

Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426 and refer to Docket No. IC03–568–000.

Documents filed electronically via the Internet must be prepared in WordPerfect, MS Word, Portable Document Format, or ASCII format. To file the document, access the Commission's Web site at <http://www.ferc.gov> and click on "Make an E-filing," and then follow the instructions for each screen. First time users will have to establish a user name and password. The Commission will send an automatic acknowledgment to the sender's E-mail address upon receipt of comments.

All comments may be viewed, printed or downloaded remotely via the Internet through FERC's homepage using the eLibrary link. For user assistance, contact [FERCOnlineSupport@ferc.gov](mailto:FERCOnlineSupport@ferc.gov) or toll-free at (866) 208–3676 or for TTY, contact (202)502–8659.

**FOR FURTHER INFORMATION CONTACT:**

Michael Miller may be reached by telephone at (202) 502–8415, by fax at (202) 273–0873, and by e-mail at [michael.miller@ferc.gov](mailto:michael.miller@ferc.gov).

**SUPPLEMENTARY INFORMATION:** The information collected under the requirements of FERC–568 "Well Category Determinations" (OMB Control No. 1902–0112) is used by the Commission to implement the statutory provisions of section 503 of the Natural Gas Policy Act of 1978 (NGPA), 15 U.S.C. 3413. In Order No. 616, (July 14, 2000) (65 FR 45859) the Commission reinstated provisions for making well category determinations under section 503 of the Natural Gas Policy Act for certain categories of high cost gas.

When a determination is made, a natural gas producer can claim tax

credits as provided for under Section 29 of the Internal Revenue Code (Section 29 tax credits). Section 29 as amended by the Revenue Reconciliation Act of 1990, allows taxpayers to claim a tax credit for certain qualified fuels which (1) are produced from wells drilled after December 31, 1979, and before January 1, 1993, and (2) sold before January 1, 2003. The qualified fuels include high cost gas as defined in NGPA section 107(c)(2)–(4) (gas produced from geopressured brine, coal seams and Devonian shale), as well as some gas the Commission defined as tight formation gas pursuant to NGPA section 107(c)(5). In 1999, the United States Court of Appeals for the Tenth Circuit in *True Oil Co. v. Commissioner of Internal Revenue (True Oil)* (170 F.3d 1294)(10th Cir. 1999), held that, in order to obtain the tax credit, there must be a formal determination under the procedures provided for by section 503 of the Natural Gas Policy Act. Section 503 of the NGPA, set forth procedures used for determining whether gas qualified as section 107(c) "high-cost natural gas." Under that section the agency having regulatory jurisdiction with respect to the production of natural gas in question (jurisdictional agency) makes the initial determination, and submits it to the Commission. The Commission can affirm, reverse, remand, make a preliminary finding either on, or simply takes no action regarding the agency's determination. If the Commission takes no action within 45 days after receipt of the agency's determination, the determination is final. Judicial review is available under Section 503 only if the Commission remands or reverses the determination. In Order No. 616, the Commission limited its actions to reviewing determinations by

jurisdictional agencies for qualifying recompletions in already designated tight formations. Well determinations for recompletions in coal seams and Devonian shale are also accepted. The Commission estimated there are probably at least 4,131 recompletions that were performed during the years 2000–2003 for which a determination may be sought under the Commission's regulations. A natural gas producer files an application (FERC Form 121) for a determination. In addition to the application, the applicant will also submit supporting documentation that includes the following: A completion report which illustrates the type of natural gas production treatment (*i.e.* perforation, acidization, fracturing etc.); logs defining the coal seams; or superimposed indications of the shale base line using gamma rays; or a map that identifies the geographic location of the well and the geographic location of post January 1, 1993 recompletions' completion location in the designated tight formation; and/or a location plat identifying the geographic location of the well and a list of tracts of land that comprise designated tight formations and an affidavit. FERC–568 covers the reporting requirements for this supporting documentation. The Commission implements these filing requirements in the Code of Federal Regulations (CFR) under 18 CFR part 270.

**Action:** The Commission is requesting a three-year extension of the current expiration date, with no changes to the existing collection of data.

**Burden Statement:** Public reporting burden for this collection is estimated as:

Number of respondents annually	Number of responses per respondent	Average burden hours per response	Total annual burden hours
(1)	(2)	(3)	(1)×(2)×(3)
4,131	1	6.01	24,786

**Estimated cost burden to respondents:** 24,786 hours / 2,080 hours per year × \$117,041 per year = \$ 1,394,701. The cost per respondent is equal to \$ 338.

The reporting burden includes the total time, effort, or financial resources expended to generate, maintain, retain, disclose, or provide the information including: (1) Reviewing instructions; (2) developing, acquiring, installing, and utilizing technology and systems for the purposes of collecting, validating, verifying, processing, maintaining,

disclosing and providing information; (3) adjusting the existing ways to comply with any previously applicable instructions and requirements; (4) training personnel to respond to a collection of information; (5) searching data sources; (6) completing and reviewing the collection of information; and (7) transmitting, or otherwise disclosing the information.

The estimate of cost for respondents is based upon salaries for professional and clerical support, as well as direct

and indirect overhead costs. Direct costs include all costs directly attributable to providing this information, such as administrative costs and the cost for information technology. Indirect or overhead costs are costs incurred by an organization in support of its mission. These costs apply to activities which benefit the whole organization rather than any one particular function or activity.

Comments are invited on: (1) Whether the proposed collection of information