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BLACK MESA PIPELINE, INC.

1978

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PIPELINE COMPANIES

annual report

APPROVED BY GAO
B-180230 (R0249)
EXPIRES 12-31-78INTERSTATE
COMMERCE COMMISSION
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ADMINISTRATIVE SERVICES
MAIL UNIT

	PL009077BLACK MESA 9077 BLACK MESA PIPELINE, INC. 610 South Main Street Los Angeles, California 90014
Correct name and address, if different than shown.	Full name and address of reporting carrier. (Use mailing label on original, copy in full on duplicate.)



to the

Interstate Commerce Commission

FOR THE YEAR ENDED DECEMBER 31, 1978

NOTICE

1. This Form for annual report should be filled out in triplicate and two copies returned to the Interstate Commerce Commission, Bureau of Accounts, Washington, D.C. 20423, by March 31 of the year following that for which the report is made. Attention is specially directed to the following provisions of Part I of the Interstate Commerce Act:

SEC. 20. (1) The Commission is hereby authorized to require annual, periodical, or special reports from carriers, lessors, * * * (as defined in this section), to prescribe the manner and form in which such reports shall be made, and to require from such carriers, lessors, * * * specific and full, true, and correct answers to all questions upon which the Commission may deem information to be necessary, classifying such carriers, lessors, * * * as it may deem proper for any of these purposes. Such annual reports shall give an account of the affairs of the carrier, lessor, * * * in such form and detail as may be prescribed by the Commission.

(2) Said annual reports shall contain all the required information for the period of twelve months ending on the 31st day of December in each year, unless the Commission shall specify a different date, and shall be made out under oath and filed with the Commission at its office in Washington within three months after the close of the year for which report is made, unless additional time be granted in any case by the Commission.

(7) (b). Any person who shall knowingly and willfully make, cause to be made, or participate in the making of, any false entry in any annual or other report required under this section to be filed, * * * or shall knowingly or willfully file with the Commission any false report, or other document, shall be deemed guilty of a misdemeanor and shall be subject, upon conviction in any court of the United States of competent jurisdiction to a fine of not more than five thousand dollars or imprisonment for not more than two years, or both such fine and imprisonment: * * *

(7) (c). Any carrier or lessor, * * * or any officer, agent, employee, or representative thereof, who shall fail to make and file an annual or other report with the Commission within the time fixed by the Commission, or to make specific and full true and correct answer to any question within thirty days from the time it is lawfully required by the Commission so to do, shall forfeit to the United States the sum of one hundred dollars for each and every day it shall continue to be in default with respect thereto.

(8) As used in this section * * * the term "carrier" means a common carrier subject to this part, and includes a receiver or trustee of such carrier; and the term "lessor" means a person owning a railroad, a water line or a pipe line, leased to and operated by a common carrier subject to this part, and includes a receiver or trustee of such lessor, * * *

The respondent is further required to send to the Bureau of Accounts, immediately upon publication, two copies of its latest printed annual report to stockholders. See Schedule 108A, Page 3.

2. The instructions in this Form should be carefully observed, and each question should be answered fully and accurately, whether it has been answered in a previous annual report or not. Except in cases where they are specifically authorized, cancellations, arbitrary check marks, and the like should not be used either as partial or as entire answers to inquiries. If any inquiry, based on a preceding inquiry in the present report form, is, because of the answer rendered to such preceding inquiry, inapplicable to the person or corporation in whose behalf the report is made, such notation as "Not applicable; see page, . . . , Schedule for (line) number . . ." should be used in answer thereto, giving precise ref-

erence to the portion of the report showing the facts which make the inquiry inapplicable. Where the word "None" truly and completely states the fact, it should be given as the answer to any particular inquiry or any particular portion of an inquiry. Where dates are called for, the month and day should be stated as well as the year. Customary abbreviations may be used in stating dates.

3. Every annual report should, in all particulars, be complete in itself, and references to the returns of former years should not be made to take the place of required entries except as herein otherwise specifically directed or authorized.

4. If it be necessary or desirable to insert additional statements, type-written or other, in a report, they should be legibly made on durable paper and, whenever practicable, on sheets not larger than a page of the Form. Inserted sheets should be securely attached, preferably at the inner margin; attachment by pins or clips is insufficient.

5. All entries should be made in a permanent black ink. Those of a contrary character should be indicated in parenthesis. Items of an unusual character should be indicated by appropriate symbol and footnote.

Money items, except averages, throughout the annual report form should be shown in WHOLE DOLLARS adjusted to accord with footings. Totals for amounts reported in subsidiary accounts included in supporting schedules must be in agreement with related primary accounts.

6. Each respondent should make its annual report to this Commission in triplicate, retaining one copy in its files for reference in case correspondence with regard to such report becomes necessary. For this reason three copies of the Form are sent to each company concerned.

7. Except where the context clearly indicates some other meaning, the following terms when used in this Form have the meanings below stated:

Commission means The Interstate Commerce Commission. Respondent means the person or company in whose behalf the report is made. The year means the year ended December 31 for which the report is made. The close of the year means the close of business on December 31 of the year for which the report is made; or, in case the report is made for a shorter period than one year, it means the close of the period covered by the report. The beginning of the year means the beginning of business on January 1 of the year for which the report is made; or, in case the report is made for a shorter period than one year, it means the beginning of the period covered by the report. The preceding year means the year ended December 31 of the year next preceding the year for which the report is made. The Uniform System of Accounts for Pipe Lines means the system of accounts in Part 1204 of Title 49, Code of Federal Regulations, as amended.

ANNUAL REPORT

OF

BLACK MESA PIPELINE, INC.

(FULL NAME OF THE RESPONDENT)

A COAL SLURRY PIPELINE

FOR THE

YEAR ENDED DECEMBER 31, 1978

Name, official, title, telephone number, and office address of officer in charge of correspondence with the Commission regarding this report:

(Name) M. J. Musey, Jr. (Title) Controller

(Telephone number) 213 629-6602
(Area code) (Telephone)

(Office address) 610 South Main Street, Los Angeles, California 90014
(Street and number, City, State, and ZIP code)

SPECIAL NOTICE

The attention of the respondent is directed below to certain particulars, if any, in which this report form differs from the corresponding form for the preceding year. It should be understood that mention is not made of necessary substitutions of dates or, in general, such other things as simple modifications intended to make requirements clearer, other minor adjustments, and typographical corrections.

Page 6: Schedule 200. Comparative Balance Sheet Statement - Asset Side

Provision is made for reporting allowances for net unrealized loss on noncurrent marketable equity securities.

Page 7: Schedule 200. Comparative Balance Sheet Statement - Liability Side

Provision is made for reporting "unamortized discount and interest on long-term debt," and "unrealized loss on noncarrier marketable equity securities."

Page 8: Schedule 200. Comparative Balance Sheet Statement - Notes

A new note has been added providing for reporting marketable equity securities. This note is to be completed only by carriers earning \$10 million or more in gross operating revenues.

Page 8C: Schedule 302. Working Capital

This is the Commission's former periodic report "Information For Use in Development of Working Capital," now incorporated in annual report Form P. Beginning with 1977 reporting, periodic use of this form is discontinued.

