Originally Processed With FOIA(s): FOIA Number:
S S

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the George Bush Presidential Library Staff.

Record Group/Collection:	Donated Historical Materials
Collection/Office of Origin:	Bush, George H.W., Collection
Series:	Personal Papers
Subseries:	Zapata Oil File, Business Alphabetical File

OA/ID Number:	25847
Folder ID Number:	25847-003

Folder Title:
Off-Shore Drilling Syndicate, 3/65 - GHWB [1965] [2]

Stack:	Row:	Section:	Shelf:	Position:
G	5	1	3	2

Opp Bryant

AVERAGE OUTSIDE INTEREST NECESSARY
TO UTILIZE RIG FULLY

Anticipated average daily operating expense	$ 13,000
Annual	4,745,000
Exploratory drilling budget	2,700,000
Outside exploratory money required	$2,045,000
Expressed as average outside interest	43%
ZOS-C&K Partnership interest	57%

FARMOUT POLICY RATING

Company	Rating	Water Depth Emphasis	$/Acre Average Cost of Acquisition
Shell	-	Deep	$164.20
Calco	+	Shallow	78.40
Forest	+	Balanced	87.50
Tenneco	+	Shallow	373.00
Humble	-	Balanced	334.60
Union of California	+	Deep	172.40
Texaco	-	Balanced	674.00
CATC	+	Shallow	42.20
Pan American	+	Shallow	137.70
Gulf	-	Deep	445.00
Signal	+	Shallow	402.30
Kerr McGee	+	Deep	100.40
Phillips	+	Deep	66.70
Superior	+	Shallow	263.00
Odeco	+	Deep	68.70
British American	+	Shallow	1,137.00
Union Producing	+		
Pure	+		
Placid	+	Shallow	23.20
Mobil	+	Deep	348.90

FARMOUT RATINGS - 120' WATER DEPTH OR LESS
BY AREA AND DEGREE OF DESIRABILITY

PRIMARY

South Marsh Island	8-	5+
South Timbalier	11-	7+
West Delta	3-	8+
	22-	20+

SECONDARY

Vermilion	2-	16+
Eugene Island	0-	7+
Ship Shoal	0-	19+
South Pelto	0-	5+
Grand Isle	0-	2+
Main Pass	0-	7+
	2-	56+

TERTIARY

West Cameron	2-	15+
East Cameron	11-	20+
	13-	35+

-120' Water

Non-Producing	678,940.865
Producing	194,039.300

+120' Water

Non-Producing	778,399.900
Producing	204,497.930

TOTAL NON-PRODUCING LEASES - ALL BLOCKS:	1,457,340.765
TOTAL PRODUCING LEASES - ALL BLOCKS:	398,537.230

W. CAMERON		Non-Prod.	78,750	Prod.	14,522
-120' water	Blk. 457 and less	Non-Prod.	78,750	Prod.	14,522
+120' water	None				
E. CAMERON		Non-Prod.	218,368.10	Prod.	25,000
-120' water	Blk. 224 and less, except Blk. 219	Non-Prod.	173,368.10	Prod.	15,000
+120' water	Blk. 229 and above, add Blk. 219	Non-Prod.	45,000	Prod.	10,000
EUGENE ISLAND		Non-Prod.	60,000	Prod.	50,327
-120' water	Blk. 219 and less	Non-Prod.	10,000	Prod.	5,327
+120' water	Blk. 227 and above	Non-Prod.	50,000	Prod.	45,000
SHIP SHOAL		Non-Prod.	206,130.64	Prod.	40,000
-120' water	Blk. 219 and less	Non-Prod.	90,780.02	Prod.	25,000
+120' water	Blk. 224 and above	Non-Prod.	115,350.62	Prod.	15,000
S. TIMBALIER		Non-Prod.	245,904.64	Prod.	31,250
-120' water	Blk. 173 and less, except Blks. 160 and 161, add Blks. 195 and 196	Non-Prod.	81,858.26	Prod.	6,250
+120' water	Blk. 175 and above, except Blks. 196 and 195, add Blks. 161 and 160	Non-Prod.	164,046.38	Prod.	25,000
VERMILION		Non-Prod.	224,186.23	Prod.	50,455.66
-120' water	Blk. 225 and less, except Blk. 215	Non-Prod.	85,351.22	Prod.	26,038.16
+120' water	Blk. 226 and above, add Blk. 215	Non-Prod.	138,835.01	Prod.	24,417.50

GRAND ISLE		Non-Prod.	73,589.78	Prod.	-0-
-120' water	Blk. 53 and less	Non-Prod.	9,510	Prod.	-0-
+120' water	Blk. 63 and above	Non-Prod.	64,079.78	Prod.	-0-
W. DELTA		Non-Prod.	116,775.705	Prod.	59,360
-120' water	Blk. 43 and less, add Blk. 68	Non-Prod.	24,490.035	Prod.	9,360
+120' water	Blk. 62 and above, except Blk. 68	Non-Prod.	92,285.67	Prod.	50,000
S. MARSH ISLAND		Non-Prod.	136,527.52	Prod.	61,330.46
-120' water	Blk. 51 and less, add Blk. 61	Non-Prod.	58,902	Prod.	30,000
+120' water	Blk. 57 and above, except Blk. 61	Non-Prod.	77,625.52	Prod.	31,330.46
S. PELTO		Non-Prod.	17,428	Prod.	5,000
-120' water	Blk. 128 and less	Non-Prod.	17,428	Prod.	5,000
+120' water	None				
S. PASS		Non-Prod.	7,499.98	Prod.	3,749.97
-120' water	Blk. 30 and less, add Blks. 39, 40 and 41	Non-Prod.	0	Prod.	0
+120' water	Blk. 36 and above, except Blks. 39, 40 and 41, add Blk. 31	Non-Prod.	7,499.98	Prod.	3,749.97
MAIN PASS		Non-Prod.	67,214.89	Prod.	57,542.14
-120' water	Blk. 128 and less	Non-Prod.	43,537.95	Prod.	57,542.14
+120' water	Blk. 129 and above	Non-Prod.	23,676.94	Prod.	0

BRETON SOUND		Non-Prod.	4,965.28	Prod.	-0-
-120' water	All blocks				
		Non-Prod.	4,965.28	Prod.	0
+120' water	None				

NON-PRODUCTIVE LEASES
120' OF WATER OR LESS

Lessee	No. of Leases	Farmout Rating	
	WEST CAMERON		
British American	1	+	
Forest	11	+	
Tenneco	1	+	
Texaco	2	-	
Union of California	2	+	
		15+	2-
	EAST CAMERON		
California Company	2	+	
Continental, et al	2	+	
Forest	3	+	
Odeco	2	+	
Shell	9	-	
Signal	7	+	
Tenneco	3	+	
Texaco	2	-	
Union of California	1	+	
		20+	11-
	VERMILION		
California Company	1	+	
Continental, et al	1	+	
Forest	4	+	
Mobil	1	+	
Pan American	1	+	
Shell	2	-	
Tenneco	7	+	
Zapata	1	+	
		16+	2-
	SOUTH MARSH ISLAND		
British-American	1	+	
California Company	1	+	
Gulf	1	-	
Humble	1	-	
Kerr-McGee	1	+	
Mobil	1	+	
Shell	6	-	
Union of California	1	+	
		5+	8-
	EUGENE ISLAND		
California Company	1	+	
Continental, et al	1	+	
Placid	4	+	
Signal	1	+	
		7+	0-

Lessee	No. of Leases	Farmout Rating	
	SHIP SHOAL		
California Company	5	+	
Continental	2	+	
Odeco	3	+	
Placid	5	+	
Superior	4	+	
		19+	0-
	SOUTH PELTO		
California Company	4	+	
Kern County	1	+	
		5+	0-
	SOUTH TIMBALIER		
California Company	3	+	
Continental, et al	1	+	
Gulf	2	-	
Humble	7	-	
Shell	2	-	
Socony	1	+	
Tenneco	2	+	
		7+	11-
	GRAND ISLE		
Continental	1	+	
Sohio	1	+	
		2+	0-
	WEST DELTA		
Continental	1	+	
Gulf	2	-	
Humble	1	-	
Mobil	1	+	
Pan American	4	+	
Sohio	1	+	
Tenneco	1	+	
		8+	3-
	MAIN PASS		
California Company	6	+	
Skelly	1	+	
		7+	0-

Off Appd

BAKER, BOTTS, SHEPHERD & COATES
ESPERSON BUILDING
HOUSTON 77002

G-16,868

April 23, 1965

RECEIVED
APR 23 1965
5 PM

Mr. M. J. Kutner
Chambers & Kennedy
1701 Houston Club Building
Houston, Texas

COPY

Dear Mal:

Enclosed is a xerox copy of the draft Joint Venture Agreement in the captioned matter. We expect to have stencils on this and the Operating Agreement form run by Monday and will send several copies to you then.

As you know, the arrangement contemplated in this Joint Venture Agreement presents three tax problems, namely: (a) the possibility that the participants will be denied a deduction for their portion of the intangible drilling and development costs which are attributable to the 1/4 carried interest of the Zapata Group, (b) the possibility that the Zapata Group will realize ordinary income upon receipt of its interest in properties equal to the value of such properties when received, and (c) the possibility that the Joint Venture will be taxed as an association taxable as a corporation.

Of these, the first two problems were discussed at the earlier stages of this matter and the third was presented by the decision to change the exploration vehicle from a limited partnership to a joint venture agreement as drafted. We are proceeding to put our conclusions on all three points in brief written form for your use in discussing these matters with the participants.

Sam Croom will be available to work with you in finalizing the draft syndicate papers while I am away from the office next week.

