DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. SA98–80–000]

Hummon Corporation; Notice of Petition for Adjustment

April 23, 1998.

Take notice that on April 3, 1998, Hummon Corporation (Hummon) filed a petition, pursuant to section 502(c) of the Natural Gas Policy Act of 1978 (NGPA) [15 U.S.C. § 3412(c)] and Subpart K of the Commission's Rules of Practice and Procedure, on behalf of certain working interest owners for whom Hummon operated. Therein, Hummon seeks an adjustment relieving those working interest owners of their obligation to make Kansas ad valorem tax refunds to Northern Natural Gas Company (Northern) and/or Panhandle Eastern Pipe Line Company (Panhandle), on the basis that the working interest owners' financial status cannot absorb the payment of the refunds claimed, over the next five years. Hummon bases its financial status claim on a statement reflecting the projected net profit for Hummon and its working interest owners over the next five years (Statement 1), and on a statement of the net income from the subject wells over the past two years (Statement 2). Hummon's petition is on file with the Commission and open to public inspection.

Hummon indicates that Panhandle is claiming a $11,440.19 total refund with respect to the Perry Lease. Hummon's Statement 1 and Statement 2 data for the Perry Lease are shown below. Hummon bases its 5-year projections on a $14 oil price and $1.85 gas price.

		Perry lease
Actual	1996	$2,793
	1997	(3,619)
Projected	1998	310
	1999	(1.090)
	2000	(2,280)
	2001	(3,288)
	2002	(5,156)
	.....	[1] (11,504)

[1] Hummon's petition erroneously calculates the net loss to be $10,504.

Hummon indicates that Northern is claiming a total refund of $80,923.52 with respect to multiple leases. Hummon identifies the following leases, and provides the lease status and the refunds generated by each lease:

Combrink Lease	Plugged in 1994	$1,272.24
Hazen Lease	Plugged June 20, 1983	1.321.78
Hibbert Lease	Plugged December 1985	2,250.54
Harper Ranch #1 GU	Second well drilled in 1995	16,317.79
Harper Ranch #2 GU	Evaluating well for plugging	2,423.67
McMinimy Lease	Producing	57,223.80
		80,809.82

Hummon provides its Statement 1 and Statement 2 data for the three active leases (Harper Ranch #1 GU, Harper Ranch #2 GU, and the McMinimy Lease). Hummon's 5-year projected net profit/loss for each of these three leases is based on a $14 oil price and a $1.85 gas price.

		Harper ranch #1 GU	Harper ranch #2 GU	McMinimy lease
Actual	1996	[1] $60,889	($6,407)	[2] $26,019
	1997	14,372	(1,802)	31,831
Projected	1998	14,104	(1,610)	32,479
	1999	5,749	(3,532)	23,293
	2000	(1,353)	(5,167)	15,485
	2001	(7,384)	(6,556)	8,849
	2002	(12,517)	(7,739)	3,206
	.....	(1,401)	(24,604)	83,312

[2] Hummon asserts that this figure is caused by flush production from a second well drilled on the lease.

Overall, Hummon states that seven (7) wells are involved in its petition, and that each has different working interest owners. Hummon's petition does not identify the working interest owners by name that are involved in the petition, and does not provide any information regarding the financial status of any of those working interest owners.

Any person desiring to be heard or to make any protest with reference to said petition should on or before 15 days after the date of publication in the **Federal Register** of this notice, file with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, a motion to intervene or a protest in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 385.214, 385.211, 385.1105, and 385.1106). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a motion to intervene in accordance with the Commission's Rules.

David P. Boergers,

Acting Secretary.

[FR Doc. 98–11311 Filed 4–29–98; 8:45 am]

BILLING CODE 6717–01–M

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. SA98–79–000]

Ruth Lawhorn; Notice of Petition For Adjustment

April 23, 1998.

Take notice that on March 30, 1998, Ruth Lawhorn (Lawhorn) filed a petition, pursuant to section 502(c) of the Natural Gas Policy Act of 1978 (NGPA) [15 U.S.C. § 3142(c) (1982)],[1] for

[1] The Commission's regulations governing adjustment petitions are set forth in Subpart K of the Commission's Rules of Practice and Procedure [18 CFR 385.1101–385.1117].

adjustment relief from refunding the Kansas ad valorem tax reimbursements attributable to Lawhorn's royalty interest in a well (or wells) located in the East Mansur Field and operated by Olympic Petroleum Company (Olympic). Lawhorn's petition indicates that Williams Gas Pipelines Central, Inc., formerly: Williams Natural Gas Company Williams) served Olympic with the Statement of Refunds Due, and that Olympic is now seeking to recover Lawhorn's royalty interest share of that refund, for flow-through to Williams. Lawhorn asserts that paying the refund will cause she and her husband to endure a special hardship. Lawhorn's petition is on file with the Commission and open to public inspection.

