

(2) in order to stop the accrual of interest pending resolution of disputes and legal issues, grant an adjustment to its procedures to allow First Sellers to place into escrow account not only any disputed amount of the refund but also (a) principal and interest on amounts of tax reimbursements received in years after the subject well was deregulated, and (b) principal and interest on amounts attributable to production prior to October 4, 1983.

First Sellers also request an order for reimbursement of the 1984 tax refund First Sellers have made to CIG to the extent any part of it is hereafter deemed to be attributable to production prior to October 4, 1983. Quinque also requests that it be determined that it was not a working interest owner or First Seller of any of the production with respect to which the tax reimbursements were made and that it therefore has no liability under the SRD.

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.*

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## DEPARTMENT OF ENERGY

### Federal Energy Regulatory Commission

[Docket No. SA98-47-000]

#### Quinque Operating Company; Notice of Petition for Adjustment

March 19, 1998.

Take notice that on March 9, 1998, Quinque Operating Company (Quinque) and certain working interest owners for

whom it operated,<sup>1</sup> filed a petition, pursuant to Section 502(c) of the Natural Gas Policy Act of 1978 (NGPA), for an adjustment of the Commission's refund procedures [15 U.S.C. 3142(c) (1982)] with respect to Quinque's Kansas ad valorem tax refund liability.

The Commission's September 10, 1997 order on remand from the D.C. Circuit Court of Appeals,<sup>2</sup> in Docket No. RP97-369-000 *et al.*,<sup>3</sup> directed first sellers to make Kansas ad valorem tax refunds, with interest, for the period from 1983 to 1988. The Commission clarified the refund procedures in its *Order Clarifying Procedures* [82 FERC ¶ 61,059 (1998)], stating therein that producers [first sellers] could request additional time to establish the uncollectability of royalty refunds, and that first sellers may file requests for NGPA Section 502(c) adjustment relief from the refund requirement and the timing and procedures for implementing the refunds, based on their individual circumstances.

Quinque requests that the Commission:

(1) Grant an extension of 90 days to allow First Sellers and Panhandle Eastern Pipe Line Company (PEPL) to resolve any dispute as to the proper amount of the refund liability of First Sellers for the Kansas ad valorem tax reimbursements set forth in the Statement of Refunds Due (SRD) addressed to Quinque, or to submit such dispute to FERC for resolution if the parties cannot resolve it within such time, and

(2) In order to stop the accrual of interest pending resolution of disputes and legal issues, grant an adjustment to its procedures to allow First Sellers to place into an escrow account not only any disputed amount of the refund by PEPL but also

(i) principal and interest on amounts of tax reimbursements received in years after the subject wells were deregulated, and

(ii) interest on all principal amounts refunded to PEPL.

Quinque also requests that it be determined that it has no liability under

<sup>1</sup> First Sellers are Quinque Oil & Gas Production Co., Quinque Operating Company, John W. Moore, John W. Moore Trust, Margaret C. Moore, Michael Moore, David O. Wilson, Jack E. Engel Estate, J&J Enterprises, Lyle Pringle Estate, Winifred Pringle, C. Dale Stromquist, Clarence and Margaret Hoeme, Robert L. And Audrey Rice, George Rosel Estate, Robert Hatcher Estate, and Benjamin and Margaret Zane.

<sup>2</sup> *Public Service Company of Colorado v. FERC*, 91 F.3d 1478 (D.C. 1996), cert. denied, Nos. 96-954 and 96-1230 (65 U.S.L.W. 3751 and 3754, May 12, 1997).

<sup>3</sup> See 80 FERC ¶ 61,264 (1997); order denying reh'g issued January 28, 1998, 82 FERC ¶ 61,058 (1998).

the SRD except as to amounts attributable solely to its own working interest.

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.*

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## DEPARTMENT OF ENERGY

### Federal Energy Regulatory Commission

[Docket No. SA98-23-000]

#### Raymond Oil Company, Inc.; Notice of Petition for Adjustment

March 19, 1998.

Take notice that on March 9, 1998, Raymond Oil Company, Inc. (Raymond) filed a petition for adjustment under section 502(c) of the Natural Gas Policy Act of 1978 (NGPA),<sup>1</sup> requesting to be relieved of its obligation to make Kansas ad valorem tax refunds to The Williams Companies, Inc. (Williams), as required by the Commission's September 10, 1997 order in Docket Nos. GP97-3-000, GP97-4-000, GP97-5-000, and RP97-369-000.<sup>2</sup> Raymond's petition is on file with the Commission and open to public inspection.

The Commission's September 10 order on remand from the D.C. Circuit Court of appeals<sup>3</sup> directed first sellers under the NGPA to make Kansas ad valorem tax refunds, with interest, for

<sup>1</sup> 15 U.S.C. 3142(c) (1982).

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

<sup>3</sup> *Public Service Company of Colorado v. FERC*, 91 F.3d 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).

the period from 1983 to 1988. The Commission's September 10 order also provided that first sellers could, with the Commission's prior approval, amortize their Kansas ad valorem tax refunds over a 5-year period, although interest would continue to accrue on any outstanding balance.