Yours truly,

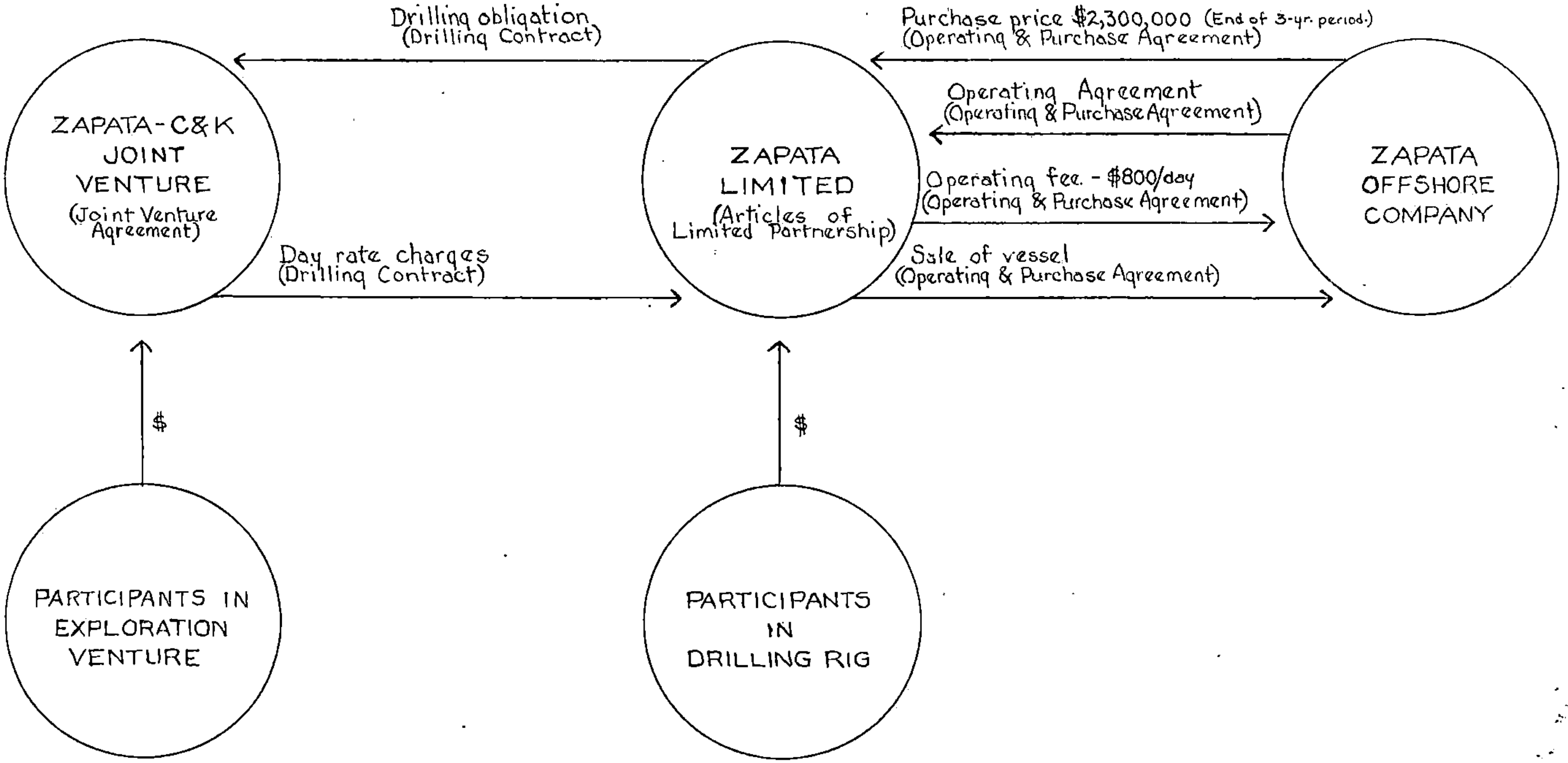
Ewell E. Murphy, Jr.

Ewell E. Murphy, Jr.

EEM:31
Enclosures

cc: Mr. George H. W. Bush
Mr. Fred Chambers
Mr. [illegible]

Chart of Joint Venture and Limited Partnership



April 28, 1965

Dear Mr. Phillips,

Since Mr. Bush will be out of the state the rest of the week, I wanted to acknowledge your letter of April 27th, returning the brochure on the offshore venture.

I know he will appreciate your consideration of this proposal and your discussion with Mr. Skakel.

Sincerely,

Mrs. Hargrove Smith
Secretary to Mr. Bush

Mr. W. V. Phillips
Great Lakes Carbon Corp.
225 Baronne Street
New Orleans, La. 70112

CJC
NK
Please ret to AG

Great Lakes Carbon Corporation

EXECUTIVE OFFICES: 18 EAST 48TH STREET, NEW YORK 17, N.Y.

GLC

PLEASE ADDRESS REPLY TO

225 BARONNE STREET, NEW ORLEANS, LOUISIANA 70112 AREA CODE 504-524-7476

OIL AND GAS DIVISION

April 27, 1965

RECEIVED

APR 28 1965

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

Dear Mr. Bush:

I had an opportunity to discuss your proposed offshore exploration program with George Skakel, Jr., last Friday. I had previously sent him the brochure which Mr. Cossum had left with me.

We agreed that participation in offshore ventures could not be fitted into the present program of the company's Oil and Gas Division, and that it would be necessary to pass up the opportunity which you have offered.

Mr. Skakel asked me to express his appreciation to you for this opportunity to participate with your company.

Sincerely yours,

W V Phillips

W. V. Phillips

WVP/vkt

P.S. I am returning herewith your brochure and the maps which were included or forwarded.

April 30, 1965

Dear Mr. Ulmer,

Attached are the following drafts of the principal documents relating to the organization and operation of the offshore joint venture which Mr. Bush has been discussing with you:

1. Joint Venture Agreement, setting forth the commitments, duties and responsibilities of Zapata-Chambers & Kennedy and each participant in the drilling venture and the respective interests of the parties in properties acquired by the joint venture.

2. Articles of Zapata Limited, the limited partnership which shall own the drilling rig.

3. Drilling Contract between Zapata Limited and Zapata-Chambers & Kennedy, as agent for the participants in the drilling venture committing the drilling vessel to the drilling needs of the drilling venture.

4. Agreement between Zapata Limited and Zapata Off-Shore Company relating to the operation and purchase of the drilling vessel.

Attached also is a chart showing how these various agreements would flow together.

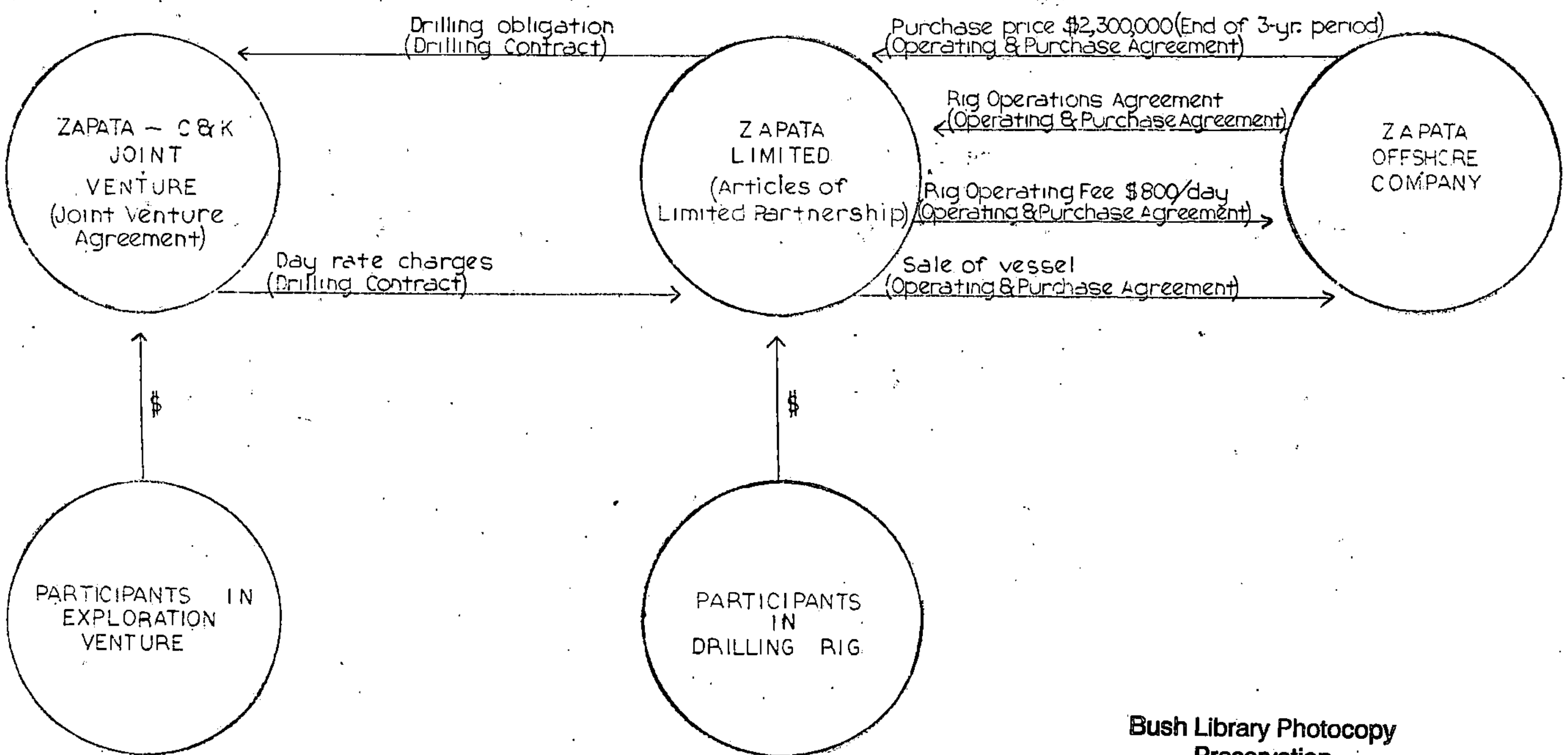
Mr. Bush asked me to tell you he would be in touch with you early next week.

Sincerely,

Mrs. Hargrove Smith
Secretary to Mr. Bush

Mr. Al Ulmer
Niarchos London, Ltd.
41 Park Street
London W 1, England

CHART OF JOINT VENTURE
AND
LIMITED PARTNERSHIP



March 16, 1965

Dear Al,

I don't want to be running too many deals past you but here's another deal that Zapata is working on for oil and gas exploration in the Gulf Coast. There has been a remarkable change in offshore exploration here and we are convinced that with a drilling rig available for offshore farmouts we can greatly increase our reserves. Accordingly, we are planning a partnership to participate. Zapata plans to put up $300,000 a year for three years to invest along with our partners.

I am wondering if this type of direct participation would appeal to Mr. Niarchos or any of his companies. The idea is basically set out in the attached couple of pages. I believe some independent companies will join us and, I know, some wealthy individuals will.

If you are at all interested in this, we could arrange to get together and discuss this. We are not encouraging small participations. In fact, $100,000 a year for three years would be the minimum participation. As I mentioned above, Zapata's will be for $300,000 a year for three years.

This type of deal is obviously better for somebody in a high tax bracket, but it also is good for oil companies or people who want to get exposure to large reserves. They should understand, of course, that the wells could be dry. But, I think with the kind of spread we are anticipating, we are bound to come up with something worth having.

I would like to see Mr. Niarchos consider participation of around $250,000 or $300,000 a year, but this might be 'way too much. Of course, I understand that he might not be interested at all. As you will notice from the attached papers, we have built into the deal a rig. Right now, it's impossible to get rigs for farmout drilling and we feel that a rig is a necessary ingredient to deal. The rig will be in in such a way that it will generate a profit for the partners and at the end of three years, we will guarantee to buy it back. These arrangements make the rig participation totally risk-free and the participation should generate a profit, the money of which could be used toward paying one's participation in the drilling syndicate.

I wish there were some way the rig could be built abroad, but unfortunately it can't. We are thinking of going to Bethlehem Steel to get it done or possibly LeTourneau if he can make delivery in a year.

There is nothing new on our Iran deal. I am waiting for the French men to return from the Middle East at which time I will get together with them to discuss the contract with the French oil companies. Tidewater is interested, but are not willing to make any commitment just yet.

Costi Dracopoulos is going to be in New York new week and I'm hoping he will be in Houston the 4th or 5th of April. I will introduce him to several of the American contractors and oil companies then. I plan to be in New York during the week he's there, working on this syndicate thing, so maybe I'll see him then.

