

circumstances applicable to each first seller.

Kaiser states it is substantially and adversely affected by the potential Kansas ad valorem tax refund requirement. Kaiser is not seeking to relieve itself of that refund obligation. Rather Kaiser seeks to establish procedures which ensure: (a) That it pays only that which is legitimately owned; and (b) that if it is subsequently determined that its refund liability was less than that originally claimed by Panhandle Eastern Pipe Line Company (Panhandle) in Docket No. RP98-40-000, it can recover the overpayment. Accordingly, Kaiser requests an adjustment to the general refund procedures to permit it to pay the following amount into an escrow account: (a) the principal and interest on the uncollected royalties; and (b) interest on amounts not disputed herein other than amounts listed in (a) above.

Kaiser states that with respect to the royalty amounts of the alleged refunds due, Kaiser has been working diligently to determine its potential refund liability and to obtain contribution from its royalty owners. However, Kaiser has not been able either to obtain reimbursement or confirm the uncollectibility of the vast majority of its royalty amounts for which refunds are due. Rather than deferring royalty refunds, Kaiser would prefer to pay the amount of the refunds which it believes may be uncollectible into an escrow account. Accordingly, Kaiser intends to place the amount of \$33,830.61 (reflecting all royalties and related interest) into its escrow account and hereby requests all necessary approval to do so. Kaiser requests a one-year extension of the refund due date for the purpose of allowing it to try to collect the royalty refunds. In addition, Kaiser seeks authorization to place the following amounts into its escrow account: (a) the interest on the royalty refunds, the principal of which is paid to Panhandle; and (b) the interest on refunds due (other than royalties), in the amount of \$64,627.10. Kaiser intends to place these amounts in its escrow account on March 9, 1998, and requests appropriate adjustment relief to authorize that plan.

Kaiser states that although there are issues relating to portions of the principal refunds which are pending before the Court,<sup>5</sup> to demonstrate its good faith in these proceedings Kaiser has paid the principal amount of

refunds attributable to Kaiser's working interest in the amount of \$39,912.22 to Panhandle. Should the Commission provide assurances that Kaiser will be able to recover any overpayments without having to initiate a prompt return of refund amounts determined not to be due (such return of refunds not dependent upon recovery from consumers), Kaiser would agree to waive this request for escrowing certain monies. Without such assurances, Kaiser is entitled to have its property protested until the issue of liability has been fully resolved in Courts or Congress.

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. SA98-53-000]

#### Kansas Petroleum, Inc.; Notice of Petition for Adjustment

March 20, 1998.

Take notice that on March 9, 1998, Kansas Petroleum, Inc. (Kansas Petroleum), care of 200 West Douglas—Fourth Floor, Wichita, Kansas 67202-3084, filed a petition for adjustment under section 502(c) of the Natural Gas Policy Act of 1978 (NGPA),<sup>1</sup> requesting, on behalf of first sellers (First Sellers<sup>2</sup>

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

<sup>2</sup> First Sellers are identified as: E.N. Diderich Trust, Howard M. Gillespie Living Trust, Gail P. Popovich, James E. Rhude, James Tasheff, Arthur O. Wilkonson, and Lester Wilkonson Trust.

for whom it operated, that the Commission grant them relief from any further refund liability not heretofore paid for the Kansas ad valorem tax reimbursements set forth in the Statement of Refunds Due (SRD)<sup>3</sup> submitted to Kansas Petroleum by Northern Natural Gas Company (Northern), all as more fully set forth in the petition which is open to the public for inspection.

Kansas Petroleum also requests that the Commission, pending resolution of this proceeding, permit Kansas Petroleum to place in an escrow account the amount of interest on the refund liability as calculated.

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. CP98-262-000]

#### Kern River Gas Transmission Company; Notice of Request Under Blanket Authorization

March 20, 1998.

Take notice that on March 4, 1998, Kern River Transmission Company (Kern River), 295 Chipeta Way, Salt Lake City, Utah 84108, filed a request with the Commission in Docket No. CP98-262-000, pursuant to Sections 157.205 and 157.211 of the

<sup>3</sup> Kansas Petroleum states that Northern's SRD claims \$84,976.18 for the principal and \$156,844.71 in interest accrued through March 9, 1998, for a total of \$241,820.89.

<sup>5</sup> See, Case No. 98-60043, United States Court of Appeals for the Fifth Circuit in *Anadarko Petroleum Corp. v. FERC*, and *Union Pacific Resources Company v. FERC*.

