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BUSINESS

Dow Jones	Nasdaq	S&P 500
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-3.33 13,671.92	-23.90 2,750.86	-1.48 1,514.40

Natural gas dispute settled

BY KEVIN WELCH

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More than \$200 million in natural gas will not be trapped under Hutchinson County after two companies reached an agreement in Austin on Thursday.

Momentum Operating sued DCP Midstream on May 31 in federal court and opposed DCP's request to expand its permit to inject waste taken from natural gas.

Momentum alleged DCP's Sneed injection plant was putting an acid gas it stripped from natural gas back into the ground in a manner that allowed it to contaminate natural gas

owned by Momentum.

DCP denied harming Momentum.

An examiner with the Railroad Commission of Texas held a hearing on the issue Wednesday and Thursday.

"The suit was resolved and our clients dropped their opposition to the application to expand the permit," said Richard Mithoff, one of the attorneys representing Momentum Operating. "The terms of that settlement are confidential."

The protest was withdrawn with the understanding that DCP will have an alternative disposal method in place within two years by July 2009. Additionally, when the alter-

native method is ready, DCP will clean up contamination if required by the commission, Mithoff said.

As part of the settlement, DCP agreed to other conditions.

"We've also submitted to the Railroad Commission of Texas a plan to conduct an ongoing monitoring program for the Sneed injection well," said Roz Elliott, director of public affairs for DCP. "So both Momentum and DCP are committed to continued operation of that facility in a safe manner so that we can serve producers until such time we put in place an alternative method."

In August, DCP told about

80 natural gas producers it cleans the gas for, making it marketable, that it would have to shut the Sneed Plant down for two years to change its operation if Momentum were successful in its opposition.

Karr Ingham, an Amarillo economist, told the producers earlier this month the direct impact would be a loss of \$228 million in gas sales and a total impact of \$451 million lost after accounting for job losses and local spending of the gas revenues.

"That's a fairly high number for such a fairly small geographical area," he said.