worth	11,097	3,414	14,511
Total Capitalization	$25,290	$ 9,871	$35,161
Long-Term Debt as a % of Total Capitalization	35.9%	35.4%	35.8%

* Includes interest expense of $157,500.

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1967 (000's Omitted)

	ZAPATA	MOVIBLE	TOTAL
Gross Income	$13,672	$10,281	$23,953
Less: Cash Operating Expenses	6,940	7,265*	14,205
Depreciation	1,714	1,080	2,794
Total Expenses	$ 8,654	$ 8,345	$16,999
Gross Margin	$ 5,018	$ 1,936	$ 6,954
Other Income or (Expense)	(13)	-	(13)
Income Before Taxes	$ 5,005	$ 1,936	$ 6,941
Taxes:			
Cash	$ -	$ 841	$ 841
Deferred	2,400	88	2,488
Total	$ 2,400	$ 929	$ 3,329
Net Income	$ 2,605	$ 1,007	$ 3,612
Cash Flow	$ 7,019	$ 2,175	$ 9,194
Net Working Capital	$ 5,451	$ 2,431	$ 7,882
Property (Net)	$18,306	$ 7,708	$26,014
Long-Term Debt	$ 6,420	$ 1,709	$ 8,129
Deferred Income Taxes	7,518	3,945	11,463
Net Worth	13,702	4,484	18,186
Total Capitalization	$27,640	$10,138	$37,778
Long-Term Debt as a % of Total Capitalization	23.2%	16.9%	21.5%

* Includes Interest Expense of $121,500.

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