Best to Doris and let me know your preliminary thinking on this. If it fits your picture, I would whip on over there for a day or two or else we could meet in New York if you are planning to come this way.

Politics lies behind now, and there's a lot going on in this offshore business.

Best regards,

George H. W. Bush

Mr. Al Ulmer
41 ~~43~~ Park Street
London ~~SW 1~~, England W 1
GB:as

Changed 2nd page
Attachment (92)

March 15, 1965

Dear Charlie,

I am attaching a couple of pages on a deal that Zapata is putting together. I believe that it has the best potential of any drilling syndicate idea which has come along; namely, the offshore area offers great potential and, at this point, it is easier to evaluate what the actual risks are going to be than it ever has been.

Noting that Ambassador Oil has been sold, I am wondering if you or any of your group up there would be interested in participating with us in this new offshore venture. We think we'll have some independent companies and a few large investors involved. We are looking for commitments on a three-year basis.

I think, Charlie, that if you all do any drilling that this deal might be of interest to you. It's looking for the large reserves. Lately the drilling rig situation has become extremely tight. I am convinced that if we had a drilling rig available we could get into some most unusual farmouts. I know a lot of other companies are beginning to think this way but many don't have any offshore operating know-how.

If you're interested, Fred Chambers or I would be delighted to come up there and talk to you or anyone that you might designate.

Admittedly, the attached information is extremely sketchy, but its purpose is simply to determine whether you have any interest at all in this kind of thing.

I've just returned from an interesting five-week business trip around the world. Zapata is operating in several foreign countries, and I must say it's interesting to see how offshore drilling is spreading.

Hope all's well with you.

Best regards,

George H. W. Bush

Mr. Charlie Bell
9200 Wayzata Drive
Minneapolis, Minn.
GB:as

Offshore

HESS OIL & CHEMICAL CORPORATION

LEON HESS
PRESIDENT

280 PARK AVENUE
NEW YORK 17, NEW YORK
MO 1-3000

April 9, 1965

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

Dear George:

Many thanks for your letter of April 7, 1965, and I greatly appreciate your taking the time to go into details.

I sincerely regret that our exploration man was not excited about your proposed venture. Actually, he is very much interested in off-shore exploration, but felt that the price was too high to pay in getting into your ventures. Personally I am confused.

The next time I am in Houston I shall telephone you, and perhaps we can discuss this.

With best wishes.

Very truly yours,

Leon Hess

Leon Hess

LH:rk

April 7, 1965

Dear Leon,

We were disappointed to receive your letter of April 5th, but certainly each company has to analyze this proposal for itself and decide what is best for it.

Not to be argumentative but rather to at least get before you our explanation of some of the disadvantages raised in your inter-office memo, I would like to set out one or two points. First, under advantages, your analyst discusses success ratio but makes no mention whatsoever of the main attraction and that is the quest for large reserves. Certainly there is a lot of risk in any exploratory drilling. It seems to me the principal advantage here is that it offers a way to participate in the offshore play which generally is admitted to be a large reserve search. Another point under advantages is that by building a rig into the deal, we are permitting companies who otherwise would not be able to participate the opportunity to get unusual farmouts.

Under disadvantages, I would take exception to sentence No. 1, under "a". The 1/4 carried interest does not result in the investor expecting his gross woking interest to be twice his net working interest as your analyst suggests. The carried interest is strictly to the casing point and, of course, on an offshore well the exploratory costs to the casing point would be roughly 60% of the total cost of the well. Should there be any success, the 1/4 carried interest on the first well alone would prove to be infinitesimal in the development of the field.

Under "b", rig purchase: I would take strong exception to your analyst's understanding of the offshore drilling rig market. If the drilling business is good at the end of three years, this certainly would be a good purchase for Zapata. If the drilling business is bad, a purchase at $2,304,000 would under no circumstances be a good purchase for Zapata. The purpose of the rig buy-out is to eliminate the troublesome conflict of interest problem wherein oil companies would end up with a minority interest in one drilling rig. Your analyst does not point out that the rig generages a very nice profit during the three years and, further, if this is an objectionable feature, no partner is obliged to participate in the ownership of the rig at all. Under the terms outlined, we would be glad to place the ownership of the rig elsewhere. Lastly, on this point, no credit is given to the financial arrangements which Zapata would undertake in order to make the rig deal possible.

Under "c", overhead costs: I believe that almost every program which I know about carries an overhead charge of this nature. By way of reference, I would refer you to the recent Pennzoil prospectus and other programs such as Austral, Callery, etc., which also have overhead charges and more burden than we have proposed. However, in discussing this overhead charge with the proposed oil company partners about whom I wrote you, we indicated that we were most agreeable to putting the overhead on a direct charge basis. It seems fair to me that everybody putting money into the deal should pay their share of the geologist working on it, the travel involved, the screening of deals, etc., and if a direct charge basis seems more reasonable we certainly are most agreeable to this.

Under "d", rig operating overhead: Again a person does not have to participate in the rig deal. Zapata's rig overhead at $650 a day is a good deal lower than most of our competitors. It would have been very easy to say that we would charge a flat $800 a day which is our overhead, but we have managed to operate our rigs most economically. I do not feel that a charge of $150 a day profit, or management fee, or whatever you want to call it, is unreasonable on a $7,000 a day contract. Again, I think it is important in an analysis of this nature to bear in mind the unique skills required and the fact that Zapata will be endeavoring to keep this rig busy should it be down.

Paragraph 2: Your analyst overlooks the fact that almost all the offshore deals that we take, the syndicate will have partners in the wells. Assume that we take a half-interest in each prospect, which I would think would be about average. Instead then of having $5,400,000 drilling money, we would have at least twice that. In other words, there would be far more than enough drilling money considering the syndicate and outside partners to cover the $7,560,000 revenue figure which is set out in Paragraph 2.

Paragraph 3: The only answer I can give to the criticism that our program is too general is that many people now feel that the offshore business will have quality farmouts available. Your analyst is correct when he says that our basic "assumption is that attractive and quality farmouts will be available." This is our strong feeling and, of course, it gets very much to the heart of the deal. If you feel no such farmouts will be available, then I think he is absolutely correct in recommending that one not participate.

Paragraph 4: It is stated that the organizers and operators earn a profit regardless of whether the program is successful. This simply is not correct. In the first place, we are putting in $300,000 a year on exactly the same basis as the partners. If the program is unsuccessful, this $300,000 a year obviously will be lost, but even if we weren't putting this down, we are not making a profit. The carried interest on the well would, of course, be worthless and there would be absolutely no profit involved with the exception of the figure of $150 a day to Zapata for operating and managing the drilling rig. Again, on a program under which there will be spent from $6 Million to $9 Million over three years plus another $2,000,000 on the drilling rig plus the outside partners' half-interest which will come to another $6,000,000, it doesn't seem to me that $150 a day for operating an offshore rig of this nature is excessive.

I appreciate very much your taking the time to consider this deal, Leon, and I hope that perhaps this letter will answer some of the objections which have been raised about the proposed deal.

If you get to Houston, I would love to see you, and if you decide to reconsider on this matter, we would be delighted. Best regards.

Yours very truly,

George H. W. Bush

Mr. Leon Hess
Hess Oil & Chemical Corporation
280 Park Avenue
New York 17, New York
GB:as

HESS OIL & CHEMICAL CORPORATION

LEON HESS
PRESIDENT

STATE STREET
PERTH AMBOY, N.J.

April 5, 1965

RECEIVED
APR 6 1965

Mr. George H. W. Bush
Zapata Off-Shore Co.
1601 Houston Club Building
Houston 2, Texas

Dear George:

Attached hereto is a copy of an inter-company memorandum which summarizes a study made of the Zapata Off-Shore Co. offer to us to participate in a drilling venture.

Our people believe that this deal is too rich for our blood, and I am hoping that should you revise your approach to this venture in the future you will let us know.

Best wishes, and I am looking forward to meeting with you again sometime.

Yours very truly,

Leon

Leon Hess

LH:mh

Att.

SUBJECT: Zapata Off-Shore Co. and Chambers & Kennedy Exploratory Program

I have reviewed the subject program and find the following advantages and disadvantages thereof:

Advantages

1. Program proposes to explore for oil in South Louisiana, offshore Louisiana, and offshore Texas. This is oil country where the industry has had a higher percentage of discoveries and success.

2. The program is offered by a drilling contractor and an independent oil operator that are established in the drilling and exploration business.

Disadvantages

1. The program as submitted is highly profitable to the organizers and operators, which makes it unattractive to the investor.

   a. The organizers and operators receive a 1/4 carried interest to casing point. With a 1/6 royalty plus an override given to get farm-outs, the investor can expect his gross working interest to be twice his net working interest.

   b. Zapata Off-Shore's proposal to purchase the rig at the end of three years at book value after accelerated depreciation has been taken on rig, results in Zapata acquiring a three year old rig that cost $4,500,000 plus interest for $2,304,000. The investor even in a weak rig market would be ahead in selling at market value.

   c. The organizers and operators get $200,000 per year to cover operational overhead. This is excessive for a program of this type.

   d. In addition to the $200,000 per year overhead or $600,000 for the three years, Zapata at $800 a day to operate rig receives a profit of $150 a day or $162,000 profit for the three years on revenue of $864,000.

2. The program assumes rig will operate 360 days per year for the drilling partnership at $7,000 per day and earn revenue of $7,560,000 in the three years although the drilling partnership is only contributing $5,400,000 to the program after deducting overhead of 10% from total contributions of $6,000,000.

3. The program is too general in nature being based on the assumption that attractive and quality farm-outs will be available.

4. The investor bears 100% of the loss if the program is unsuccessful, whereas the organizers and operators earn a profit regardless of whether program is successful.

While we badly need production, I recommend that we do not participate in this program as submitted. The brochure which you gave me is returned herewith.

April 5, 1965

Dear Mr. Hess,

Some time has passed since we chatted in your office about the off-shore exploration venture and I wanted to bring you up to date on it. It looks to me like the group will consist of several middle-sized oil companies. General Crude has indicated a big interest in the project and Amarillo Oil Company has stated that they will probably go with us.

On Tuesday, April 13th, we're going to have a meeting here in Houston of these two companies and perhaps others who by that time will be a little further along with their thinking. I think these companies are thinking in terms of about $500,000 a year for three years whereas, as you may remember, Zapata plans to put in $300,000 a year for each of the three years.

We certainly would like to have Hess join us in this venture. We believe that we are going to be looking at first-class prospects and that we'll have an excellent chance to build up some decent reserves. I do not want to be pushing on this matter at all and I know it takes a good deal of time to decide, but I did want to let you know of the Tuesday meeting and encourage you to send someone here if you think your Company is going to be interested in participating. Attendance at the meeting is certainly not essential, but at the meeting we are going to go into a lot of detail on terms of the deal, working them out to the satisfaction of the other oil companies.

It was a pleasure meeting you. In the first place, it is always nice to meet someone who shares my high regard for Cap Reiber. He is terrific and has been an inspiration to me in many ways. Secondly, I had long heard of Hess Oil Company and of the success that the Company has enjoyed and I am now proud to have met the man behind it all.