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101. IDENTITY OF RESPONDENT

1. Give in full the exact name of the respondent. Use the words "The" and "Company" only when they are parts of the corporate name. The corporate name should also be given uniformly throughout the report, notably on the cover, on the title page, and in the "Verification" (p. 52). If the report is made by receivers, trustees, a committee of bondholders, or individuals otherwise in possession of the property, state names and facts with precision.

2. If incorporated under a special charter, give date of passage of the act; if under a general law, give date of filing certificate of organization; if a reorganization has been effected, give date of reorganization. If a receivership or other trust, give also date when such receivership or other possession began. If a partnership, give date of formation and also names in full of present partners.

3. Give specific reference to laws of each State or Territory under which organized, citing chapter and section. Include all grants of corporate powers by the United States, or by Canada or other foreign country; also, all amendments to charter. If in bankruptcy, give court of jurisdiction and dates of beginning of receivership or trusteeship and of appointment of receivers of trustees.

4. Give specific reference to special or general laws under which each consolidation or merger or combination of other form was effected during the year, citing chapter and section. Specify Government, State, Territory under the laws of which each company consolidated or merged or otherwise combined during the year into the present company was organized; give reference to the charters of each, and to all amendments of them. Distinguish carefully between mergers and consolidations. For the purpose of this report, a merger may be defined as the absorption of one of two existing corporations by the other in such wise that the absorbed or merged corporation ceases to exist as a legal entity, its property passing to the merging or absorbing corporation, which assumes all of the merged corporation's obligations. A consolidation may be defined as the union of two or more existing corporations into a new corporation, which, through the consolidation, acquires all of the property of the uniting corporations, assumes all of their obligations, and issues its capital stock in exchange for those of the uniting corporations in ratios fixed in the agreement for consolidations, after completion of which both or all of the consolidating corporations cease to exist as legal entities. Combinations that are not classifiable as mergers or consolidations should be fully explained. Cases in which corporations have become inactive and have been practically absorbed through ownership or control of their entire capital stock, through leases of long duration (under which the lessor companies do not keep up independent organizations for financial purposes), or otherwise, so that no distinction is made in operating or in accounting by reason of the original separate incorporation, should be included here in a separate list and fully explained in answering this and the next following inquiry.

erwise combined during the year into the present company was organized; give reference to the charters of each, and to all amendments of them. Distinguish carefully between mergers and consolidations. For the purpose of this report, a merger may be defined as the absorption of one of two existing corporations by the other in such wise that the absorbed or merged corporation ceases to exist as a legal entity, its property passing to the merging or absorbing corporation, which assumes all of the merged corporation's obligations. A consolidation may be defined as the union of two or more existing corporations into a new corporation, which, through the consolidation, acquires all of the property of the uniting corporations, assumes all of their obligations, and issues its capital stock in exchange for those of the uniting corporations in ratios fixed in the agreement for consolidations, after completion of which both or all of the consolidating corporations cease to exist as legal entities. Combinations that are not classifiable as mergers or consolidations should be fully explained. Cases in which corporations have become inactive and have been practically absorbed through ownership or control of their entire capital stock, through leases of long duration (under which the lessor companies do not keep up independent organizations for financial purposes), or otherwise, so that no distinction is made in operating or in accounting by reason of the original separate incorporation, should be included here in a separate list and fully explained in answering this and the next following inquiry.

1. Exact name of pipe-line company making this report Black Mesa Pipeline, Inc.
2. Date of incorporation April 29, 1966
3. Under laws of what Government, State, or territory organized? If more than one, name all Organized under the laws of the State of Delaware - General Corporation Law
4. If a consolidated or a merging company, name all constituent and all merged companies absorbed during the year Not a consolidated or merged company
5. Date and authority for each consolidation and for each merger effected during the year Not applicable
6. If a reorganized company, give name of original corporation, refer to laws under which it was organized, and state the occasion for any reorganization effected during the year Not applicable
7. State whether or not the respondent during the year conducted any part of its business under a name or names other than that shown in response to inquiry No. 1, above; if so, give full particulars None

INSTRUCTIONS FOR MAKING RETURNS ON PAGES 2 AND 3

There should appear on these pages entries or notations sufficient to show that no question or item has been overlooked. The word "None" may be used whenever applicable. If returns are not made as required, proper references, as "See page 2", should be made to this page, on which a statement of the reason for the variation or omission should be given.

1. Give particulars of the various directors and officers of the respondent at the close of the year.

2. State in column (e) of schedule No. 102 and column (d) of schedule No. 103, the number of voting shares of the respondent, other than directors' qualifying shares, that were beneficially owned, directly or indirectly, by each director or principal general officer at the close of the year. This includes shares owned of record, shares owned through holding companies, trusts, or other mediums, and shares owned but held in the names of brokers or other nominees. Insert the word "None" where applicable.

3. In schedule No. 103 give the title, name, and address of the principal general officers having system jurisdiction by departments, as follows: Executive, Legal, Fiscal and Accounting, Purchasing, Operating, Construction, Maintenance, Engineering, Commercial, and Traffic. If there are receivers, trustees, or committees, who are recognized as in the controlling management of the company or of some department of it, give also their names and titles, and the location of their offices. If the duties of an officer extend to more than one department, or if his duties are not in accordance with the customary acceptance of his given title, state briefly the facts under Explanatory Remarks below.

EXPLANATORY REMARKS

102. DIRECTORS

Line No.	Name of director (a)	Office address (b)	Date of beginning of term (c)	Date of expiration of term (d)	Number of voting shares actually or beneficially owned (e)	Remarks (f)
1	C. W. Burkett (2)	One Market Plaza		(1) (d)		
2		San Francisco,				
3		California 94105	5-9-78	5-8-79	None	
4						
5	L. E. Hoyt	-do-	-do-	-do-	-do-	
6	F. E. Kriebel	-do-	-do-	-do-	-do-	
7	B. K. Smith	610 So. Main Street	-do-	-do-	-do-	
8		Los Angeles,				
9		California 90014				
10						
11						
12						
13						
14	(1) Or when successor is duly qualified and elected.					
15						
16	(2) Retired as of December 31, 1978.					
17						
18						
19						
20						

21. Give the names (and titles) of all officers of the Board of Directors of the respondent at the close of the year:

Chairman of Board None

Secretary (or clerk) of Board None

22. Name the members of the executive committee of the Board of Directors of the respondent at the close of the year (naming first the Chairman), and state briefly the powers and duties of that committee:

None

103. PRINCIPAL GENERAL OFFICERS

Line No.	Title of general officer (a)	Department or departments over which jurisdiction is exercised (b)	Name of person holding office at close of year (c)	Number of voting shares actually or beneficially owned (d)	Office address (e)
1	President	Executive	B. K. Smith	None	610 So. Main Street
2					L.A., CA 90014
3					
4	Vice President	Executive	L. E. Hoyt	-do-	One Market Plaza
5					S.F., CA 94105
6					
7	Vice President	Executive &	J. G. Montfort	-do-	1509 E. Butler Ave.
8	& Gen. Manager	Operating			Flagstaff, AZ 86001
9					
10	General Counsel	Legal	Alan C. Furth	-do-	One Market Plaza
11					S.F., CA 94105
12					
13	Controller	Accounting	M. J. Musey, Jr.	-do-	610 So. Main Street
14					L.A., CA 90014
15					
16	Treasurer	Fiscal	J. L. Betz	-do-	One Market Plaza
17					S.F., CA 94105
18					
19	Secretary	Secretarial -	A. G. Richards	-do-	-do-
20		Corporate			
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					

