

On or before March 9, 1999, Kaiser-Francis proposes to file documentation with the Commission, of those royalties which were not collectible and disburse the recovered royalty refund principal only to Williams. Until that time, Kaiser-Francis proposes to place the interest from royalty refunds which was recovered in its escrow account to protect the royalty owners. In addition, Kaiser-Francis argues that its proposal for an escrow account is necessary to protect its property and that of its royalty 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.

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. SA98-51-000]

Kansas Petroleum, Inc.; Notice of Petition for Adjustment

March 19, 1998.

Take notice that on March 9, 1998, Kansas Petroleum, Inc. (KPI), James E. Rhude, E.N. Diderich Trust, and Rhude & Fryberger, Inc., collectively referred to as Applicants, filed a petition for adjustment under section 502(c) of the Natural Gas Policy Act of 1978 (NGPA), 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 GP97-5-000,¹ be altered with respect to

Applicant's Kansas ad valorem tax refund liability.

The Commission's September 10 order on remand from the D.C. Circuit Court of Appeals² directed first sellers under the NPGA 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),³ clarifying the refund procedures, stating that producers 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 the individual circumstances applicable to each first seller.

Applicants request that the Commission pursuant to the Commission's January 28 order, (1) grant an extension of 60 days to make refunds to allow Applicants and Colorado Interstate Gas Company (CIG) to reach an agreement of the correct amount of the potential refund liability of Applicants and submit any unresolved dispute to the Commission; (2) to grant an adjustment to its procedures to allow to defer payment to CIG of principal and interest refunds attributable to royalties for one year until March, 9, 1999, and (3) to grant adjustment to its procedures to allow Applicants to place into an escrow account during the requested 1-year deferral period the amount of the refund which is in dispute if there is a dispute and also (i) an amount equal to the royalty refunds which have not been collected from royalty owners (principal and interest), (ii) principal and interest on amounts attributable to production prior to October 4, 1983, (iii) interest on royalty amounts which have been recovered from the royalty owners (principal of which was refunded) and (iv) interest on all reimbursed principal amounts determined to be refundable as being in excess of maximum lawful prices (excluding interest retained under (i), (ii), and (iii) above.

Applicants also request that, if retaining these funds in escrow is not permitted, the Commission adopt other procedures requiring CIG to repay to Applicants, with interest, any of the amounts paid to them from escrow which subsequently are determined to

have been a part of their refund obligation.

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. SA98-52-000]

Kansas Petroleum, Inc.; Notice of Petition for Adjustment

March 19, 1998.

Take notice that on March 9, 1998, Kansas Petroleum, Inc., E.N. Diderich Trust, James E. Rhude, and Rhude & Fryberger, Inc. (Applicants), filed in Docket No. SA98-52-000 a petition for adjustment pursuant to Section 502(c) of the Natural Gas Policy Act 15 U.S.C. 3412(c) and Rules 1101-1117 of the Commission's Rules of Practice and Procedure (18 CFR 385.1101-385.1117) requesting to be relieved from any further refund liability not heretofore paid for the Kansas *ad valorem* tax reimbursements set forth in a Statement of Refunds Due submitted to Kansas Petroleum, Inc. by KN Interstate Transmission Co. Pending determination of this request, Applicants also request that they be permitted to place in an escrow account the amount of interest on the refund liability as calculated by them, all as more fully set forth in the petition which is on file with the Commission and open to public inspection.

Applicants state that, in a Settlement Agreement dated January 16, 1989, with

¹ See 80 FERC ¶ 61,264 (1997); order denying reh'g issued January 28, 1998, 82 FERC ¶ 61,058 (1998).

² *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).

³ 82 FERC ¶ 61,059 (1998).