Raymond states that Williams in its November 10, 1997 statement has sought to collect a refund obligation of \$376,134.78, including interest through December 31, 1997 for the Carr Lease, the Carr "A" Lease, the Mills "A" Lease, the Mills "R" Lease, and the Cline "A" Lease. Raymond was the operator of the subject leases and no portion of the ad valorem tax attributable to the royalty interest in these leases was ever collected by Raymond and the same is not pertinent to this proceeding. The working interest owners in varying interests in the varying leases are John Alexander, R.L. Rooke, Francis Raymond, Western Ventures, Inc., Patrick Raymond, William M. Raymond, Shirley Stark and Raymond Oil Company, Inc. Raymond has remitted under protest, with all rights reserved, \$203,935.24 to Williams on behalf of Patrick Raymond, William M. Raymond, Shirley Stark and Raymond Oil Company, Inc.

Raymond States that John Alexander, R.L. Rooke and Francis Raymond are deceased and that the alleged refunds should be deemed uncollectible. Their respective estates are now closed and the Kansas non-claims statute (K.S.A. 59-2239) has since run out thus leaving no legal way for Raymond, as operator, from taking legal action for recovering any of the monies. Raymond was never the owner of the gas attributable to these deceased working interest owners and as a contract operator of the subject oil and gas leases, Raymond did not purchase this gas from them and does not have an ongoing contractual relationship permitting it to collect the subject refunds through the use of billing adjustments. Raymond reports the monies to be \$11,284.04 from John Alexander, \$37,613.48 from R.L. Rooke and \$48,075.07 from Francis Raymond.

Raymond states that the alleged refunds due from Western Ventures, Inc. (Western) should be determined as uncollectible. Western was liquidated on December 4, 1986 and the Kansas statutes relating to the liabilities of a dissolved corporation provide that successors in interest now have no obligation for making reimbursement for monies received by the corporation. Raymond requests that the Commission recognize that the applicable three year Kansas statute of limitation and the laws of the State of Kansas prohibit

Raymond, as operator, from taking legal action against Western and its stockholders in an attempt to obtain a refund of the tax and interest. Raymond reports that Western owes a refund of \$75,226.96.

Raymond requests that the Commission grant Raymond staff adjustment in the amount of \$172,199.55 for taxes and interest as of December 31, 1997, in connection with the Statement of Refunds Due submitted to it on November 10, 1997, by Williams.

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 must file a motion to intervene in accordance with the Commission's Rules

**David P. Boergers,**

*Acting Secretary.*

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## DEPARTMENT OF ENERGY

### Federal Energy Regulatory Commission

[Docket No. SA98-20-000]

#### Dale Schwarzhoff; Notice of Petition for Adjustment

March 19, 1998.

Take notice that on March 9, 1998, Dale Schwarzhoff (First Seller) filed a petition for adjustment under section 502(c) of the Natural Gas Policy Act of 1978 (NGPA),<sup>1</sup> requesting that the refund procedures in the Commission's September 10, 1997 order in Docket Nos. RP97-369-000, GP97-3-000, GP97-4-000, and GP97-5-000,<sup>2</sup> be

altered with respect to Schwarzhoff's Kansas ad valorem tax refund liability.

The Commission's September 10 order on remand from the D.C. Circuit Court of Appeals<sup>3</sup> directed first sellers under the NGPA to make Kansas ad valorem tax refunds, with interest, for the period from 1983 to 1988. The Commission issued a January 28, 1998 order in Docket No. RP98-39-001, *et al.* (January 28 Order),<sup>4</sup> clarifying the refund procedures, stating that producers could request additional time to establish the uncollectability of royalty refunds, and that first seller may file requests for NGPA section 502(c) adjustment relief from the refund requirement and the timing and procedures for implementing the refunds, based on the individual circumstances applicable to each first seller.

First Seller requests, pursuant to the Commission's January 28 Order, that the Commission grant First Seller and Northern Natural Gas Pipeline Company (Pipeline), an extension of 90 days to allow First Seller and Pipeline to resolve any dispute as to the proper amount of the refund liability of First Seller for the Kansas ad valorem tax reimbursements set forth in the Statement of Refunds Due (SRD) addressed to Benson Mineral Group, Inc. (BMG), the Operator, or to submit such dispute to FERC for resolution if the parties cannot resolve the dispute within such time. In addition, First Seller also request that in order to stop the accrual of interest pending resolution of disputes and legal issues, that an adjustment be granted to the FERC's procedures to allow First Seller to place into an escrow account not only any disputed amount of the refund amount calculated by Pipeline, but also principal and interest on amounts attributable to production prior to October 4, 1983, and interest on all other amounts claimed to be due under the SRD.

First Seller argues that it seeks to establish these procedures to ensure that it pays only that which is legitimately owed, and that it will be able to recover the overpayment, if it is subsequently determined that First Seller's refund liability was less than that originally claimed by BMG.

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

<sup>1</sup> 15 U.S.C. 3142(c) (1982).

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

<sup>3</sup> *Public Service Company of Colorado v. FERC*, 91 F.3d 1478 (D.C. 1996), cert. denied, Nos. 96-954 and 96-1230 (65 U.S.L.W. 3751 and 3754, May 12, 1997).

<sup>4</sup> 82 FERC ¶ 61,059 (1998).