

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.
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**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].