On September 10, 1997, in Docket No. RP97–369–000 *et al*, the Commission issued an order,[2] on remand from the D.C. Circuit Court of Appeals,[3] that directed first sellers to make Kansas ad valorem tax refunds, with interest, for the period from 1983 to 1988. The Commission subsequently stated, in its January 28, 1998 Order Clarifying Procedures [82 FERC ¶ 61,059 (1998)] that producers could file NGPA section 502(c) adjustment petitions for relief from the refund requirement if, among other things, the payment of the Kansas ad valorem tax refund would cause the producer to endure a special hardship, within the meaning of section 502(c) of the NGPA.

Lawhorn states: 1) That she and her husband have been retired for 10 years; 2) that no restrictions were placed on the cashing of their royalty checks and, therefore, that they did not place any royalty check money into escrow; 3) that both she and her husband are in poor health and have serious medical problems, with correspondingly exorbitant medical bills; and 4) that they cannot repay the amount sought by Olympic[4] and still buy the medicine they need to continue to live.

In view of the above, Lawhorn requests that the Commission grant an adjustment, relieving Lawhorn from paying the Kansas ad valorem tax refund sought by Olympic, on the basis that paying the refund will cause Lawhorn to endure a special hardship.

Any person desiring to be heard or to make any protest with reference to said petition should on or before 15 days after the date of publication in the **Federal Register** of this notice, file with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, a motion to intervene or a protest in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 385.214, 385.211, 385.1105, and 385.1106). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a motion to intervene in accordance with the Commission's Rules.

David P. Boergers,

Acting Secretary.

[FR Doc. 98–11310 Filed 4–28–98; 8:45 am]

BILLING CODE 6717–01–M

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. SA98–81–000]

Shannon Energy Corporation; Notice of Petition for Adjustment

April 23, 1998.

Take notice that on April 7, 1998, Shannon Energy Corporation (Shannon) filed a petition, pursuant to section 502(c) of the Natural Gas Policy Act of 1978 [15 U.S.C. § 3412(c)] and Subpart K of the Commission's Rules of Practice and Procedure, for an adjustment relieving Shannon of its obligation to make:

(1) $17,501.17 in Kansas ad valorem tax refunds to Williams Gas Pipelines Central, Inc., formerly: Williams Natural Gas Company (Williams);

(2) $1,180.59 in Kansas ad valorem tax refunds to Colorado Interstate Gas Company (CIG); and

(2) 43,245.89 in Kansas ad valorem tax refunds to Amoco Production Company (Amoco), for subsequent flow-through to the purchaser.

Shannon contends that its financial condition cannot withstand having to refund these amounts, because it is a scaled-down company that no longer operates the wells that generated the refund obligations, and because it will not be able to collect amounts owed by the other working interest owners and the royalty interest owners, since it has no way to bill them. Shannon's petition is on file with the Commission and open to public inspection.

Shannon states that, although it was the operator of several Hugoton wells during the period from December 1, 1986 through January 1, 1993, it no longer operates those wells, and has no way to obtain reimbursement of amounts attributable to many of the working and royalty interest owners, because Shannon is no longer billing out through a Joint Interest Billing or paying revenue checks. Shannon indicates that, collectively, Williams, CIG, and Amoco have served Shannon with $61,927.65 in refund claims. Shannon contends that, if it tries to make a ''special'' billing of the appropriate working and royalty interest owners with respect to these refund claims, it will not be reimbursed by those owners and, therefore, will receive the hardship of the uncollectible debts. Shannon further states that it does not have the funds to risk so large a write-off.

In view of the above, Shannon requests that it be relieved of its obligation to refund the above-referenced amounts to Williams, CIG, and Amoco, i.e., to be relieved of its obligation to refund the amounts attributable to its own working interest, and to be relieved of the obligation to make refunds on behalf of the other working interest owners and the royalty interest owners.

Any person desiring to be heard or to make any protest with reference to said petition should on or before 15 days after the date of publication in the **Federal Register** of this notice, file with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, a motion to intervene or a protest in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 385.214, 385.211, 385.1105, and 385.1106). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a motion to intervene in accordance with the Commission's Rules.

David P. Boergers,

Acting Secretary.

[FR Doc. 98–11312 Filed 4–28–98; 8:45 am]

BILLING CODE 6717–01–M

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[2] See 80 FERC ¶ 61,264 (1997); order denying reh'g issued January 28, 1998, 82 FERC ¶ 61,058 (1998).

[3] *Public Service Company of Colorado* v. *FERC*, 91 F.3rd 1478 (D.C. 1996), cert. denied, Nos. 96–954 and 96–1230 (65 U.S.L.W. 3751 and 3754, May 12, 1997) (Public Service).

[4] Lawhorn's petition includes a March 18, 1998 letter from Olympic to Lawhorn, in which Olympic indicates that a Schedule attached to the letter shows the refund amount Lawhorn owes. The petition, however, does not include that Schedule.