

filing a rate schedule under which Burlington Resources will engage in wholesale electric power and energy transactions as a marketer. Burlington Resources also requested waiver of various Commission regulations. In particular, Burlington Resources requested that the Commission grant blanket approval under 18 CFR Part 34 of all future issuances of securities and assumptions of liability by Burlington Resources.

On November 14, 1996, pursuant to delegated authority, the Director, Division of Applications, Office of Electric Power Regulation, granted requests for blanket approval under Part 34, subject to the following:

Within thirty days of the date of the order, any person desiring to be heard or to protest the blanket approval of issuances of securities or assumptions of liability by Burlington Resources should file a motion to intervene or protests with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214).

Absent a request for hearing within this period, Burlington Resources is authorized to issue securities and assume obligations or liabilities as a guarantor, endorser, surety, or otherwise in respect of any security of another person; provided that such issuance or assumption is for some lawful object within the corporate purposes of the applicant, and compatible with the public interest, and is reasonably necessary or appropriate for such purposes.

The Commission reserves the right to require a further showing that neither public nor private interests will be adversely affected by continued approval of Burlington Resources' issuances of securities or assumptions of liability.

Notice is hereby given that the deadline for filing motions to intervene or protests, as set forth above, is December 16, 1996.

Copies of the full text of the order are available from the Commission's Public Reference Branch, 888 First Street, N.E. Washington, D.C. 20426.

Lois D. Cashell,
Secretary.

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[Docket No. CP97-119-000]

**Dauphin Island Gathering System;
Notice of Petition for Declaratory Order**

November 27, 1996.

Take notice that on November 22, 1996, Dauphin Island Gathering System (DIGS), 1400 Woodloch Forest Drive, Suite 200, The Woodlands, Texas 77380, filed a petition for declaratory order in Docket No. CP97-119-000, requesting that the Commission declare that certain existing and proposed facilities located in state and federal waters in the Gulf of Mexico would have the primary function of gathering natural gas and would thereby be exempt from the Commission's jurisdiction pursuant to Section 1(b) of the Natural Gas Act, all as more fully set forth in the petition which is on file with the Commission and open to public inspection.

DIGS states that its system is located in offshore Alabama and serves to gather natural gas in federal waters from the Mobile and Viosca Knoll areas and in Alabama waters. It is indicated that its facilities include no compression and consists of approximately 90 miles of pipe ranging in diameter from 8 to 20 inches in diameter and configured in an inverted Y. The facilities consist of 36.3 miles of 20-inch pipe; 42.7 miles of 12-inch pipe; and 6.8 miles of 8-inch pipe. DIGS indicates that gas gathered into DIGS can enter the interstate transportation grid into the facilities of Transcontinental Gas Pipe Line Corporation (Transco), Florida Gas Transmission Company (FGT) and Koch Gateway Pipeline Company. DIGS states that the capacity of its system is 355 MMcf per day and that its maximum allowable operating pressure is 1440 psig and its maximum contract pressure is 1250 psig. It is indicated that DIGS has operated as a gathering facility since its inception.

DIGS indicates that it is now proposing to expand its system to connect with the new production facilities at Main Pass (MP) Block 261 and with the facilities of Main Pass Gathering System (MPS) at MP225 to compete for the new production in the Mobile, Viosca Knoll and Main Pass Areas, Offshore Louisiana and Alabama. DIGS states that it will expand its system in two phases. It is stated that Phase I will include approximately 65 miles of 24-inch pipeline with a capacity of 150 to 200 MMcf per day, and will extend from the existing facilities in Alabama State Block 73 to the new production facilities of DelMar at MP 261 and with the facilities of MPS in Main Pass Block 225. DIGS also

proposes to install several side valves to provide for the construction of a spine to production currently committed in various blocks. It is stated that Phase I will parallel the western leg of the existing facilities for about 30 miles, and include several short stub lines connecting it to the existing lines to manage system pressures and attach production along its entire length.

DIGS states that Phase II of the proposed facilities consist of 13 miles of 24-inch pipe and will extend from the northern terminus of Phase I onto shore, looping DIGS's existing 20-inch line.

DIGS indicates that no gas processing will occur on the system, and there are no interstate pipelines in the immediate vicinity of Phases I and II or the existing facilities. It is also stated that the proposed facilities are located in waters shallower than 200 meters but that the integrated system is designed to receive gas produced in both shallow waters and in waters deeper than 200 meters.

DIGS states that the existing facilities are currently owned by DIGS. It is indicated that DIGS is comprised of Dauphin Island Gathering Company, L.P. (DIPC), (one percent), a non-jurisdictional limited partnership, the general partner of which is OEDC; MCNIC Mobile Bay Gathering Company (MCNIC), (59 percent), a non-jurisdictional subsidiary of MCN Corporation, and PanEnergy Dauphin Island Company (PDI), (40 percent), a non-jurisdictional affiliate of several interstate pipeline companies including Panhandle Eastern Pipe Line Company, Texas Eastern Transmission Corporation, Algonquin Gas Transmission Company and Trunkline Gas Company.

DIGS states that the proposed facilities meet the criteria. In support of its claim that the facilities are gathering as set forth in a February 28, 1996, Statement of Policy with respect to OCS facilities, 74 FERC ¶ 61,222 as well as the gathering criteria set forth in *Farmland Industries, Inc.*, 23 FERC ¶ 61,063, as modified in later orders. DIGS states that the Commission in its OCS Policy Statement added a new element to its analysis, granting a presumption of gathering to facilities designed to collect gas produced from water depths of 200 meters or greater, with the presumption extending to facilities up to the point or points of potential connection with the interstate pipeline grid.

