



---

**By Robert Osborne**

**November 2016**

---

Have you or your company recently had issues negotiating terms of your contracts with intrastate midstream gas pipeline companies? YOU ARE NOT ALONE.

This has been a major issue for operators in the Texas Panhandle where gas pipeline companies have been replacing percentage-of-proceeds contracts with fee-based contracts. This has resulted in some operators giving up as much as 95% of the value of the gas to the pipeline company.

YOU DO HAVE AN OPTION: the Informal Complaint process under the rules and regulations of the Railroad Commission of Texas. This process is simple, direct and no cost to operators. The operator fills out a one page form stating the complaint against the gas pipeline company and the gas pipeline company has 14 days to respond to the operator through the Railroad Commission.

If negotiations do not result in a resolution to the issues, the operator can request formal mediation which will include representatives from the operator, gas pipeline company, Railroad Commission of Texas and an appointed mediator.

If negotiations fail, the operator can proceed with a formal complaint and a hearing through the Railroad Commission.

The Alliance encourages operators to become aware of the many laws and regulations already available to prohibit monopoly abuses, and its officers and staff stand ready to assist its membership. If you feel that you need help, please contact our team of experts, Alex Mills ([alexm@texasalliance.org](mailto:alexm@texasalliance.org), 940-723-4131) or John Tintera ([johnt@texasalliance.org](mailto:johnt@texasalliance.org), 512-476-8098).