108. CORPORATE CONTROL OVER RESPONDENT For definition of control see page 11.

1. Did any corporation or corporations, pipe line or other, hold control over the respondent at the close of the year? Yes

If control was so held, state:

Sole

(a) The form of control, whether sole or joint

(b) The name of the controlling corporation or corporations Southern Pacific Pipe Lines, Inc.(c) The manner in which control was established by sale of capital stock(d) The extent of control 100%(e) Whether control was direct or indirect direct(f) The name of the intermediary through which control, if indirect, was established not applicable2. Did any individual, association, or corporation hold control, as trustee, over the respondent at the close of the year? No

If control was so held, state:

Not applicable

(a) The name of the trustee

(b) The name of the beneficiary or beneficiaries for whom the trust was maintained Not applicable(c) The purpose of the trust Not applicable

108A. STOCKHOLDERS REPORTS

1. The respondent is required to send the Bureau of Accounts, immediately upon preparation, two copies of its latest annual report to stockholders.

Check appropriate box:

☐ Two copies are attached to this report.☐ Two copies will be submitted (date)☒ No annual report to stockholders is prepared.

109. VOTING POWERS AND ELECTIONS

1. State whether or not each share of stock has the right to one vote; if not, give full particulars in a footnote Yes
2. Are voting rights proportional to holdings? Yes If not, state in a footnote the relation between holdings and corresponding voting rights.
3. Are voting rights attached to any securities other than stock? No If so, name in a footnote each security, other than stock, to which voting rights are attached (as of the close of the year), and state in detail the relation between holdings and corresponding voting rights, stating whether voting rights are actual or contingent, and if contingent showing the contingency.
4. Has any class or issue of securities any special privileges in the election of directors, trustees, or managers, or in the determination of corporate action by any method? No If so, describe fully (in a footnote) each such class or issue and give a succinct statement showing clearly the character and extent of such privileges.
5. Give the date and state the purpose of the closing of the stock book or compilation of list of stockholders and their holdings at the latest date prior to the preparation of this report (even though such date be after the close of the year): Not closed

6. State the total voting power of all security holders of the respondent at the date given in answer to inquiry No. 5, if within 1 year of the date of such preparation; if not, state as of the close of the year 10 votes, as of Dec. 31, 1978 (date)
7. State the total number of stockholders of record, as of the date shown in answer to inquiry No. 6. one stockholders.
8. Give the names of the 30 security holders of the respondent who, at the date of the closing of the stock book or compilation of list of stockholders of the respondent (if within 1 year of the preparation of this report), had the highest voting powers in the respondent, showing for each his address, the number of votes which he would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he was entitled, with respect to securities held by him, such securities being classified as common stock, second preferred stock, first preferred stock, and other securities, stating in a footnote the names of such other securities (if any). If any such holder held in trust, give (in a footnote) the particulars of the trust. If the stock book was not closed or the list of stockholders compiled within such year, show such 30 security holders as of the close of the year.

Line No.	Name of security holder	Address of security holder	Number of votes to which security holder was entitled	NUMBER OF VOTES, CLASSIFIED WITH RESPECT TO SECURITIES ON WHICH BASED			
				STOCKS			Other securities with voting power
				Common	PREFERRED		
					Second (e)	First (f)	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
1	Southern Pacific	610 So. Main St.	10	10			
2	Pipe Lines, Inc.	L.A., CA 90014					
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
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19							
20							
21							
22							
23							
24							
25							
26							
27							

9. State the total number of votes cast at the latest general meeting for the election of directors of the respondent 10 votes cast.
10. Give the date and place of such meeting. May 9, 1978 at San Francisco, California

110. GUARANTIES AND SURETYSHIPS

1. If the respondent was under obligation as guarantor or surety for the performance by any other corporation or other association of any agreement or obligation, show for each such contract of guaranty or suretyship in effect at the close of the year, or entered into and expired during the

year, the particulars called for hereunder.

This inquiry does not cover the case of ordinary commercial paper maturing on demand or not later than two years after date of issue.

Line No.	Names of all parties principally and primarily liable (a)	Description of agreement or obligation (b)	Amount of contingent liability (c)	Seal or joint contingent liability (d)
1	None			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				

2. If any corporation or other association was under obligation as guarantor or surety for the performance by the respondent of any agreement or obligation, show for each such contract of guaranty or suretyship in effect at the close of the year, or entered into and expired during the year, the particulars called for hereunder.

This inquiry does not cover the case of ordinary commercial paper maturing on demand or not later than two years after date of issue, nor does it include ordinary surety bonds or undertakings on appeals in court proceedings.

Line No.	Description of agreement or obligation (a)	Names of all guarantors and sureties (b)	Amount of contingent liability of guarantors (c)	Seal or joint contingent liability (d)
1	None			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				

200. COMPARATIVE BALANCE SHEET STATEMENT—ASSET SIDE

For instructions covering this schedule, see the text and instructions pertaining to Balance Sheet Accounts in the Uniform System of Accounts for Pipe Lines. The entries in this balance sheet should be consistent with those in the supporting schedules on the pages indicated.

All contra entries hereunder should be indicated in parentheses.

On line 30, short-column (a) and column (c), include depreciation applicable to investment in system property.

Line No.	Item (a)	Balance at close of year (b)	Balance at beginning of year (c)
	CURRENT ASSETS		
1	(10) Cash	1,000	1,000
2	(10-5) Special deposits (p. 9B)	-	-
3	(11) Temporary investments	-	-
4	(12) Notes receivable (p. 10)	-	-
5	(13) Receivables from affiliated companies (p. 10)	1,427,974	1,304,205
6	(14) Accounts receivable (p. 10)	2,189,608	1,641,755
7	(15) Interest and dividends receivable	-	-
8	(16) Oil inventory	-	-
9	(17) Material and supplies	182,000	182,863
10	(18) Prepayments	49,023	46,932
11	(19) Other current assets	1,150	1,150
12	(19-5) Deferred income tax charges (p. 8A)	-	-
13	Total current assets	3,850,755	3,177,905
	INVESTMENTS AND SPECIAL FUNDS		
	(20) Investments in affiliated companies:		
14	Stocks (pp. 12, 13)	-	-
15	Bonds (pp. 12, 13)	-	-
16	Other secured obligations (pp. 14, 15)	-	-
17	Unsecured notes (pp. 12, 13)	-	-
18	Investment advances (pp. 12, 13)	-	-
19	Undistributed earnings from certain investments in account 20 (p. 13A)	-	-
	(21) Other investments:		
20	Stocks (pp. 14, 15)	-	-
21	Bonds (pp. 14, 15)	-	-
22	Other secured obligations (pp. 14, 15)	-	-
23	Unsecured notes (pp. 14, 15)	-	-
24	Investment advances (pp. 14, 15)	58,264	38,418
25	(22) Sinking and other funds (p. 18)	-	-
26	(23) Reductions in security values—Credit	-	-
27	(24) Allowance for net unrealized loss on noncurrent marketable equity securities—Credit	-	-
28	Total investments and special funds	58,264	38,418
	TANGIBLE PROPERTY		
29	(30) Carrier property (pp. 20, 21)	\$ 39,356,429	39,063,283
30	(31) Accrued depreciation—Carrier property (pp. 24, 25)	(8,902,777)	(7,700,720)
31	(32) Accrued amortization—Carrier property (p. 26)	-	-
32	(33) Operating oil supply	-	-
33	(34) Noncarrier property (p. 27)	-	-
34	(35) Accrued depreciation—Noncarrier property	-	-
35	Total tangible property	30,453,652	31,362,563
	OTHER ASSETS AND DEFERRED CHARGES		
36	(40) Organization costs and other intangibles	\$ 9,869	9,869
37	(41) Accrued amortization of intangibles	(9,869)	(9,869)
38	(42) Unamortized discount and interest on long-term debt	-	-
39	(43) Miscellaneous other assets	-	-
40	(44) Other deferred charges (p. 28)	3,270	2,441
41	(45) Accumulated deferred income tax charges (p. 8B)	-	-
42	Total other assets and deferred charges	3,270	2,441
43	Total assets	34,365,941	34,581,327