DIGS states that, as a second element of the gathering policy, the Commission indicated that where proposed OCS facilities are in proximity to existing interstate pipelines, the Commission will determine jurisdictional status on

the basis on the existing primary function test.

With respect to the length and diameter of the line, DIGS points out that lines no greater than 24 inches in diameter continue to be consistent with a determination that the lines are gathering facilities. DIGS also notes that the 65-mile length of the Phase I spine is only as long as necessary to reach the interstate pipeline capacity sufficient to move the total estimated production. DIGS points out that the Commission found the 95-mile 20-inch Viosca Knoll pipeline to be gathering using the same rationale. With respect to the configuration of facilities, DIGS indicates that the Phase I facilities when completed will form a spine and laterals configuration, consistent with a finding of gathering. DIGS states that the Phase II facilities are a loop of existing facilities, but that this would not rule out a finding of gathering if the entire system is evaluated.

DIGS states that the lack of compression on DIGS is consistent with gathering. Likewise, DIGS submits that the location of will along the entire system is indicative of gathering. In addition, DIGS states that the maximum available operating pressure (MAOP) of the existing system of 1440 psig and the anticipated MAOP for the Phase I facilities of 1750 to 1770 is driven by the pressure of the gas production expected to flow through both portions of the system, consistent with a finding of gathering.

DIGS notes that in the Policy Statement the Commission stated that it saw little difference in function between an interstate transportation line that takes gas to shore and a newly built line, that, for all practical purposes runs parallel to and serves the same purpose as moving gas to shore. DIGS points out that neither DIGS nor Phase I and II facilities parallel any existing interstate transmission lines. DIGS also states that the point at which the system could potentially interconnect with the existing interstate grid is located at the system's onshore terminus. In addition, DIGS notes, because Phase I of the system will be located upstream of the existing DIGS's gathering system and downstream of the MPS gathering system, it would be illogical for the Commission to find that Phase I performs a transmission. Likewise, it is noted that Phase II will merely loop the existing gathering facilities. Finally, it further submitted that the business purpose of the system is to provide gathering infrastructure to producers for potential and existing offshore production, including deepwater

production, in the eastern Gulf of Mexico area.

Any person desiring to be heard or to make any protest with reference to said petition should on or before December 9, 1996, file with the Federal Energy Regulatory Commission, Washington, DC 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 or 385.211). 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.

Lois D. Cashell,

Secretary.

[FR Doc. 96-30830 Filed 12-3-96; 8:45 am]

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[Docket No. CP85-221-073]

Frontier Gas Storage Company; Notice of Sale Pursuant to Settlement Agreement

November 27, 1996.

Take notice that on November 20, 1996, Frontier Gas Storage Company (Frontier), c/o Reid & Priest, Market Square, 701 Pennsylvania Ave., N.W., Suite 800, Washington, D.C. 20004, in compliance with provisions of the Commission's February 13, 1985, Order in Docket No. CP82-487-000, *et al.*, submitted an executed Service Agreement under Rate Schedule LVS-1 providing for the possible sale of 1,000,000 MMBtu of Frontier's gas storage inventory on an "in place" basis to Conoco, Inc.

Under Subpart (b) of Ordering Paragraph (G) of the Commission's February 13, 1985, Order, Frontier is "authorized to consummate the proposed sale in place unless the Commission issues an order within 20 days after expiration of such notice period either directing that the sale not take place and setting it for hearing or permitting the sale to go forward and establishing other procedures for resolving the matter. Deliveries of gas sold in place shall be made pursuant to a schedule to be set forth in an exhibit to the executed service agreement."

Any person desiring to be heard or to make a protest with reference to said filing should, within 10 days of the publication of such notice in the Federal Register, file with the Federal

Energy Regulatory Commission (888 1st Street, N.E., Washington, D.C. 20426) a motion to intervene or protest in accordance with the requirements of the Commission's Rules of Practice and Procedures, 18 CFR 385.214 or 385.211. 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 proceeding. Copies of this filing are on file with the Commission and are available for public inspection.

Lois D. Cashell,

Secretary.

[FR Doc. 96-30826 Filed 12-3-96; 8:45 am]

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[Docket No. ER97-181-000]

Oceanside Energy, Inc.; Notice of Issuance of Order

November 29, 1996.

Oceanside Energy, Inc. (Oceanside) submitted for filing a rate schedule under which Oceanside will engage in wholesale electric power and energy transactions as a marketer. Oceanside also requested waiver of various Commission regulations. In particular, Oceanside requested that the Commission grant blanket approval under 18 CFR Part 34 of all future issuances of securities and assumptions of liability by Oceanside.

On November 21, 1996, pursuant to delegated authority, the Director, Division of Applications, Office of Electric Power Regulation, granted requests for blanket approval under Part 34, subject to the following:

Within thirty days of the date of the order, any person desiring to be heard or to protest the blanket approval of issuances of securities or assumptions of liability by Oceanside should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214).

Absent a request for hearing within this period, Oceanside is authorized to issue securities and assume obligations or liabilities as a guarantor, endorser, surety, or otherwise in respect of any security of another person; provided that such issuance or assumption is for some lawful object within the corporate purposes of the applicant, and compatible with the public interest, and is reasonably necessary or appropriate for such purposes.

The Commission reserves the right to require a further showing that neither