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August 31, 2006

Mr. Danny Bivens
Gas Services Division
Railroad Commission of Texas
P.O. Box 12967
Austin, Texas 78711-2967

Re: Natural Gas Pipeline Competition Advisory Committee Report

Dear Mr. Bivens:

Samson Lone Star Limited Partnership ("Samson"), a privately held oil and gas exploration and production company that is a substantial producer of natural gas in Texas, has carefully observed the proceedings of the Railroad Commission of Texas ("Commission") regarding natural gas gathering and pipeline competition. We have reviewed the above referenced report and hereby submit comments regarding our opinions on the issues raised during the public hearings and considered by the advisory committee.

While Samson has itself not been involved with or used the informal complaint process we do in general support the concept of resolving disputes in a reasonable manner, with limited cost and to both parties satisfaction. We further support many of the proposed revisions outlined by the committee. We are however unclear as to who determines how costs associated with this process are reimbursed/recovered by the parties entitled thereto and feel this issue should be clearly defined in any revisions that are made to the complaint process. It is our opinion that the resolution of all disputes addressed by the process along with all materials utilized to reach the resolution should be held confidential.

Transparency of information involved in the natural gas production and transportation industry has easily been the most controversial issue addressed by the Commission and the advisory committee. Regarding the issue of transparency Samson supports:

- A market based approach to establish rates for service provided

- A producer being able to choose if they wish to incorporate confidentiality provisions in contracts
- A prohibition of gatherers/purchasers from requiring a confidentiality clause in all contracts

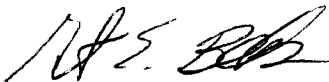
The Committee's use of the term "full access to contract information" is too broad and should be defined in more detail. Access to contract information by a mediator or monitor during the informal complaint process is most certainly in order, but we do not believe information pertaining to parties other than those in dispute should be made available to anyone else. The discovery process should be limited. We would want to avoid a producer being able to file a complaint solely to obtain information about another party's private contract. Furthermore, we would not want the discovery process to put undue burden on anyone especially someone not involved in the dispute.

The Committee's report mentions, on page 23, that the Texas procedure is better than other states because it covers "gathering, processing and transporting" natural gas. We are in agreement that these items should be included but were unable to locate where the committee specifically brought disputes associated with compression, treating and processing into their recommendations. Do the commission staff and or Commissioners plan to address these in their analysis and final report to the legislature?

Economic principles in a free market system support variations in rates charged and paid for goods and services depending on the volume and location of the product being traded. It is for that reason we are concerned that if revisions are made based on the report as written it would lead to moderate to larger companies subsidizing smaller companies which is contrary to the free market system. We do not support effectively penalizing the moderate or larger size companies which may have a blended rate, with respect to all of their wells, established with a gatherer and accordingly, in order to help prevent this from happening the term "similarly situated shipper" should be better defined to account for the volume a producer maybe shipping on a particular gatherer, among other things.

Thank you for giving us the opportunity to offer our comments and concerns on these issues. Should you, others on the Commission staff or the Commissioners themselves have questions concerning these comments please feel free to contact the undersigned at your convenience.

Sincerely,



Grant E. Black
Director of Governmental Affairs
Samson Lone Star Limited Partnership

Cc: Ron Gober, Vice-President of Production Marketing