For compensating balances not legally restricted, see Schedule 205

200. COMPARATIVE BALANCE SHEET STATEMENT—LIABILITY SIDE

For instructions covering this schedule, see the text and instructions pertaining to Balance Sheet Accounts in the Uniform System of Accounts for Pipe Lines. The entries in this balance sheet should be consistent with those in the supporting schedule, on the pages indicated.

All contra entries hereunder should be indicated in parentheses.

Line No.	Item (a)	Balance at close of year (b)	Balance at beginning of year (c)
	CURRENT LIABILITIES	\$	\$
43	(50) Notes payable (p. 29)	-	-
44	(51) Payables to affiliated companies (p. 29)	-	-
45	(52) Accounts payable (p. 29)	92,019	30,758
46	(53) Salaries and wages payable	122,396	98,692
47	(54) Interest payable	-	-
48	(55) Dividends payable	-	-
49	(56) Taxes payable	860,340	620,334
50	(57) Long-term debt payable within one year (pp. 30, 31)	-	-
51	(58) Other current liabilities	883,197	1,168,635
52	(59) Deferred income tax credits (p. 8A 8B)	-	-
53	Total current liabilities	1,957,952	1,918,419
	NONCURRENT LIABILITIES	9,000,000	14,000,000
54	(60) Long-term debt payable after one year (pp. 32, 33)	-	-
55	(60.5) Capitalized lease obligations	-	-
56	(61) Unamortized premium on long-term debt	-	-
57	(62) Unamortized discount and interest on long-term debt	380	-
58	(63) Other noncurrent liabilities	6,880,131	6,278,610
59	(64) Accumulated deferred income tax credits (p. 8A 8B)	15,880,511	20,278,610
60	Total noncurrent liabilities	17,838,463	22,197,029
61	Total liabilities		
	STOCKHOLDERS' EQUITY	1,000	1,000
62	(70) Capital stock (p. 36)	-	-
63	(71) Premiums on capital stock	-	-
64	(72) Capital stock subscriptions	-	-
65	(73) Additional paid-in capital (p. 38)	-	-
66	(74) Appropriated retained income (p. 39)	16,526,478	12,383,298
67	(75) Unappropriated retained income (p. 9)	-	-
68	(75.5) Unrealized loss on noncarrier marketable equity securities	-	-
69	(76) Less: Treasury stock	16,527,478	12,384,298
70	Total stockholders' equity	34,365,941	34,581,327
71	Total liabilities and stockholders' equity		

Estimated accumulated net Federal income tax reduction realized since December 31, 1949, under section 168 (formerly section 124-A) of the Internal Revenue Code because of accelerated amortization of emergency facilities in excess of recorded depreciation: \$ None

Estimated accumulated savings in Federal income taxes resulting from computing book depreciation under Commission rules and computing tax depreciation using the items listed below: \$ 6,831,214

—Accelerated depreciation since December 31, 1953, under section 167 of the Internal Revenue Code.

—Guideline lives since December 31, 1961, pursuant to Revenue Procedure 62-21.

—Guideline lives under Class Life System (Asset Depreciation Ranges) since December 31, 1970, as provided in the Revenue Act of 1971.

Estimated accumulated net income tax reduction utilized since December 31, 1961, because of the investment tax credit authorized in the Revenue Act of 1962, as amended: \$ 390,777

Investment tax credit carryover at year end: \$ None

Past service pension costs determined by actuaries at year end: \$ 0

Total pension costs for year: Normal costs: \$ 101,768

Amortization of past service costs: \$ 1,731

Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made: \$ None

State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1971 (18 U.S.C. 610):

YES ☐ NO ☒

NOTES ARE CONTINUED ON PAGE 8)

200. COMPARATIVE BALANCE SHEET STATEMENT—NOTES - Continued

Marketable Equity Securities—to be completed by companies with \$10.0 million or more in gross operating revenues.

1. Changes in Valuation Accounts

		Cost	Market	Dr. (Cr.) to Income	Dr. (Cr.) to Stockholders Equity
Current Yr.:	Noncurrent Portfolio	\$	\$	\$	XXXXXX
as of / /	Noncurrent Portfolio			XXXXXX	\$
Previous Yr.:	Current Portfolio			XXXXXX	XXXXXX
as of / /	Noncurrent Portfolio			XXXXXX	XXXXXX

2. At / / , gross unrealized gains and losses pertaining to marketable equity securities were as follows:

	Gains	Losses
Current	\$	\$
Noncurrent		

3. A net unrealized gain (loss of \$ on the sale of marketable equity securities was included in net income for (year). The cost of securities sold was based on the (method) cost of all the shares of each security held at time of sale.

Significant net realized and net unrealized gains and losses arising after date of the financial statements but prior to their filing applicable to marketable equity securities owned at balance sheet date shall be disclosed below:

NOTE: / / - date - Balance sheet date of the current year unless specified as previous year.

None

300. INCOME STATEMENT

Give the particulars called for from the Income Accounts of the respondent for the year. The entries in this statement should be determined in accordance with the rules prescribed in the Uniform System of Accounts for Pipe Lines, and should be consistent with the details stated on the pages referred to. All contra entries hereunder should be indicated in parentheses. The dividends on line 5 includes only divi-

dends from investments accounted for under the cost method. The dividends on line 11 includes only dividends accounted for under the equity method. Line 12 includes the undistributed earnings from investments accounted for under the equity method. Line 13 represents the earnings (losses) of investee companies accounted for under the equity method.