Best regards.

Yours very truly,

George H. W. Bush

Mr. Leon Hess, President
Hess Oil & Chemical Co.
280 Park Avenue
New York 17, New York
GB:as

Off Syn

T. RIEBER
30 ROCKEFELLER PLAZA
NEW YORK 20, N.Y.

April 8, 1965
Via Airmail

Dear George,

Many thanks for your note of April 7th with attached copy of your letter of the same date to Leon Hess. I think yourreply to Hess is excellent and adequately answers his memorandum to you of April 5th.

Sincerely,

Cap

Enc.

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

T. RIEBER
30 ROCKEFELLER PLAZA
NEW YORK 20, N.Y.

April 8, 1965

Mr. Leon Hess
Hess Oil & Chemical Corp.
State Street
Perth Amboy, N. J., 08861

Dear Hess:

Thanks for your note of April 5th with attached copy of your letter and intercompany memorandum with respect to the exploration program recently suggested to you by George Bush and Fred Chambers.

Sincerely,

(sgd.) CAP

TR-EJB

bc: Mr. George H. W. Bush

6??

April 15, 1965

Dear Harold,

Thanks for your letter of April 9th sending us the information on River's and offshore pipeline construction. We appreciate your sending it along.

Best regards.

Yours very truly,

George H. W. Bush

Mr. Harold C. Price, Jr.
H. C. Price Co.
P. O. Box 1111
Bartlesville, Okla.
GB:as

H.C. PRICE CO.
Pipeline Constructors
BARTLESVILLE, OKLAHOMA

HAROLD C. PRICE, JR.
PRESIDENT

April 9, 1965

RECEIVED
APR 12 1965

Dear George:

Here is a note I received from Bill Creel. Rivers is a wholly owned subsidiary of Morrison-Knudsen.

We will be talking with you about the offshore drilling project.

Sincerely,
Harold
Harold C. Price

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

zc: HCP
ELG
ANR

INTER-OFFICE MEMO

April 5, 1965

TO: R.P. White

FROM: Wm. G. Creel

Harold mentioned that Zapata was interested in offshore pipe line construction and that they had a novel design for the equipment. River's is also interested in getting into the marine pipe laying and have been playing with equipment design. They are anxious to take part in the Channel crossing. I thought maybe Zapata might be interested in joining forces with M.K. Rivers. If so, they should contact Mr. Lyman Wilbur, V. President of foreign operations in Boise, Idaho.

cc.: E. Sikes
R.M. Thompson

WGC:hl

~~Consummate?~~ or send?

Dear Al,

Enclosed is a brochure on the drilling program which should answer some of the questions raised in your telephone conversation today.

Our attorneys advise me that a corporation not domesticated in the United States cannot own leasehold interests offshore; however, foreign interests can have a wholly-owned subsidiary domesticated in the U. S. which can own such lease interests. I hope that this will not have too adverse an effect on your thinking, but it is a problem that has to be faced.

British Petroleum, for example, is operating in the offshore play here but they hold their leases in a United States corporation. This is what Mr. Niarchos would have to do.

The general tax advantages on a deal of this nature would be that almost all of the money spent on exploration would be charged off. The drilling, even of completed wells, can be charged off. We will work the program so as to have as little capital expenditure as possible. General speaking, on a completed offshore well (this is one which strikes oil), the capital expenditures would run approximately 30% of the total cost. If it is a dry hole, as mentioned above, 100% of the well can be charged off.

As to the tax advantages on depletion, I am sure you are aware that statutory depletion provides that 27½% of the income is tax-free.

About four or five middle-sized oil companies will be joining us in this project. I mentioned some of them to you today on the 'phone. General Crude is one of the companies which is showing the most interest at this point. The fact that oil companies, for the most part, will be our partners is a good thing since they will take an active part in helping us find the deals upon which to drill. I think that Zapata would have to speak for Mr. Niarchos' interest in this regard and we would, of course, be glad to do so.

As to the administration, Zapata will provide all limited partners with a complete accounting including tax work, etc.

We have not yet come up with a definite schedule on when the money would be due, but the schedule would be something like the following; for a man who is putting in $300,000 of drilling money per year:

(Based on the assumption that the deal is closed by May 1, ~~1965)~~ and rig starts drilling May 1, 1966) *

	For Exploration	For Drilling Rig
Prior to May 1, 1966	$50,000	$200,000
At May 1, 1966	$62,500	$100,000
At August 1, 1966	$62,500	
At Nov. 1, 1966	$62,500	
At. Feb. 1, 1967	$62,500	
From May 1, 1967 to May 1, 1968 (in quarterly payments)	$75,000 per quarter	

Totals	$900,000	$300,000

* This is purely an estimate and the call for contributions could vary from this.

I don't want to over-emphasize the point but I do think it's important to realize that there is certainly risk involved in any exploratory drilling program; and,secondly, that should we find oil there will be additional expenses involved for completing the well and drilling development wells. This is the kind of problem, of course, we are all hoping we'll have to face. But, development could run into a lot of money.

After you've had a chance to look over this information, please send me a list of additional specific questions and we will get the answers back to you as quickly as possible. In the event that you want to put anything on the teletype, our TWX number is 713-571-2332

I am attaching a copy of the people we've invited to the party for your group from Athens and a copy of the invitation. I hope that most of these people will show up.

Best regards.

Yours very truly,

* This is purely an estimate and the call for contributions could vary from this.

* ~~Estimate~~ as to when funds required
(based on 300,000 drilling money per yr)
(" " " ~~dead~~ rig barely ~~commits~~ to drill May 1 1966)

~~Ahm~~

	For Exploration	For Drilling Rig
Prior to May 1 1966	$50,000	$200,000
At May 1 1966 ~~At May 1, 1966~~	62,500 ~~50,000~~	100,000
~~Roaring~~		
At ~~Aug~~ Aug 1 1966	62,500	
At Nov 1 1966	62,500	
At Feb 1 1967	62,500	
From May 1, 1967 to May 1 1968 in quarterly payments	75,000 per quarter	
From May 1, 1968 to May 1, 1969 in quarterly payments	75,000 per quarter	
Totals	900,000	300,000

What is the total cost of conducting an exploratory drilling program off-shore utilizing one rig continuously?

We estimate that the average daily cost will be roughly $12,000 per day this would include Boats, mud, bits, casing — all materials and supplies consumed during the drilling of a well. It does not include the cost of equipping a well for production if production should be found. ~~It does include~~ Included in the average is the cost of moving the rig from one location to another.

This would total roughly $4,320,000 per year and would allow the partnership a 50% interest in each venture. We anticipate participating in ~~10 to 12~~ 6 to 10 wells per year.

How will Zapata - Clements & Kennedy obtain acreage on Prospects?

We will obtain acreage through farmouts from Operators owning leases. Typically the party farming out will retain an ~~overriding royalty or~~ a 1/2 to 1/6 overriding royalty on any oil or gas produced from the property. They ordinarily ~~retain~~ also retain the right to convert their overriding royalty to a working interest - usually anywhere from ~~a~~ one quarter to one-half - after payout on the first well and on subsequent wells drilled on the lease.

A typical Offshore deal might be ~~thus~~ thus structured like this

1. Zapata to drill a 13,000' test and will earn their interest only by establishing production
2. Company X to retain a 1/2 Override to payout with option to convert to a 30% working interest such option to be declared before any further drilling after the first ~~well~~ productive well
3. If first well is dry Zapata will have the right to drill a second well within 90 days of abandonment ~~in a further attempt to earn~~ with the original earning conditions being retained

Mr. George H. W. Bush

Some Generalizations on Offshore
Rig Demand in Louisiana

Based on rigs in being and rigs under construction April, 1965, taken from "Report of Offshore Drilling Units".

All ship shaped floaters were eliminated from consideration - unable to complete in the Gulf.

Deepest leases in Texas are around 70 feet. Therefore, most rigs built for Texas will probably not have more than 100' capacity.

Leases refers to leases in 1962 lease sale, which have not been abandoned.

Rigs may economically work in more than one water depth. For example, the Ocean Driller was assumed to compete in both the 100' - 250' range and the 250' plus depth.

Water depth in feet	Leases	Rigs capable of working economically	Leases per rig
20 to 60	33	23	1½
60 to 100	66	11	6
100 to 250	172	19	9
250 +	14	6	2

The above would indicate the best area to have rigs is the 100 to 250 area.

However, more development drilling in shallow water may be done from mobile rigs as opposed to fixed platforms.

As we found out last time we did this, it is pointless to try and figure the number of holes that will be drilled by 1967. Some leases will have several wells drilled on them, some none at all.

Of the 19 rigs designed primarily for the 100 to 250 foot depth area, only 6 are now at work. Most of these started recently. Thus, the most favorable relationship will very likely exist in this area.

The above figures are very approximate and arbitrary as to which rigs can work where economically.

Bob Gow
Bob Cossum

sh

BRUCE S. GELB
1290 AVENUE OF THE AMERICAS
ROCKEFELLER CENTER
NEW YORK 19, N. Y.

April 7, 1965

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

Dear Poppy:

Thanks for the note about what happened on the drilling deal. It just serves us right for being unavailable at the key moment. Unfortunately, the time lapse between getting the basic details from Pres into the hands of our attorneys for their questions and then back to you was just too slow under the circumstances that were operating. Our experience in the past has been that from the inital announcement of a possible deal to its completion, at least several weeks went by before the deal was wrapped up.

In any case, we are sorry we didn't get a little bit more deeply into this one and will certainly want to be alerted if you have additional situations that you might think would be interesting for us.

I passed on both your letter and best regards to Dick.

Very sincerely,

Bruce

BSG/hmm *Bruce S. Gelb*

April 1, 1965

Dear Bruce,

We have had a foul-up on our drilling deal. Pressie told me that he mentioned it to you and I thought he said you were out of town when I was in New York.

In any event, we talked to several oil companies about the syndicate, and I would say that the interest is such at this time that we must consider the deal closed.

It could be that the companies will not come along with us on the deal, but when your attorney called today, I did not want to run your meter up with your law firm by going into a lot of details under these circumstances.

I am sorry to have missed you on my trip. Please give my best to Dick.

Yours very truly,

George H. W. Bush

Mr. Bruce Gelb
1290 Avenue of the Americas
Rockefeller Center
New York 19, New York
GB:as

April 7, 1965

Dear Cap,

I received the attached letter from Leon Hess with an analysis someone in his office did on our deal. I wrote him the answers which I am attaching also.

We are encouraged about where the deal stands and it looks like General Crude is going to take about a quarter of it. Amarillo Oil Company has indicated they will join us and so has Kirby Petroleum.

We are confident of getting the deal over in time though we would like very much to have Hess involved. Quite candidly, I think Hess' man spent a hell of a lot of time worrying about what was in it for us and very little time thinking about whether it was a good deal for Hess.

Most of the objections that he raised were of the nit-picking variety although certainly the question about whether farmouts are available is a good point. I happen to think he's wrong, but if he feels good farmouts might not be available this is a real good reason to stay out.

