

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF THE SALYERSVILLE)
GAS COMPANY, INC. AND WILLIE J. SMITH AND)
R. D. WILLIAMS FOR THE APPROVAL OF THE) CASE NO. 89-251
ACQUISITION OF THE SALYERSVILLE GAS)
COMPANY, INC. BY WILLIE J. SMITH AND)
R.D. WILLIAMS)

O R D E R

IT IS ORDERED that AEI-KAARS Pipeline Company ("AEI-KAARS") shall file the original and 10 copies of the following information with the Commission with a copy to all parties of record within ten days from the date of this Order. If the information cannot be provided by this date, AEI-KAARS should submit a motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission. Furnish with each response the name of the witness who will be available at the public hearing for responding to questions concerning each item of information requested.

1. Is it AEI-KAARS' understanding that the prospective owners of Salyersville will honor the existing contract between AEI-KAARS and Salyersville? Has AEI-KAARS discussed the provisions of its contract with Salyersville's prospective owners?

2. Reference is made to "a deep gas test" and shale well that AEI-KAARS has drilled. Explain how much each of these

separate actions will increase AEI-KAARS' production. Will this production be designated for Salyersville alone?

3. Provide information regarding the implementation of an additional line to supply additional gas for 1989-90, including: location of the pipeline; source of the additional gas (name of lease and type of well); the name of the other company controlled by AEI-KAARS; and estimate of amount of gas available (Mcf/day) from each well at this source.

4. Provide additional information which supports the conclusion that AEI-KAARS can provide "not less than 60 Mcf/day to maximum of 120 Mcf/day." Such information should include copies of the results of tests performed on each well.

5. Describe the purpose of the stripping plant which is currently being installed.

6. AEI-KAARS states it now has 33 wells. Of this number how many are not Weir wells? Does AEI-KAARS plan to drill any wells in the future other than Weir wells? If so, describe.

7. Is AEI-KAARS currently selling gas in Kentucky to any other individual or company? If so, to whom, how much, and for how long?

Done at Frankfort, Kentucky this 6th day of October, 1989.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Executive Director