Commission's Regulations under the Natural Gas Act (NGA) for authorization to utilize the existing Tehachapi-Cummings Meter Station an authorized delivery point for the delivery of natural gas, on a secondary firm or interruptible basis, for any eligible shipper authorized in blanket certificate issued in Docket No. CP89-2048-000, all as more fully set forth in the request on file with the Commission and open to public inspection.

Kern River states that the Tehachapi-Cummings Meter Station is located on Kern River and Mojave Pipeline Company's (Mojave) common pipeline facilities in Kern River County, California, and is owned and operated by Mojave.

Kern River further states that Mobil Oil Corporation has requested that Kern River provide deliveries of natural gas to the Tehachapi-Cummings delivery point on a secondary firm basis. Kern River reports that pursuant to an agreement between Kern River and Mojave, dated August 29, 1989, Mojave and Kern River have the right to use each other's delivery points on the common pipeline facilities as secondary delivery points.

Kern River proposes to utilize the existing Tehachapi-Cummings Meter Station for deliveries of gas to the Water District for Mobil or other shippers for whom Kern River is, or will be, authorized to transport gas.

Any person or the Commission's staff may, within 45 days after the Commission has issued this notice, file pursuant to Rule 214 of the Commission's Procedural Rules (18 CFR 385.214) a motion to intervene or notice of intervention and pursuant to Section 157.205 of the Regulations under the NGA (18 CFR 157.205) a protest to the request. If no protest is filed within the allowed time, the proposed activity shall be deemed to be authorized effective the day after the time allowed for filing a protest. If a protest is filed and not withdrawn within 30 days after the time allowed for filing a protest, the instant request shall be treated as an application for authorization pursuant to Section 7 of the NGA.

**David P. Boergers,**

*Acting Secretary.*

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## DEPARTMENT OF ENERGY

### Federal Energy Regulatory Commission

[Docket No. SA98-34-000]

#### McCoy Petroleum Corporation; Notice of Petition for Adjustment

March 20, 1998.

Take notice that on March 9, 1998, McCoy Petroleum Corporation (McCoy), 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 refund to The Williams Companies, Inc., (Williams) the Kansas ad valorem tax refunds owned by three of the working interest owners in a well located in Barber County, Kansas, otherwise required by the Commission's September 10, 1997 order (September 10 order) in Docket Nos. RP97-369-000, GP97-3-000, GP97-4-000, and GP97-5-000.<sup>2</sup> McCoy'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 the period from 1983 to 1988. The Commission clarified the refund procedures in an order issued January 28, 1998, in Docket No. RP98-39-001, *et al.*,<sup>4</sup> 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.

McCoy states that it was and is the operator of the Wortman #1 Lease and the Reed #1 Lease located in Barber County, Kansas. McCoy claims that no portion of the ad valorem tax attributable to the royalty interest in these leases was ever collected by McCoy and is not pertinent to this proceeding. McCoy also states that three of the working interest owners in the Reed #1-23 Well were National Oil Company (National), K & E Drilling Company (K&E), and Christina Sollars

(Sollars). McCoy explains that since payment of the reimbursement of the ad valorem taxes to National and Sollars, they have both declared bankruptcy. McCoy states that several years ago K & E sold all of its assets and the company is no longer in business. McCoy indicates that the principal and attributable to National is \$1550.88, the amount of the principal and attributable to K&E is \$620.35, and the amount of principal attributable to Sollars is \$48.46 for a total of \$2,219.69.

McCoy asserts that the claims against Nation and Sollars by McCoy are uncollectable by virtue of the federal bankruptcy law. McCoy also asserts that the Kansas statutes relating to the liabilities of a dissolved corporation provide that successors in interest to K&E have no obligation at this time to pay to Williams any Kansas ad valorem tax reimbursement that may have been received by the corporation during the subject period. McCoy further states that the balance of the claim made by Williams against McCoy is being remitted under protest, with all rights reserved, to Williams on behalf of McCoy and the other working interest owners in the two subject leases.

In support of its request for a staff adjustment, McCoy states that it does not have an ongoing contractual relationship with these three working interest owners which would permit McCoy to collect the subject refunds through billing adjustments. McCoy asserts that therefore the alleged refunds as to these three working interest owners should be deemed to be uncollectible and the Commission should waive the obligation of McCoy to make payment of the same. McCoy requests that the Commission grant McCoy staff adjustment in the amount \$2,219.69 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 to protestants parties to the proceeding. Any person wishing

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

<sup>2</sup> See 80 FERC ¶ 61,264 (1997); order denying reh'g 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).

<sup>4</sup> See Order Clarifying Procedures 82 FERC ¶ 61,059 (1998).