I send this along not in a quest of an answer or even any help with Hess but since you were good enough to take us over there, I did want you to know where the matter stood.

Best regards,

George H. W. Bush

Mr. T. Reiber
Barber Oil Corporation
30 Rockefeller Plaza
New York 20, New York
GB:as

Telefax WESTERN UNION Telefax

409P CST MAR 30 65 DD372

D AMA416 PD AMARILLO TEX 30 349P CST

GEORGE H W BUSH

ZAPATA-OFF-SHORE CO 1701 HOUSTON CLUB BLDG HOU

FRIDAY DATE WILL BE OKAY WITH US. EXPECT TO SEE YOU AROUND 11:45 FRIDAY

ED MORRIS

11:45

(06).

1965 MAR 30 PM 4 39

1270 (1-51)

Telefax WESTERN UNION *Telefax*

SENDING BLANK

CALL LETTERS T.D.W. 3-30-65 CHARGE TO ZAPATA OFF-SHORE COMPANY

10:10 AM

ED MORRIS
AMARILLO OIL COMPANY
VAUGHN BLDG.
AMARILLO, TEXAS

WOULD IT BE OK TO SEE YOU FRIDAY. WE COULD BE IN YOUR OFFICE AROUND 11:45 A.M. HOW ABOUT LUNCH AND A VISIT AFTER?

GEORGE BUSH

OK rec from Mr Morris 3/30 afternoon

Kay

Send the above message, subject to the terms on back hereof, which are hereby agreed to

PLEASE TYPE OR WRITE PLAINLY WITHIN BORDER—DO NOT FOLD

1269—(R 4-55)

2 persons

Friday
Lv Hou	Arr Amer
7:20AM 10:43AM	Cont 211 (2 stops)
7:35 AM 10:44AM	Braniff Jet 20 + 160 Electra

Lv SA	Arr Hou
10:43 pm – 11:44 pm	Tran T.441
12:05 "	12:45 "	Amer 162
12:35 "	1:13 "	Cont

Off to Midland Texas

Change

Hou - Amarillo - ~~San A~~

Thurs (Ablair

Lv Hou	Arr Dls	Lv Dls	Arr Amar
2 pm	2:55	4:45	6:52 pm
or			
5 pm	5:49	6:25	8:19 pm

Fri

Lv Amar	Arr Dls	Lv Dls	Arr SA
11:15 AM	2:10	2:55	3:46 pm
or			
UB 4:15 pm	5:17	5:50	6:50 pm

+ Chambers

Braniff 1 A

March 29, 1965

Dear Patsy and Scotty,

Barbara won't be able to come to your party on April 2nd. I am going to try.

I may have to go to the Panhandle this week, and, if I do, I will try to plan it so I can be in San Antonio Friday night. The fancy engraved invitation intrigued me!

Love to all the Lights,

Patsy & Scotty Light
honoring
Billie Rae & George
Light III
Cocktail supper

R.S.V.P.
if
declining
TA45914

Friday
April 2
7:30
300 Argyle

March 30, 1965

Dear Hayden,

Here's the brochure that we mentioned. There are certain flexibilities to all of this and all the details can be finalized only after we find out who the partners are going to be.

We have had good interest from oil companies, most of whom are thinking in terms of $500,000 a year or thereabouts.

I hope this idea appeals to you. If so, let's get together and discuss it.

Yours very truly,

George H. W. Bush

Mr. C. H. Atchison
Coastal States Gas
Drawer 521
Corpus Christi, Texas
GB:as

Offshore Drilling Equip'

Bethlehem Steel Corporation
Beaumont, Texas

Design Project E-1419
Mobile Drilling Platform

Specifications
JCE:nas 3-4-65

SECTION 73 - OWNER-FURNISHED EQUIPMENT

The Builder will install aboard the unit all items of equipment furnished by the Owner and listed below. The Builder will be responsible for the insurance, storing, and handling of this equipment after delivery to the shipyard.

1. One (1) 140' Lee C. Moore Derrick (Builder will furnish foundation and provide crane service for Owner's crew to erect derrick.)
2. One (1) drawworks with DC motors complete with 60" hydramatic brake and standpipe and driller's cotrol console for electric remote operation of DC generator engines, speed control and motor contorl of all DC equipment and sand reel.
3. One (1) rotary with DC motor and with chain drive from drawworks
4. One (1) Payne blow-out preventer unit with remote control stand
5. One (1) deadline anchor
6. One (1) degasser
7. Two (2) mud pumps each with two DC motors, skid mounted
8. Two (2) DC generator sets - driven by diesel engines, skid mounted
9. Two (2) 500 KW AC generator sets - driven by diesel engines, skid mounted
10. One (1) shale shaker AC motor driven
11. One (1) Swaco Desander
12. One (1) reel drill line
13. Three (3) mud agitators
14. One (1) 6 x 8 Mission mud mixing pump
15. Two (2) 2 x 3 Mission drilling water pumps
16. One (1) Halliburton Cementing Unit with DC motors
17. One (1) Schlumberger Unit
18. One (1) distiller
19. Derrick lighting string with panel
20. All miscellaneous drilling equipment (B.O.P, kelley, blocks, etc.)

Bethlehem Steel Corporation
Beaumont, Texas

Design Project E-1419
Mobile Drilling Platform

Specifications
JCE:nas 3-4-65

21. Halliburton Bulk Material Handling System complete with tanks and machinery

22. Linens and bedding (except mattresses)

23. China and flatware

24. Glassware

25. Cooking utensils and cutlery

26. Carpets and rugs

27. Curtains and drapes (except shower curtain)

28. Venetian blinds

29. Spare parts

30. Hawsers and towing gear

31. Hand tools

32. Gas masks (if required)

33. Consumables

34. Tool joints and pipe for pipe rack barriers

35. Television set and antenna

36. Radiotelephone with antenna

37. Single side band radio with antenna

38. Piping and fittings as required for piping of skid unit

39. Plugs and/or connections for D.C. electric cable

40. Motor or engine drives for all Owner-furnished equipment

41. Motor controllers for all Owner-furnished motors

42. Welding machine with receptacles

43. Barometer

44. Wind speed and direction indicating system

45. Engine alarm panels

Offshore Syndicate

3/24

918 -
Federal 6-8000
Mr. Price w/give me ring when
gets his delivered
AR

March 23, 1965

Dear Mr. Price,

We put a message on the Teletype to New York to let Mr. Bush know of your plans for coming into Houston on Wednesday night, so he will be expecting you.

I'm sure you will be hearing from him. Thanks very much for calling.

Sincerely,

Mrs. Hargrove Smith
Secretary

Mr. Harold C. Price, Jr.
P. O. Box 1111
Bartlesville, Okla.

Mal Kathner
Bob Cossum
also Mr. Gardner

talked with
Mr. Price 3-25-65

AR

Mar 23, 1965
2 Pm

G H WALKER & CO NY GAPLS

CALLING MR GEORGE BUSH

HAROLD PRICE AND ELMER GALLERY OF BARTLESVILLE COMING INTO HOUSTON WEDNESDAY NIGHT. WOULD LIKE TO TALK TO YOU THURSDAY MORNING. THEY WILL BE AT SHERATON LINCOLN HOTEL IN HOUSTON

PLEASE GIVE THIS MESSAGE TO GEORGE BUSH

END

OK TKS T

Mar 23, 1965
2 Pm

G H WALKER & CO NY GAPLS

CALLING MR GEORGE BUSH

HAROLD PRICE AND ELMER GALLERY OF BARTLESVILLE COMING INTO HOUSTON WEDNESDAY NIGHT. WOULD LIKE TO TALK TO YOU THURSDAY MORNING. THEY WILL BE AT SHERATON LINCOLN HOTEL IN HOUSTON

PLEASE GIVE THIS MESSAGE TO GEORGE BUSH

END

OK TKS T

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

GEORGE H. W. BUSH
CHAIRMAN OF THE BOARD

Noon Wed.

Gerold -

so solly -

I had not sent these

This is all very preliminary

The rig deal is being worked out by Arthur Andersen so that the investors can take advantage of the investment credit.

Eventually will have graphs (showing how you will win) colored maps, projections etc.

Best Regards,

George

March 17, 1965

Dear Harold,

With reference to our 'phone conversation of day before yesterday, maybe when you come to Houston Friday, you will have one extra minute. If so, could you call Fred Chambers?

He offices up here with Zapata and he is our partner in the offshore syndicate deal which I mentioned to you. He can explain what we are thinking about in more detail.

Best regards,

George H. W. Bush

Mr. Harold C. Price, Jr.
P. O. Box 1111
Bartlesville, Okla.

GB:as

P. S. I'm sorry I'll be out of town. Barbara and I are going East for a wedding, leaving Thursday night.

Offshore Syndicate

March 23, 1965

Dear Mr. Kilpatrick,

Mr. Bush is in New York. I know he will be glad to have your March 22nd letter when he returns to the office. He is expected back on Thursday.

Sincerely,

Mrs. Hargrove Smith
Secretary

Mr. M. E. Kilpatrick
Kilpatrick, Cody, Rogers, McClatchey
& Regenstein
Hurt Building
Atlanta, Georgia 30303

March 22, 1965

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

Dear George:

Delay in acknowledging your letter of March 11 was due to a number of out-of-town engagements.

I forwarded Anne Chambers a copy of your letter and have chatted with her briefly since then. She is to be in my office on some other business within the next ten days to two weeks, at which time I will promptly call you with reference to the commitment which she will make for the first twelve months.

Mary Hurt joins me in best regards to you and Barbara.

Yours,

M. E. Kilpatrick

MEK:r

March 11, 1965

Dear Buster,

I had a nice visit with Garner Anthony in Honolulu. Unfortunately, I did not get a chance to meet Barbie as she had gone over to their ranch on the island of Hawaii.

Garner pointed out to me that they have slightly different problems than the Chambers' since they do get a considerable charge-off from their cattle operation; however, he did indicate they might like to join us in some kind of drilling operation.

I am now back and we are in the process of finalizing some more definite plans for this drilling arrangement.

The offshore business continues to increase in popularity and more and more independents are trying to get in there. Our current thinking is that we ought to concentrate heavily on the prospects offshore. These are the big reserves and the ones that would really mean something if we should hit.

We are currently formulating a plan in which we would love to have you and Ann and others participate. It's almost identical to what I talked to you about in Atlanta but with one additional twist and that is that it would involve an offshore drilling rig. The participants would have little at risk on this since our Company would guarantee to buy the rig back in three years. The rig would generate a little bit of profit during these three years and a substantial amount of depreciation so you would have no adverse tax consequences, but it would provide the wherewithal to do this drilling.

The drilling rig situation is so tight in the Gulf that absolutely no equipment is available. This will give us the inside track toward better deals, we feel. In any event, I am anxious to know what the Anthonys decide and whether the Chambers have decided they would like to participate.

There is no rush as far as we're concerned, but we will be putting something more firmly together in the near future and I really believe that if they are inclined to participate in the oil business, this could prove to be a good vehicle.

I read with interest about the Frito-Lay merger and I think I detected the fine hand of one M. E. Kilpatrick in the overall process.