Line No.	Item (a)	Amount (b)
	ORDINARY ITEMS	\$
	Carrier Operating Income	11,997,316
1	(600) Operating revenues (p. 40)	7,095,405
2	(610) Operating expenses (p. 40, 41)	4,901,911
3	Net carrier operating income	
	Other Income and Deductions	-
4	(620) Income (net) from noncarrier property (p. 43)	-
5	(630) Interest and dividend income (p. 44) (from investments under cost only)	(719)
6	(640) Miscellaneous income (p. 45)	-
7	(645) Unusual or infrequent items - Credit	-
8	(650) Interest expense	2,038
9	(660) Miscellaneous income charges (p. 45)	-
10	(665) Unusual or infrequent items - Debit	-
11	Dividend income (from investments under equity only)	x x x x x
12	Undistributed earnings (losses)	x x x x x
13	Equity in earnings (losses) of affiliated companies (line 11, 12)	(2,757)
14	Total other income and deductions	4,899,154
15	Ordinary income before Federal xxxxxxx and State income taxes	154,453
16	(670) Federal income taxes on income from continuing operations	601,521
17	(671) Provision for deferred taxes (p. xx 8B)	4,143,180
18	Income (loss) from continuing operations (lines 14 15)	
	Discontinued Operations	-
19	(675) Income (loss) from operations of discontinued segments*	-
20	(676) Gain (loss) on disposal of discontinued segments*	-
21	Total income (loss) from discontinued operations (lines 19, 20)	4,143,180
22	Income (loss) before extraordinary items (lines 18, 21)	
	EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES	-
23	(680) Extraordinary items-Net-(Debit) credit (p. 45)	-
24	(695) Income taxes on extraordinary items-Debit (Credit) (p. 45)	-
25	(696) Provision for deferred taxes-Extraordinary items (p. 8A)	-
26	Total extraordinary items (lines 23-25)	-
27	(697) Cumulative effect of changes in accounting principles*	-
28	Total extraordinary items and accounting changes-(Debit) credit-(lines 26, 27)	4,143,180
29	Net income (loss) (lines 22, 28)	
	* Less applicable income taxes of:	
30	675 Income (loss) from operations of discontinued segments	\$ -
31	676 Gain (loss) on disposal of discontinued segments	\$ -
32	697 Cumulative effect of changes in accounting principles	\$ -
33	Indicate method selected by carrier, as provided in the Revenue Act of 1921, to account for the investment tax credit. Flow-through ☒ Deferral	\$ 251,877
34	If flow-through method was elected, indicate net decrease (or increase) in tax accrual because of investment tax credit	\$ -
35	If deferral method was elected, indicate amount of investment tax credit utilized as a reduction of tax liability for current year	\$ -
36	Deduct amount of current year's investment tax credit applied to reduction of tax liability but deferred for accounting purposes	\$ -
37	Balance of current year's investment tax credit used to reduce current year's tax accrual	\$ -
38	Add amount of prior years' deferred investment tax credits being amortized and used to reduce current year's tax accrual	\$ 251,877
39	Total decrease in current year's tax accrual resulting from use of investment tax credits	\$ None
40	Show the amount of investment tax credit carryover at year end	

300-A. ANALYSIS OF FEDERAL INCOME AND OTHER TAXES DEFERRED

1. In column (a) are listed the particulars which most often cause a differential between taxable income and pretax accounting income. Other particulars which cause such a difference should be listed under the caption "Other", including State and other taxes deferred if computed separately. Minor items each less than \$100,000 may be combined in a single entry under "Other".

2. Indicate in column (b) the beginning of the year balance of accumulated deferred tax credits (debits) applicable to each particular in column (a).

3. Indicate in column (c) the net change in accounts 19-5, 45, 59 and 64 for the net tax effect of timing differences originating and reversing in the current accounting period.

4. The total of net credits (charges) for the current year in column (c) should agree with the contra charges (credits) to account 671, Provision for deferred taxes, and account 696, Provision for deferred taxes - extraordinary items, for the current year.

5. Indicate in column (d) any adjustments, as appropriate, including adjustments to eliminate or reinstate deferred tax effects (credits or debits) due to applying or recognizing a loss carryforward or a loss carry-back.

6. Indicate in column (e) the cumulative total of columns (b), (c), and (d). The total of column (e) must agree with the balances in accounts 19-5, 45, 59 and 64.

Line No.	Particulars	Beginning of Year Balance	Net Credits (Charges) for Current Year	Adjustments	End of Year Balance
	(a)	(b)	(c)	(d)	(e)
1	Accelerated depreciation, Sec. 167 I.R.C.: Guideline lives pursuant to Rev. Proc. 62-21	\$ 6,266,510	\$ 564,704	\$	\$ 6,831,214
2	Accelerated amortization of facilities Sec. 168 I.R.C.				
3	Other (Specify)				
4	Deferred State Income Tax	15,000	26,551		41,551
5	Additional FIT due to Line 4	(7,200)	(12,744)		(19,944)
6	Minor Items	4,300	23,010		27,310
7	Investment tax credit				
8	TOTALS	6,278,610	601,521		6,880,131

Schedule 302.—WORKING CAPITAL

Entries in this schedule will be used in development of working capital for the current year. All contra entries are to be indicated in parentheses.

1. Amount of issues from account 17, Materials and supplies, for maintenance and operation. Estimates may be used if exact amounts are not readily available. Where estimates are used a narrative statement of the method used in developing the estimates should be shown under "Remarks" below	\$ -0-
2. Balance in account 17, Materials and supplies, representing material held for maintenance and operations (balance on hand less scrap and obsolete, oil accumulations, and material held for additions and betterments	172,000
3. Amounts included in following accounts represent revenue earned or expenses incurred in performance of common carrier service, exclusive of Federal and State income taxes:	
Account 13. Receivables from affiliated companies	1,427,974
14. Accounts receivable	2,189,608
19. Other current assets	1,150
51. Payables to affiliated companies	-
52. Accounts payable	92,019
56. Taxes payable	860,340
58. Other current liabilities	883,197
4. Amount of "other taxes", exclusive of State income taxes, included in account 580. Pipeline taxes. Include State income taxes, however, when levied in lieu of property taxes	1,328,475

REMARKS

NOTES AND REMARKS

None

305. UNAPPROPRIATED RETAINED INCOME STATEMENT

1. Show hereunder the items of the Retained Income Accounts of the respondent for the year, classified in accordance with the Uniform System of Accounts for Pipe Lines.

2. All contra entries hereunder should be indicated in parentheses.

3. Indicate under "Remarks" the amount of assigned Federal income tax consequences, accounts 710 and 720.

4. Segregate in column (c) all amounts applicable to the equity in undistributed

earnings (losses) of affiliated companies based on the equity method of accounting.

5. Line 3 (line 7 if debit balance), column (c) should agree with line 11, schedule 300. The total of column (b) and (c), lines 3 and 7, should agree with line 22, schedule 300.

