

DEPARTMENT OF ENERGY

Federal Energy Regulatory
Commission

[Docket No. RP98-163-000]

Nora Transmission Company; Notice
of Proposed Changes in FERC Gas
Tariff

March 24, 1998.

Take notice that on March 20, 1998, Nora Transmission Company, (Nora) tendered for filing as part of its FERC Gas Tariff, First Revised Volume No. 1, the following revised tariff sheet to become effective April 1, 1998:

Second Revised Sheet No. 141

Nora states that the purpose of this filing is to comply Order No. 636-C, Nora has revised its General Terms and Conditions Section 24.5 to provide that the longest contract term that a shipper exercising its right of first of refusal must match is five years.

Any person desiring to be heard or to protest this filing should file a motion to intervene or a protest with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, in accordance with Sections 385.214 and 385.211 of the Commission's Rules and Regulations. All such motions or protests must be filed as provided in Section 154.210 of the Commission's Regulations. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceedings. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection in the Public Reference Room.

David P. Boergers,*Acting Secretary.*

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DEPARTMENT OF ENERGY

Federal Energy Regulatory
Commission

[Docket No. SA98-65-000]

Pickrell Drilling Company, Inc.; Notice
of Petition for Adjustment

March 24, 1998.

Take notice that on March 10, 1998, Pickrell Drilling Company, Inc. (Pickrell) filed a petition for adjustment under section 502(c) of the Natural Gas

Policy Act of 1978 (NGPA),¹ with respect to its Kansas ad valorem tax refund liability under Commission's September 10, 1997 order in Docket Nos. GP97-3-000, GP97-4-000, GP97-5-000, and RP97-369-000.² Pickrell'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 Appeals³ directed first sellers under the NGPA to make Kansas ad valorem tax refunds, with interest, for 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.

Pickrell states that the Madden and the Barby-Harper are the wells in question. According to the Statement of Refunds Due from Northern Natural Gas Company for the Kansas ad valorem tax refund, Pickrell owes a principal of \$18,759.44 and interest of \$37,094.76 calculated to December 31, 1997, for a total of \$55,854.20. If interest is extended to March 9, 1998, the total amount due would be \$56,738.68

Pickrell states that these were low-volume wells and were always economically marginal. Although the Madden produced at rates approximating 100 Mcf per day, the controlled price for its gas was very low and ranged from \$0.55 to \$0.69 per Mcf. The Barby-Harper was a 103 well and received NGPA maximum lawful prices during 1984, it was more expensive to operate as it was completed at a depth of below 5,000 feet and production dropped to 31 and 44 Mcf per day during 1985 and 1986.

The Madden has since been plugged and abandoned. The Barby-Harper is still producing, but actually below its economic limit at 30 Mcf per day. The operator has recently attempted to sell the lease, but has not been successful. Pickrell owned no interest in these leases or wells, but simply operated them for the benefit of the interest owners.

The working interest owners that received tax reimbursements are Barbara Oil Company, Tammie L. Burton Trust #2, Jean Ann Fausser Trust, Pickrell Acquisitions Inc, Carl W. Sebits, David

Ruel Sebits Trust, David H. Tripp, James E. Stewart, Jan Lee Stewart and Virginia M. Johnson. They have refunded their proportionate shares of the principal amount under the Statement of Refunds Due, but are requesting relief from any refund of interest. Brenda C. Redfern, J. C. Anderson, Edgar S. Curry, Newport Petroleums Inc, Herschel F. Vaughn and Carless Resources Inc have been mailed notices of their share of the refunds due, but no responses have been received. Cecil Burton, Peter W. John, Dale M. Robinson, Kenton S. Stewart, Edgar C. Stewart and O. H. Stewart are deceased and estates have been closed. Century Exploration filed for bankruptcy in mid 1980's and company was liquidated. Bill J. Porter Trust was dissolved.

Pickrell states that the recovery of interest on these refunds will require years, if it will ever be recovered and that it is inequitable to require a refund of interest.

Pickrell states that the amounts due from deceased and bankrupted working interest owners are uncollectible and should be considered as waived. The amounts due for the working interest owners who are non-responsive should also be waived as uncollectible. To require payment from Pickrell would be an unfair distribution of burdens since it never received any benefit from the ad valorem tax reimbursements that were passed through to the 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 must file a motion to intervene in accordance with the Commission's Rules.

David P. Boergers,*Acting Secretary.*

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¹ 15 U.S.C. 3142(c) (1982).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.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).