My 'round-the-world trip was most interesting. I think we have a reasonably good chance to get into Iran and we have just recently worked out a deal to move one of our rigs from the Persian Gulf to Tunisia. Not much else for now, and don't have this on your mind but when you do get a chance to sit down with the Anthonys and Chambers', I would be interested to know what their latest thinking is. Incidentally, the Anthonys plan to be in Houston for a cattle sale. I am wondering if perhaps this would tie in with one of your visits to Dallas and we could all get together for an evening over here.

Best regards.

Yours very truly,

George Bush

Mr. M. E. Kilpatrick
Smith, Kilpatrick, Cody, Rogers & McClatchey
Hurt Building
Atlanta 3, Georgia
GB:as

Drilling Syndicate

March 26, 1965

CFC + GB
to Amarillo
4-2-65
11:45 AM

AB

Dear Mr. Morris,

Thanks very much for your letter of March 22nd regarding the drilling program about which George Bush wrote you on March 17th.

George is in California today, but is expected to be back in the office Monday. We will be in touch with you the first of next week about getting together with you and Mr. Cox.

Best regards,

C. Fred Chambers

Mr. E. S. Morris, Vice President
Amarillo Oil Company
P. O. Box 151
Amarillo, Texas
CFC:as

AMARILLO OIL COMPANY

P. O. BOX 151

AMARILLO, TEXAS

RECEIVED

MAR 25 1965

E. S. MORRIS
Vice President

March 22, 1965

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

Dear George:

I received your letter of March 17, regarding your proposed Offshore Limited Partnership arrangement, and frankly, we are intrigued with the idea.

We are enough interested in your proposal that we would like to visit with you and Fred Chambers at your convenience. If you could arrange to come up, Art and I would both be available anytime this week except Friday, or we would be available all of next week. If you will let us know when you can come up we will make our plans accordingly.

Best Personal Regards,

Ed

E. S. Morris

ESM/cb

March 17, 1965

Dear Ed,

Attached is a letter which will explain the drilling program that we are working on in conjunction with Chambers & Kennedy.

I believe that it's a new and interesting idea and that it provides a way in which independent oil companies can participate in the offshore area. As you may know, the equipment situation has gotten tremendously tight, but with this built-in feature of a drilling rig I think we'll be able to attract some excellent farmouts.

I realize that all companies don't want to get into owning drilling rigs, but in this particular case Zapata guarantees to buy the rig back after three years and during the three years the rig will generate a profit. If a person wants to participate in the drilling but not in the rig, this can be easily arranged, too, since the rig deal is set up to be a profit-making venture and would stand on its own two feet.

The carried interest referred to in the attached letter is a carried interest to the casing point on the first well only.

Zapata is going to put in about $300,000 a year for three years and we would like very much to interest your company in a participation of approximately this size. It could be less or it could be more depending on your needs.

We are preparing some additional material on this and if you are at all interested, Fred Chambers and I would like to fly up to Amarillo to talk to you and Art Cox about it. We think we've got good, capable geologists and I'm confident that we've got the know-how to operate efficiently offshore.

I regret that this information is so sketchy but we are just trying to put this thing together. We'd love to have you in it and I certainly would love to have an excuse to get back out to Amarillo. Think about it and let me know.

Best regards,

George H. W. Bush

Mr. Ed Morris, Exec. Vice President
Amarillo Oil Company
Vaughn Bldg.
Amarillo, Texas
GB:as

March 15, 1965

Dear Mr. Reiber,

Politics have subsided and I'm now back in the offshore drilling business which, incidentally, is booming along at a pretty fair clip.

Along with Chambers & Kennedy, we are putting together an off-shore deal which could possibly interest Barber Oil Company. We have talked to others about it.

Attached is a very brief summary of what we are thinking about.

We'll be in New York the week of March 22nd and I certainly would like to drop by to talk to you about it if you think you might have any interest. What we'd like to do is get four or five smaller companies together and try this project. It wouldn't cost any one company very much and I think we could find some good reserves, especially with the call on the rig built into the deal.

I realize that Barber and people like that don't want to be in the rig business but, on this basis, wherein Zapata arranges the financing and guarantees to buy the rig back, I think it should be OK.

The rig itself will generate a profit over the three years, using the syndicate's drilling money and at the end of this time, we will be firmly obligated to buy the rig back at depreciated cost.

The offshore play has turned around completely and I can't help but feel that more and more groups of independents will be formed to participate in it. If you have any interest at all, I would love to discuss this with you in New York. I'll be up there during the week of March 22nd with Fred Chambers.

In any event, warmest regards to you.

Yours very truly,

George H. W. Bush

Mr. T. Reiber
Barber Oil ~~Company~~ Corp
30 Rockefeller Plaza
New York 20, N. Y.

Zapata will arrange the financing on the drilling rig---approximately 60% will be financed with the balance being put up by the partners.

I am convinced that the program has tremendous potential. More and more independents are attempting to get into the offshore play, and I think this vehicle is a good answer. We have good experienced oil finders involved. Chambers & Kennedy have many years of experience as successful independent oil men and we also have a sound offshore operating organization.

This 2nd pg to Charlie Bell

March 15, 1965

Dear Pres,

Here's the type of thing we're talking about in our drilling syndicate. It's an unusual deal and I think it's going to be a popular one.

In terms of participation, we're thinking of $100,000 a year minimum, possibly $50,000. I'll talk to you about this when we come up.

Best regards,

Mr. P. S. Bush, Jr.
Johnson & Higgins
63 Wall Street
New York, N. Y.
GB:as

March 15, 1965

Dear Tommy,

After a period of readjustment from the campaign, I'm now back at work in the offshore business and things are pretty interesting.

I have just come back from a five-week 'round-the-world business trip and it is amazing to see how the offshore drilling business is spreading in various parts of the world. Our company is drilling now in several foreign countries.

The purpose of this letter is to determine if, through your relationship with the Duke interests, you might know of anybody who might be interested in participating in a rather substantial offshore drilling syndicate.

I am attaching a very general letter which explains what we have in mind. Zapata plans to put in about $300,000 a year along with the investors.

I am convinced that the best remaining place to find large reserves, and, for that matter, to spend tax money is in the offshore area. Due to the tight nature of equipment now, we will have to build a rig but the partners will not be obligated to participate in this phase of the program. They should do it, however, since it will generate profit and since Zapata will give a firm buy-back to get them out of the drilling business.

I plan to be in New York the week of March 22nd for three or four days staying at the Yale Club and if, by some chance, you felt there would be any interest in this type of program, I'd love to come over and talk to you about it. I recognize that this is strictly a long shot, but I did think I'd drop you a line to see what your feelings might be.

Hope this letter finds you well, and I'm looking forward to seeing you, if not during the week of the 22nd, at the next Andover trustees meeting.

Best regards,

George H. W. Bush

Mr. Thomas L. Perkins
Perkins, Daniels & McCormack
30 Rockefeller Plaza
New York 20, N. Y.

Addresses filled in on offshore deal letters:

3-15-65

Jeremiah Milbank
44 Wall St.
New York 5, N. Y.
Dear Jerry

Godfrey Rockefeller
Zacchus Mead Lane
Greenwich, Conn.
Dear Mr.

Albert H. Gordon
~~10 Gracie Square~~ 20 Exchange Place
New York, N. Y.
Dear Mr.

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

GEORGE H. W. BUSH
CHAIRMAN OF THE BOARD

March 11, 1965

Zapata has decided to step up its own participation in offshore drilling deals---deals in which we take farmouts and drill more for our own account. We have joined forces with Chambers & Kennedy to pursue this program. As you may know, the interest in offshore oil has become so acute that there is a real shortage of equipment available for deals.

We have come up with a plan under which Zapata and some partners can participate more extensively in the offshore play. Basically, it boils down as follows:

1. We will form a limited partnership which will put up $2 Million to $3 Million per year for three years. This money will go into drilling projects, most of which will be located in the offshore area.

2. To guarantee availability of an offshore rig, the partnership will put up the equity money and Zapata will arrange the financing on the rig. Zapata will agree to purchase the rig from the partnership at depreciated cost at the end of three years. During the three years, profit will be generated but this income can be "drilled off" during those years in the drilling program. The work generated by the partnership plus Zapata's repurchase agreement insure the full return of this money.

3. Zapata and Chambers & Kennedy will act as general partners receiving a 25% carried interest to the casing point on the first well in each prospect. There will be a 10% overhead charge to compensate Zapata-Chambers & Kennedy for operation and exploration overhead expenses. We will also put up 10% of the drilling money and 10% of the drilling rig money. In other words, our money will be in the deal side by side with the other partners.

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

GEORGE H. W. BUSH
CHAIRMAN OF THE BOARD

March 11, 1965

Zapata has decided to step up its own participation in offshore drilling deals---deals in which we take farmouts and drill more for our own account. We have joined forces with Chambers & Kennedy to pursue this program. As you may know, the interest in offshore oil has become so acute that there is a real shortage of equipment available for deals.

We have come up with a plan under which Zapata and some partners can participate more extensively in the offshore play. Basically, it boils down as follows:

1. We will form a limited partnership which will put up $2 Million to $3 Million per year for three years. This money will go into drilling projects, most of which will be located in the offshore area.

2. To guarantee availability of an offshore rig, the partnership will put up the equity money and Zapata will arrange the financing on the rig. Zapata will agree to purchase the rig from the partnership at depreciated cost at the end of three years. During the three years, profit will be generated but this income can be "drilled off" during those years in the drilling program. The work generated by the partnership plus Zapata's repurchase agreement insure the full return of this money.

3. Zapata and Chambers & Kennedy will act as general partners receiving a 25% carried interest to the casing point on the first well in each prospect. There will be a 10% overhead charge to compensate Zapata-Chambers & Kennedy for operation and exploration overhead expenses. We will also put up 10% of the drilling money and 10% of the drilling rig money. In other words, our money will be in the deal side by side with the other partners.

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

GEORGE H. W. BUSH
CHAIRMAN OF THE BOARD

March 11, 1965

Zapata has decided to step up its own participation in offshore drilling deals---deals in which we take farmouts and drill more for our own account. We have joined forces with Chambers & Kennedy to pursue this program. As you may know, the interest in offshore oil has become so acute tha t there is a real shortage of equipment available for deals.

We have come up with a plan under which Zapata and some partners can participate more extensively in the offshore play. Basically, it boils down as follows:

1. We will form a limited partnership which will put up $2 Million to $3 Million per year for three years. This money will go into drilling projects, most of which will be located in the offshore area.

2. To guarantee availability of an offshore rig, the partnership will put up the equity money and Zapata will arrange the financing on the rig. Zapata will agree to purchase the rig from the partnership at depreciated cost at the end of three years. During the three years, profit will be generated but this income can be "drilled off" during those years in the drilling program. The work generated by the partnership plus Zapata's repurchase agreement insure the full return of this money.

3. Zapata and Chambers & Kennedy will act as general partners receiving a 25% carried interest to the casing point on the first well in each prospect. There will be a 10% overhead charge to compensate Zapata-Chambers & Kennedy for operation and exploration overhead expenses. We will also put up 10% of the drilling money and 10% of the drilling rig money. In other words, our money will be in the deal side by side with the other partners.