6. Include in column (b) only amounts applicable to Retained Income exclusive of any amounts included in column (c).

Line No.	Item (a)	Unappropriated retained income	Equity in undistributed earnings (losses) of affiliated companies
1	Balances at beginning of year	\$12,383,298	\$
CREDITS			
2	(700) Net balance transferred from income (p. 8A)	4,143,180	
3	(705) Prior period adjustments to beginning retained income	-	
4	(710) Other credits to retained income* (p. 45)	-	
5	Total	4,143,180	
DEBITS			
6	(700) Net balance transferred from income (p. 8)	-	
7	(720) Other debits to retained income* (p. 45)	-	
8	(740) Appropriations of retained income	-	
9	(750) Dividend appropriations of retained income (p. 9)	-	
10	TOTAL	-	
11	Net increase (decrease) during year (Line 5 minus line 10)	4,143,180	
12	Balances at close of year (Lines 1 and 11)	16,526,478	
13	Balance from line 12 (c)	-	x x x x x x
14	Total unappropriated retained income and equity in undistributed earnings (losses) of affiliated companies at end of year	16,526,478	x x x x x x
* Amount of assigned Federal income tax consequences			
15	Account 710	-	x x x x x x
16	Account 720	-	x x x x x x

306. DIVIDEND APPROPRIATIONS OF RETAINED INCOME

1. Give particulars of each dividend declared. If any dividend was payable in anything other than cash, the consideration shall be described in a footnote with sufficient particularity to identify it.

2. If an obligation of any character has been incurred for the purpose of procuring funds for the payment of any dividend or for the purpose of replenishing the treasury of the respondent after payment of any dividend, give full particulars in a footnote. Returns for dividends on nonpar

stock should show the amount declared per share in columns (b) and (c), and in column (d) the number of shares on which the dividends were declared. If any class of stock received a return not reportable in this schedule, or if any special comment regarding "Rate percent" is desired, give particulars in a footnote.

3. The sum of the dividends stated in column (e) should equal those shown in schedule No. 300.

Line No.	Name of security on which dividend was declared (a)	RATE PERCENT OR PER SHARE		Par value or number of shares of no par value on which dividend was declared (d)	Amount of dividend (e)	DATE	
		Regular (b)	Extra (c)			Declared (f)	Payable (g)
1	None			\$	\$		
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14	Total	x x x	x x x	x x x		x x x	x x x
15							

Schedule 205.—COMPENSATING BALANCES AND SHORT-TERM BORROWING ARRANGEMENTS

Using the following notes as a guideline, show the requirements of compensating balances and short-term borrowing arrangements if operating revenues are \$10 million or more. Footnote disclosure is required even though the arrangement is not reduced to writing.

1. Disclose compensating balances not legally restricted, lines of credit used and unused, average interest rate of short-term borrowings outstanding at balance sheet date, maximum amount of outstanding borrowings during the period and the weighted average rate of those borrowings.
2. Time deposits and certificates of deposit constituting compensating balances not legally restricted should be disclosed.
3. Compensating balance arrangements need only be disclosed for the latest fiscal year.
4. Compensating balances under an agreement which legally restricts the use of such funds, and which constitute support for short-term borrowing arrangements, should be included in Schedule 206, account 10-5, *Special deposits*.
5. Compensating balances under an agreement which legally restricts the use of such funds and which constitute support for long-term borrowing arrangements and are reported in account 22, *Sinking and other funds*, should also be separately disclosed below.
6. Compensating balance arrangements are sufficiently material to require disclosure in footnotes when the aggregate of written and oral agreement balances amount to 15 percent or more of liquid assets (current cash balances, restricted and unrestricted plus marketable securities).
7. When a carrier is not in compliance with a compensating balance requirement, that fact should be disclosed along with stated and possible sanctions whenever such possible sanctions may be immediate (not vague or unpredictable) and material.

None

Schedule 206.—SPECIAL DEPOSITS

For other than compensating balances, state separately each item of \$10,000 or more reflected in account 10-5, Special deposits, at the close of the year. Items of less than \$10,000 may be combined in a single entry and described as "Minor items less than \$10,000". For compensating balances, state separately the total amounts held on behalf of respondent and held on behalf of others.

Line No.	Purpose of deposit (a)	(Dollars in Thousands)	Balance at close of year (b)
	Interest special deposits:		\$
1			
2			
3			
4			
5			
6	Total		
	Dividend special deposits:		
7			
8			
9			
10			
11			
12	Total		
	Miscellaneous special deposits:		
13			
14			
15			
16			
17			
18	Total		
	Compensating balances legally restricted:		
19	Held on behalf of respondent		
20	Held on behalf of others		
21	Total		None

210. NOTES RECEIVABLE

Give particulars of the various debtors and the character of the transactions involved in the current asset account No. 12, "Notes receivable."

List every item in excess of \$100,000 and state its date of issue and date of maturity.

For debtors whose balances were severally less than \$100,000, a single entry may be made under a caption "Minor accounts, each less than \$100,000."

Line No.	Name of debtor (a)	Character of assets or of transaction (b)	Date of issue (c)	Date of maturity (d)	Balance at close of year (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
11				TOTAL	None

211. RECEIVABLES FROM AFFILIATED COMPANIES

Give particulars of the various affiliated company debtors and the character of the transactions involved in the current asset account No. 13, "Receivables from affiliated companies."

List every item in excess of \$100,000.

For debtors whose balances were severally less than \$100,000, a single entry may be made under a caption "Minor accounts, each less than \$100,000."

Line No.	Name of debtor (a)	Character of assets or of transaction (b)	Balance at close of year (c)
1	Southern Pacific Co.	Deposits to cover payments of current liabilities	\$ 1,642,804
2			
3	-do-	Cash papers issued but unpaid	(214,830)
4			
5			
6			
7			
8			
9			
10			
11			
12			
12			TOTAL 1,427,974

212. ACCOUNTS RECEIVABLE

Give particulars of the various debtors and the character of the transactions involved in the current asset account No. 14, "Accounts receivable."

List every item in excess of \$100,000.

For debtors whose balances were severally less than \$100,000, a single entry may be made under a caption "Minor accounts, each less than \$100,000."

Line No.	Name of debtor (a)	Character of assets or of transaction (b)	Balance at close of year (c)
1	So. Calif. Edison Co.	Transportation charges	\$ 2,189,608
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
13			TOTAL 2,189,608

GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES 220 AND 221

1. Schedules 220 and 221 should give particulars of stocks, bonds, notes, advances, and miscellaneous securities of affiliated and nonaffiliated companies held by respondent at close of year specifically as investments; investments made or disposed of during the year; and dividends and interest credited to income. They should exclude securities issued or assumed by respondent.

2. Two companies are affiliated, as the term is here used, when one directly or indirectly controls the other, or when they are subject to a common control.

3. By "control," as the term is here used, is meant the ability to determine the action of a company. Attention is specifically directed to section 1 (3) (b) of Part I of the Interstate Commerce Act which provides that, "For the purposes of section 5, 12 (1), 20, 204 (a) (7), 210, 220, 304 (b), 310, and 313 of this Act, where reference is made to control (in referring to a relationship between any person or persons and another person or persons), such reference shall be construed to include actual as well as legal control, whether maintained or exercised through or by reason of the method of or circumstances surrounding organization or operation, through or by common directors, officers, or stockholders, a voting trust or trusts, a holding or investment company or companies, or through or by any other direct or indirect means; and to include the power to exercise control.

4. For the purposes of this report, the following are to be considered forms of control:

- (a) Right through title to securities issued or assumed to exercise the major part of the voting power in the controlled company;
- (b) Right through agreement or through sources other than title to securities to name the majority of the board of directors, managers, or trustees of the controlled company;
- (c) Right to foreclose a priority lien upon all or a major part in value of the tangible property of the controlled company;
- (d) Right to secure control in consequence of advances made for construction of the property of the controlled company.