ZAPATA OFF-SHORE COMPANY

1701 HOUSTON CLUB BUILDING

HOUSTON, TEXAS 77002

GEORGE H. W. BUSH

CHAIRMAN OF THE BOARD

March 11, 1965

Zapata has decided to step up its own participation in offshore drilling deals---deals in which we take farmouts and drill more for our own account. We have joined forces with Chambers & Kennedy to pursue this program. As you may know, the interest in offshore oil has become so acute that there is a real shortage of equipment available for deals.

We have come up with a plan under which Zapata and some partners can participate more extensively in the offshore play. Basically, it boils down as follows:

1. We will form a limited partnership which will put up $2 Million to $3 Million per year for three years. This money will go into drilling projects, most of which will be located in the offshore area.

2. To guarantee availability of an offshore rig, the partnership will put up the equity money and Zapata will arrange the financing on the rig. Zapata will agree to purchase the rig from the partnership at depreciated cost at the end of three years. During the three years, profit will be generated but this income can be "drilled off" during those years in the drilling program. The work generated by the partnership plus Zapata's repurchase agreement insure the full return of this money.

3. Zapata and Chambers & Kennedy will act as general partners receiving a 25% carried interest to the casing point on the first well in each prospect. There will be a 10% overhead charge to compensate Zapata-Chambers & Kennedy for operation and exploration overhead expenses. We will also put up 10% of the drilling money and 10% of the drilling rig money. In other words, our money will be in the deal side by side with the other partners.

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

GEORGE H. W. BUSH
CHAIRMAN OF THE BOARD

March 11, 1965

Zapata has decided to step up its own participation in offshore drilling deals---deals in which we take farmouts and drill more for our own account. We have joined forces with Chambers & Kennedy to pursue this program. As you may know, the interest in offshore oil has become so acute that there is a real shortage of equipment available for deals.

We have come up with a plan under which Zapata and some partners can participate more extensively in the offshore play. Basically, it boils down as follows:

1. We will form a limited partnership which will put up $2 Million to $3 Million per year for three years. This money will go into drilling projects, most of which will be located in the offshore area.

2. To guarantee availability of an offshore rig, the partnership will put up the equity money and Zapata will arrange the financing on the rig. Zapata will agree to purchase the rig from the partnership at depreciated cost at the end of three years. During the three years, profit will be generated but this income can be "drilled off" during those years in the drilling program. The work generated by the partnership plus Zapata's repurchase agreement insure the full return of this money.

3. Zapata and Chambers & Kennedy will act as general partners receiving a 25% carried interest to the casing point on the first well in each prospect. There will be a 10% overhead charge to compensate Zapata-Chambers & Kennedy for operation and exploration overhead expenses. We will also put up 10% of the drilling money and 10% of the drilling rig money. In other words, our money will be in the deal side by side with the other partners.

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

GEORGE H. W. BUSH
CHAIRMAN OF THE BOARD

March 11, 1965

Zapata has decided to step up its own participation in offshore drilling deals---deals in which we take farmouts and drill more for our own account. We have joined forces with Chambers & Kennedy to pursue this program. As you may know, the interest in offshore oil has become so acute that there is a real shortage of equipment available for deals.

We have come up with a plan under which Zapata and some partners can participate more extensively in the offshore play. Basically, it boils down as follows:

1. We will form a limited partnership which will put up $2 Million to $3 Million per year for three years. This money will go into drilling projects, most of which will be located in the offshore area.

2. To guarantee availability of an offshore rig, the partnership will put up the equity money and Zapata will arrange the financing on the rig. Zapata will agree to purchase the rig from the partnership at depreciated cost at the end of three years. During the three years, profit will be generated but this income can be "drilled off" during those years in the drilling program. The work generated by the partnership plus Zapata's repurchase agreement insure the full return of this money.

3. Zapata and Chambers & Kennedy will act as general partners receiving a 25% carried interest to the casing point on the first well in each prospect. There will be a 10% overhead charge to compensate Zapata-Chambers & Kennedy for operation and exploration overhead expenses. We will also put up 10% of the drilling money and 10% of the drilling rig money. In other words, our money will be in the deal side by side with the other partners.

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

GEORGE H. W. BUSH
CHAIRMAN OF THE BOARD

March 11, 1965

Zapata has decided to step up its own participation in offshore drilling deals---deals in which we take farmouts and drill more for our own account. We have joined forces with Chambers & Kennedy to pursue this program. As you may know, the interest in offshore oil has become so acute that there is a real shortage of equipment available for deals.

We have come up with a plan under which Zapata and some partners can participate more extensively in the offshore play. Basically, it boils down as follows:

1. We will form a limited partnership which will put up $2 Million to $3 Million per year for three years. This money will go into drilling projects, most of which will be located in the offshore area.

2. To guarantee availability of an offshore rig, the partnership will put up the equity money and Zapata will arrange the financing on the rig. Zapata will agree to purchase the rig from the partnership at depreciated cost at the end of three years. During the three years, profit will be generated but this income can be "drilled off" during those years in the drilling program. The work generated by the partnership plus Zapata's repurchase agreement insure the full return of this money.

3. Zapata and Chambers & Kennedy will act as general partners receiving a 25% carried interest to the casing point on the first well in each prospect. There will be a 10% overhead charge to compensate Zapata-Chambers & Kennedy for operation and exploration overhead expenses. We will also put up 10% of the drilling money and 10% of the drilling rig money. In other words, our money will be in the deal side by side with the other partners.

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

GEORGE H. W. BUSH
CHAIRMAN OF THE BOARD

March 11, 1965

Zapata has decided to step up its own participation in offshore drilling deals---deals in which we take farmouts and drill more for our own account. We have joined forces with Chambers & Kennedy to pursue this program. As you may know, the interest in offshore oil has become so acute that there is a real shortage of equipment available for deals.

We have come up with a plan under which Zapata and some partners can participate more extensively in the offshore play. Basically, it boils down as follows:

1. We will form a limited partnership which will put up $2 Million to $3 Million per year for three years. This money will go into drilling projects, most of which will be located in the offshore area.

2. To guarantee availability of an offshore rig, the partnership will put up the equity money and Zapata will arrange the financing on the rig. Zapata will agree to purchase the rig from the partnership at depreciated cost at the end of three years. During the three years, profit will be generated but this income can be "drilled off" during those years in the drilling program. The work generated by the partnership plus Zapata's repurchase agreement insure the full return of this money.

3. Zapata and Chambers & Kennedy will act as general partners receiving a 25% carried interest to the casing point on the first well in each prospect. There will be a 10% overhead charge to compensate Zapata-Chambers & Kennedy for operation and exploration overhead expenses. We will also put up 10% of the drilling money and 10% of the drilling rig money. In other words, our money will be in the deal side by side with the other partners.

I am convinced that the program has tremendous potential. More and more independents are attempting to get into the offshore play, and I think this vehicle is a good answer. We have good experienced oil finders involved. Chambers & Kennedy have many years of experience as successful independent oil men, and we also have a sound offshore operating organization.

This, then, is the plan. Fred Chambers and I would like very much to come by your office during the week of March 22nd if you think you might have any interest in participating in this type of venture. We are thinking in terms of fairly substantial commitments so as not to have too large a group of partners. I really feel this is a most unusual oil venture, and I hope it will fit your picture.

Very truly yours,

George H. W. Bush

I am convinced that the program has tremendous potential. More and more independents are attempting to get into the offshore play, and I think this vehicle is a good answer. We have good experienced oil finders involved. Chambers & Kennedy have many years of experience as successful independent oil men, and we also have a sound offshore operating organization.

This, then, is the plan. Fred Chambers and I would like very much to come by your office during the week of March 22nd if you think you might have any interest in participating in this type of venture. We are thinking in terms of fairly substantial commitments so as not to have too large a group of partners. I really feel this is a most unusual oil venture, and I hope it will fit your picture.

Very truly yours,

George H. W. Bush

I am convinced that the program has tremendous potential. More and more independents are attempting to get into the offshore play, and I think this vehicle is a good answer. We have good experienced oil finders involved. Chambers & Kennedy have many years of experience as successful independent oil men;, and we also have a sound offshore operating organization.

This, then, is the plan. Fred Chambers and I would like very much to come by your office during the week of March 22nd if you think you might have any interest in participating in this type of venture. We are thinking in terms of fairly substantial commitments so as not to have too large a group of partners. I really feel this is a most unusual oil venture, and I hope it will fit your picture.

Very truly yours,

George H. W. Bush

I am convinced that the program has tremendous potential. More and more independents are attempting to get into the offshore play, and I think this vehicle is a good answer. We have good experienced oil finders involved. Chambers & Kennedy have many years of experience as successful independent oil men, and we also have a sound offshore operating organization.

This, then, is the plan. Fred Chambers and I would like very much to come by your office during the week of March 22nd if you think you might have any interest in participating in this type of venture. We are thinking in terms of fairly substantial commitments so as not to have too large a group of partners. I really feel this is a most unusual oil venture, and I hope it will fit your picture.

Very truly yours,

George H. W. Bush

I am convinced that the program has tremendous potential. More and more independents are attempting to get into the offshore play, and I think this vehicle is a good answer. We have good experienced oil finders involved. Chambers & Kennedy have many years of experience as successful independent oil men, and we also have a sound offshore operating organization.

This, then, is the plan. Fred Chambers and I would like very much to come by your office during the week of March 22nd if you think you might have any interest in participating in this type of venture. We are thinking in terms of fairly substantial commitments so as not to have too large a group of partners. I really feel this is a most unusual oil venture, and I hope it will fit your picture.

Very truly yours,

George H. W. Bush

I am convinced that the program has tremendous potential. More and more independents are attempting to get into the offshore play, and I think this vehicle is a good answer. We have good experienced oil finders involved. Chambers & Kennedy have many years of experience as successful independent oil men, and we also have a sound offshore operating organization.

This, then, is the plan. Fred Chambers and I would like very much to come by your office during the week of March 22nd if you think you might have any interest in participating in this type of venture. We are thinking in terms of fairly substantial commitments so as not to have too large a group of partners. I really feel this is a most unusual oil venture, and I hope it will fit your picture.

Very truly yours,

George H. W. Bush

In am convinced that the program has tremendous potential. More and more independents are attempting to get into the offshore play, and I think this vehicle is a good answer. We have good experienced oil finders involved. Chambers & Kennedy have many years of experience as successful independent oil men, and we also have a sound offshore operating organization.

This, then, is the plan. Fred Chambers and I would like very much to come by your office during the week of March 22nd if you think you might have any interest in participating in this type of venture. We are thinking in terms of fairly substantial commitments so as not to have too large a group of partners. I really feel this is a most unusual oil venture, and I hope it will fit your picture.

Very truly yours,

George H. W. Bush

I am convinced that the program has tremendous potential. More and more independents are attempting to get into the offshore play, and I think this vehicle is a good answer. We have good experienced oil finders involved. Chambers & Kennedy have many years of experience as successful independent oil men, and we also have a sound offshore operating organization.