Indirect control is that exercised through an intermediary.

5. A leasehold interest in the property of a company is not for the purpose of these accounts to be classed as a form of control over the lessor company.

6. These investments should be subdivided to show the par value pledged, unpledged, and held in fund accounts. Under "pledged" include the par value of securities recorded in accounts Nos. 20, "Investments in affiliated companies," and 21, "Other investments," which are deposited with some pledgee or other trustee, or held subject to the lien of a chattel mortgage, or subject to any other restriction or condition which makes them unavailable for general corporate purposes. "Unpledged" should include all securities held by or for the respondent free from any lien or restriction, recorded in the accounts mentioned above. Under "In sinking, insurance and other funds" include the par value of securities recorded in account No. 22, "Sinking and other funds."

7. List the investments in the following order and show a total for each group and each class of investments by accounts in numerical order:

(A) Stocks:

- 1. Pipe-line companies—active.
- 2. Pipe-line companies—inactive.
- 3. Non-pipe-line companies—active.
- 4. Non-pipe-line companies—inactive.

(B) Bonds (including U.S. Government Bonds):

(C) Other secured obligations.

(D) Unsecured notes.

(E) Investment advances.

8. The subclassification of classes (B), (C), (D), and (E) should be the same as that provided for class (A).

9. By an active corporation is meant one which maintains an organization for operating property or administering its financial affairs. An inactive corporation is one which has been practically absorbed in a controlling corporation, and which neither operates property nor administers its financial affairs; if it maintains an organization it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.

220. INVESTMENTS IN AFFILIATED COMPANIES

Give particulars of investments included in accounts Nos. 20, "Investments in affiliated companies" and 22, "Sinking and other funds."

Entries in this schedule should be made in accordance with the definitions and general instructions given on page 203, classifying the investments by means of letters and figures in columns (a) and (b).

Indicate by means of an arbitrary mark in column (c) the obligation in support of which any security is pledged, mortgaged, or otherwise encumbered, giving names and other important particulars of such obligations in footnotes.

Give totals for each class and for each subclass, and a grand total for each account.

Entries in column (c) should show date of maturity of bonds and other evidences of indebtedness. In case obligations of the same designation mature serially, the date in column (c) may be reported as "Serially 19 to 19". In making entries in this column, abbreviations in common use in standard financial publications may be used where necessary on account of limited space.

Line No.	Account No. (a)	Class No. (b)	Name of issuing company and description of security held, also lien reference, if any (c)	Extent of control (d)	INVESTMENTS AT CLOSE OF YEAR			
					PAR VALUE OF AMOUNT HELD AT CLOSE OF YEAR			
					Pledged (e)	Unpledged (f)	In sinking insurance and other funds (g)	Total par value (h)
				% \$	\$	\$	\$	\$
1			None					
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
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220. INVESTMENTS IN AFFILIATED COMPANIES—Concluded

If any of the companies included in this schedule are controlled by respondent, the percent of control should be given in column (d). In case any company listed is controlled other than through actual ownership of securities, give particulars in a footnote. In cases of joint control, give names of other parties and particulars of control.

For nonpar stock, show the number of shares in lieu of the par value in columns (e), (f), (g), (h), (j), and (l).

In reporting advances, columns (e), (f), (g), (h), (j), and (l) should be left blank. If any advances are pledged, give particulars in a footnote.

Particulars of investments made, disposed of, or written down during the year should be given in columns (j) to (n), inclusive. If the cost of any investment made during the year differs from the book value reported in column (k), explain the matter in a footnote. By "cost" is meant the consideration given minus accrued interest or dividends included therein. If the consideration given or received for such investments was other than cash, describe the transaction in a footnote.

This schedule should not include issued securities assumed by respondent.

Line No.	INVESTMENTS AT CLOSE OF YEAR	INVESTMENTS MADE DURING YEAR		INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR			DIVIDENDS OR INTEREST	
	Total book value (i)	Par value (j)	Book value (k)	Par value (l)	Book value (m)	Selling price (n)	Rate (o)	Amount credited to income (p)
1	\$	\$	\$	\$	\$	\$	%	\$
2								
3								
4								
5								
6								
7								
8								
9								
10								
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220-A. INVESTMENTS IN COMMON STOCKS OF AFFILIATED COMPANIES

Undistributed Earnings From Certain Investments in Affiliated Companies

1. Report below the details of all investments in common stocks included in account 29, Investments in Affiliated Companies, which qualify for the equity method under instruction 2-2 in the Uniform System of Accounts for Pipeline Companies.

2. Enter in column (c) the amount necessary to retroactively

adjust those investments qualifying for the equity method accounting in accordance with instruction 2-2 (c) (1) of the Uniform System of Accounts for Pipeline Companies.

3. Enter in column (d) the share of undistributed earnings (ie., less dividends) or losses.

4. Enter in column (e) the amortization for the year of the excess of cost over equity in net assets (equity over cost) at date of acquisition. See instruction 2-2 (c) (4).

5. The total of column (g) must agree with column (b), line 18, schedule 200.

Line No	Name of issuing company and description of security held (a)	Balance at beginning of year (b)	Adjustment for investments qualifying for equity method (c)	Equity in undistributed earnings (losses) during year (d)	Amortization during year (e)	Adjustment for investments disposed of or written down during year (f)	Balance at close of year (g)
	Carriers (List specifics for each company)						
1	None	\$	\$	\$	\$	\$	\$
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16	Total						
17	Noncarriers (Show totals only for each column)						
18	Total (lines 16 and 17)						

NOTES AND REMARKS

None

221. OTHER INVESTMENTS

1. Give particulars of investments in all corporations other than affiliated companies included in account Nos. 21, "Other investments" and 22, "Sinking and other funds."

2. Entries in this schedule should be made in accordance with the definitions and general instructions given on page 11, classifying the investments by means of letters and figures in columns (a) and (b). Investments in U.S. Treasury bills and notes may be reported as one item.

3. For all classes of investments, except Class D-3, furnish detail of individual investments of \$100,000 or more. Individual investments less than \$100,000 should be combined in a single entry designated "Minor items, each less than \$100,000."

4. For Class D-3 investments, furnish detail of individual investments of

\$1,000,000 or more. Individual investments of less than \$1,000,000 should be combined in a single entry designated "Minor items, each less than \$1,000,000."

5. Indicate by means of an arbitrary mark in column (c) the obligation in support of which any security is pledged, mortgaged, or otherwise encumbered, giving names and other important particulars of such obligations in footnotes.

6. Give totals for each class and for each subclass, and a grand total for each account.

7. Entries in column (c) should show date of maturity of bonds and other evidences of indebtedness. In case obligations of the same designation mature serially, the date in column (c) may be reported as "Serially 19 to 19." In making entries in this column, abbreviations in common use in standard financial publications may be used where necessary on account of limited space.