This, then, is the plan. Fred Chambers and I would like very much to come by your office during the week of March 22nd if you think you might have any interest in participating in this type of venture. We are thinking in terms of fairly substantial commitments so as not to have too large a group of partners. I really feel this is a most unusual oil venture, and I hope it will fit your picture.

Very truly yours,

George H. W. Bush

I am convinced that the program has tremendous potential. More and more independents are attempting to get into the offshore play, and I think this vehicle is a good answer. We have good experienced oil finders involved. Chambers & Kennedy have many years of experience as successful independent oil men, and we also have a sound offshore operating organization.

This, then, is the plan. Fred Chambers and I would like very much to come by your office during the week of March 22nd if you think you might have any interest in participating in this type of venture. We are thinking in terms of fairly substantial commitments so as not to have too large a group of partners. I really feel this is a most unusual oil venture, and I hope it will fit your picture.

Very truly yours,

George H. W. Bush

I am convinced that the program has tremendous potential. More and more independents are attempting to get into the offshore play, and I think this vehicle is a good answer. We have good experienced oil finders involved. Chambers & Kennedy have many years of experience as successful independent oil men, and we also have a sound offshore operating organization.

This, then, is the plan. Fred Chambers and I would like very much to come by your office during the week of March 22nd if you think you might have any interest in participating in this type of venture. We are thinking in terms of fairly substantial commitments so as not to have too large a group of partners. I really feel this is a most unusual oil venture, and I hope it will fit your picture.

Very truly yours,

George H. W. Bush

I am convinced that the program has tremendous potential. More and more independents are attempting to get into the offshore play, and I think this vehicle is a good answer. We have good experienced oil finders involved. Chambers & Kennedy have many years of experience as successful independent oil men, and we also have a sound offshore operating organization.

This, then, is the plan. Fred Chambers and I would like very much to come by your office during the week of March 22nd if you think you might have any interest in participating in this type of venture. We are thinking in terms of fairly substantial commitments so as not to have too large a group of partners. I really feel this is a most unusual oil venture, and I hope it will fit your picture.

Very truly yours,

George H. W. Bush

I am convinced that the program has tremendous potential. More and more independents are attempting to get into the offshore play, and I think this vehicle is a good answer. We have good experienced oil finders involved. Chambers & Kennedy have many years of experience as successful independent oil men, and we also have a sound offshore operating organization.

This, then, is the plan. Fred Chambers and I would like very much to come by your office during the week of March 22nd if you think you might have any interest in participating in this type of venture. We are thinking in terms of fairly substantial commitments so as not to have too large a group of partners. I really feel this is a most unusual oil venture, and I hope it will fit your picture.

Very truly yours,

George H. W. Bush

I am convinced that the program has tremendous potential. More and more independents are attempting to get into the offshore play, and I think this vehicle is a good answer. We have good experienced oil finders involved. Chambers & Kennedy have many years of experience as successful independent oil men, and we also have a sound offshore operating organization.

This, then, is the plan. Fred Chambers and I would like very much to come by your office during the week of March 22nd if you think you might have any interest in participating in this type of venture. We are thinking in terms of fairly substantial commitments so as not to have too large a group of partners. I really feel this is a most unusual oil venture, and I hope it will fit your picture.

Very truly yours,

George H. W. Bush

MARCH, 1965, TRIP
NEW YORK-SAN FRANCISCO-LOS ANGELES

March 18:	To New York, Dinner Yale Club.	
March 19:	New York City:	Breakfast - T. Devine Lunch - J. Bush A.M. - G. H. Walker, Jr. P.M. - Hartford, personal.
March 20:	Hartford	
March 21:	New York City:	Dinner, Links.
March 22:	" " "	Breakfast, T. Devine A.M., Porter Brinton Lunch, Links, Spalding & St. Phalle Dinner, Links, P. S. Bush, Jr., with Fogarty, T.G.S.; Mac Baldrige, Scoville; Bill Whitten, Dean Witter & Co.; P.M. Barber Oil Co., Reiber; Durbin, President; Ken Rush, Exec Vice Pres, Union Carbide; Bill Pelley, Bank Trust Co., 280 Park Avenue.
March 23:	New York City:	Breakfast, G. B. & C. F. C. A.M., T.J.D.; Minary, J.S., Room 1309, 485 Madison Lunch, Costi Dracopoulos, C. Fred, Links Club. P.M., Reiber to see Hess Chemical, Leon Hess. P.M., Dinner with Devine, Brook, (Cliff Folger & Lauklin) (Theatre)
March 24:	New York City:	Breakfast, Powell, Chambers, J.J.B. A.M., Bell Intercontinental Lunch, Burt Meek, Bob Burnett, D.V.D., Yale Club. P.M., Bob Rich, Bob_______, 1st City Bank P.M., T. J. Devine
March 25:	NY-SF-LA	Visit Lockheed, Sunnyvale.
March 26:	LA	Visit Henry Salvatori, American Marc

NEW YORK TRIP - CONTACTS

See:

G. H. Walker, Jr.
Porter Brinton
St. Phalle & Spalding
Bill Pelley, Bankers Trust
Ken Rush, Union Carbide
T. Reiber, Barber Oil
Mac Baldrige, Scovill

Wm. Witter, Dean Witter & Co.
C. Fogarty, Texas Gulf Sulphur Co.
T. Devine
J. Minary, Paley Foundation
Leon Hess, Hess Oil
Burnett Meek, Bell Intercontinental, 103 Park Ave.
Rosenstock man
R. Rich, 1st City National Bank

Contact by 'phone whilst in N.Y.C.:

Shakel, G., Gr. Lalus Carlson (see Bud Phillip)
Albright, Stauffer (P.S.B., Jr.) (225 Baronne)
Felmont - Case (out of town) (504-524-7476)
Trash - Payson & Trash (out of town)
Anundon - U S Trust Co. (no interest)
Cook - Hannan (P.S.B. - next yr?)
Gerry, E. " (out)
Gerry, R. - Estabrook (out)
Perkins, J. - Duke Interests (no)
Reed, G. - (said to see Fleitz or Shaltz of Amax)
Betts, A. - Astor Foundation (out)
Milbank - No (P.S.B.)
Rockefeller, G. - out of town.

Suggested contacts - Bankers Trust.

N. Y. - Hunduras Co. (Rosario Munoz)
John Mossler, Mossler Safe.

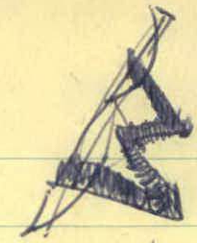
- -

Houston Contacts:

Acheson, Brt. Am.
Ulmer
Chas. Bell
Price
Bayless
Kirby
Mossbacher
Gabriel
Highland
Brazos
Colorado

Cockrell
General Crude
Houston Natural Gas
Reynolds
Sargent
Kilpatrick
Amarillo
Greenbriar
Crown Central
Coastal
Freeport

bug + dne (w opp money)



Exp. + Ent.

Thus 18 to N.Y. dinner $6 Yale club ~~deduct~~ $4

cab $6.50 for Bar

tip $1

19. N.Y. City. bkfst - T. Devine. ~~taxi~~ 2.70

lunch - T. Bush

AM - GHW Jr.

PM - Hartford personal.

20 - No

21 - Dinner - 6.00 cabs - 2.50 tips $1.00

Bkfst - T.J. Dunn (?)

22. AM - Poulter Bruton Taxis $5.00

lunch Links Spalding + St. Phalle

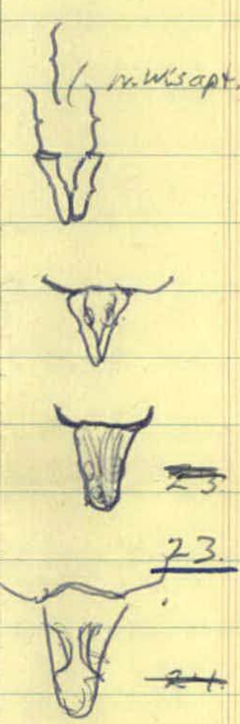
Dinner " - P.S.B. Jr. - with Fogarty TGS

(n.w.k. sept.) Mac Baldwin - Scoville, Bill Whitter, Dean Witter + Co

PM - Buckeye Oil Co. - Ricker, Durkin, pres

" - Ken Rush - exec VP Union Carbide

" - Bill Pelley - Bank Trust Co. 280 Park Ave.



TJD.

~~23.~~ AM - Minary - J.S. rm 1309 485 Madison

23. bkfst - GB + C Fred Taxis - $7.50

lunch Costi Dracopolus - C Fred - Links Club.

~~24.~~ PM - Ricker to see Hess Chemical, Leon Hess

PM - Dinner with Devine, Booth Theatre, etc. (Cliff Folger + Laukhuff)

- Theatre TJD.

24. Bkfst Powell, Chuckers, TJB.

AM - Bill Intercontinental.

Lunch Burt Meek, Bob Bennett, G.F.C. Yale Club

PM - Bob Rich, Bob - 1st City Bank.

" - TJ Devine -

Dinner $4.50 =

Cabs $7.00 =

(Over)

N.Y. Trip - Contacts.

See

G.H. Walker Jr.

Brinton

St. Phalle + Spalding

Pelley, Bill - Bankers Trust

Ken Rush - Union Carbide

T. Rieber - Barber Oil

Baldridge - Scovill

Witter, Wm - Dean Witter + Co

Fogarty, C. - Tex. Gulf Sulfur Co

Devine -

Minary, J - Paley Foundation

Hess, L. - Hess Oil.

Mech, Bennett - Bell International 32-7 - 101 Park -

Rosenstiel man -

Rick, R. - 1st N. City Bank

~~Milbank~~ -

Failed to contact

Wacy - Grupec

Morg. Guaranty

Contact by phone whilst in N.Y.C.

Shakel, G - Gr. Lakes Carbon (see Bud Phillips room 2401 225 Baronne St. 504-524-7476

Albright - Stauffer (P.S. B Tr)

Felmont - case. (out of town)

Trash - Payson - Trash (" " ")

Amadon - U.S. Trust Co - (no interest)

Cook - Hanneman (PSB. - next yr ?)

Gerry, E - " + Co (out)

Gray, R - Estabrook (out)

Perkins, T - Duke Interests (no)

(PL7-0212) Reed, G - (said to see Fleitz or Shaltz of Amax.

Betts, A - Astor Foundation (out)

Milbank - No - (PSB.)

Rockefeller, G - out of town.

Suggested Contacts - Bute Trust.

N.Y. & Honduras Co. (Rosario Mining)

John Mosler, Mosler Safe.

Houston Contacts.

Acheson, Brit Amer.

Ulmer,

Chas. Bell -

x Price

Bayless

x Kirby

Mosbacher

Gabriel

Highland

Brazos

Colorado

Cockrell

x Gen Crude

Hou Nat Gas.

Reynolds -

Sargent.

~~Gran Cent.~~

Kilpatrick -

x Amarillo

x Cumberland

x Crown Central

x Coastal

Freeport.

Jenney ✓

Bass ✓

Price ✓

Niarchos ✓

call Corky —