Line No.	Account No.	Class No.	Name of issuing company and description of security held, also lien reference, if any	INVESTMENTS AT CLOSE OF YEAR			
				PAR VALUE OF AMOUNT / SOLD AT CLOSE OF YEAR			
				Pledged	Unpledged	In sinking, insurance, and other funds	Total par value
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	21	E	Kayenta Mobil Home Park	\$	\$	\$	\$
2			10.4% share				
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
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19							
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22							
23							
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27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							

221. OTHER INVESTMENTS—Concluded

8. For nonpar stock, show the number of shares in lieu of the par value in columns (d), (e), (f), (g), (i), and (k).

9. In reporting advances, columns (d), (e), (f), (g), (i), and (k) should be left blank. If any advances are pledged, give particulars in a footnote.

10. Particulars of investments made, disposed of, or written down during the year should be given in columns (b) to (m) inclusive. If the cost of any investment made during the year differs from the book value reported in column (j) explain the matter in a footnote. By "Cost" is meant the consideration given minus accrued interest or dividends included therein. If the consideration given or received for such investments was other than cash, describe the transaction in a footnote.

co in columns (b) to (m) inclusive. If the cost of any investment made during the year differs from the book value reported in column (j) explain the matter in a footnote. By "Cost" is meant the consideration given minus accrued interest or dividends included therein. If the consideration given or received for such investments was other than cash, describe the transaction in a footnote.

Line No.	INVESTMENT AT CLOSE OF YEAR	INVESTMENTS MADE DURING YEAR		INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR			DIVIDENDS OR INTEREST	
	Total book value (h)	Par value (i)	Book value (j)	Par value (k)	Book value (l)	Selling Price (m)	Rate (n)	Accumulated Losses (o)
1	\$ 76,384	\$	\$ 21,884	\$	\$	\$	%	\$ 18,120
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
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41								
42								
43								
44								
45								
46								
47								
48								
49								
50								
51								

22. COMPANIES CONTROLLED DIRECTLY BY RESPONDENT OTHER THAN THROUGH TITLE TO SECURITIES

(For definition of control, see instruction on p. 11)

Line No.	Name of company controlled (a)	CHARACTER OF CONTROL				Remarks (f)
		Sole or joint (b)	Other parties, if any, to joint agreement for control (c)	How established (d)	Extent (e)	
1	None					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						

23. COMPANIES CONTROLLED THROUGH NONREPORTING INTERMEDIARIES

(For definition of control, see instructions on p. 11)

Line No.	Name of company controlled (a)	CHARACTER OF CONTROL				Name of intermediary through which indirect control exists (f)
		Sole or joint (b)	Other parties, if any, to joint agreement for control (c)	How established (d)	Extent (e)	
1	None					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						

Carrier Initials

BMP

Year 19 78

224. SECURITIES, ADVANCES, AND OTHER INTANGIBLES OWNED OR CONTROLLED THROUGH NONREPORTING CARRIER AND NONCARRIER SUBSIDIARIES

Give particulars of investments represented by securities and advances (including securities issued or assumed by respondent), and of other intangible property, indirectly owned or controlled by respondent through any subsidiary which does not report to the Commission under the provisions of Part I of the Interstate Commerce Act, without regard to any question of whether the company issuing the securities, or the obligor, is controlled by the subsidiary.

Investments owned or controlled by nonreporting companies shown on schedules 220, 222, and 223, as well as those owned or controlled by any other organization or individual whose action respondent is enabled to determine.

Investments in U. S. Treasury obligations may be combined in a single item.

This schedule should include all securities, open account advances, and other intangible property.

Line No.	Class No. (a)	Name of issuing company and security or other intangible thing in which investment is made. (List on same line in second section and in same order as in first section.) (b)	INVESTMENTS AT CLOSE OF YEAR		INVESTMENTS MADE DURING YEAR	
			Total par value (c)	Total book value (d)	Par value (e)	Book value (f)
1		None	\$	\$	\$	\$
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						

Line No.	INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR			Names of subsidiaries in connection with things owned or controlled through them (g)
	Par value (g)	Book value (h)	Selling price (i)	
1	\$	\$	\$	
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				

225. SINKING AND OTHER FUNDS

Give the particulars called for with respect to funds included in account No. 22, "Sinking and other funds."

In column (b) give the name by which the fund is designated in the respondent's records; the kind of fund, such as sinking, capital, property insurance, pension, and relief; the rate of interest (if any); and the date of maturity.

Entries in column (g) should be the sums of corresponding entries in columns (d) and (e), less those shown in column (f), and the sum of entries in columns (h), (j), and (l) should equal those in column (g).

All conversions of cash into securities, or vice versa, shall be treated as withdrawals from the fund in column (f) and as additions to the funds in column (e).

Line No.	Account No. (a)	Name, kind, and purpose of fund. (List on same line in second section and in same order as in first section.) (b)	Name of trustee or depository (c)	Balance at beginning of year—Book Value (d)
1		None		\$
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				

ASSETS IN FUNDS AT CLOSE OF YEAR

Line No.	Additions during the year—Book value (e)	Withdrawals during the year—Book value (f)	Balance at close of year—Book value (g)	Cash (h)	SECURITIES ISSUED OR ASSUMED BY RESPONDENT		OTHER SECURITIES AND INVESTED ASSETS	
					Par value (i)	Book value (j)	Par value (k)	Book value (l)
1	\$	\$	\$	\$	\$	\$	\$	\$
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								

NOTES AND REMARKS

None

230. CARRIER PROPERTY

INSTRUCTIONS

Give an analysis of changes during the year in account No. 30, "Carrier Property," by carrier-property accounts, including investments in system properties.

Show in column (c) the debits representing newly constructed property, and additions and improvements made to existing property. Both the debits and credits involved in the distribution to carrier property primary accounts of amounts previously charged to account No. 187 should be entered in column (c). In column (d) show expenditures for existing pipe line property purchased or otherwise acquired. Show in column (e) the total credits representing property sold, abandoned, or otherwise retired during the year.

If during the year pipe line operating property was acquired from or sold to some other company, the purchase or sales price for which was in excess of \$50,000, state in a footnote the name of the company, the mileage acquired or disposed of, and the date of acquisition or disposal, giving termini and the cost of the property to the respondent. Also furnish a statement of the amount included in or credited to each primary account representing such property acquired or disposed of.

Show in column (g) for each primary account the net of all accounting adjustments, transfers, and clearances applicable to prior years' accounting.

Each adjustment, clearance, or transfer in excess of \$100,000 should be fully explained in a footnote, except that transfers to or from account No. 34, "Noncarrier property," should be explained in schedule 234.

An entry in columns (f), (g), or (h) which represents an excess of credits over debits should be indicated in parenthesis.

Line No.	Account (a)	Balance at beginning of year (b)
	Preparation Plant	\$
1	(101) Land	-
2	(102) Right of way	-
3	(103) Line pipe	-
4	(104) Line pipe fittings	-
5	(105) Pipeline construction	2,488,111
6	(106) Buildings	-
7	(107) Boilers	-
8	(108) Pumping equipment	2,441,235
9	(109) Machine tools and machinery	1,957,169
10	(110) Other station equipment	379,473
11	(111) Oil tanks	-
12	(112) Delivery facilities	71,858
13	(113) Communication systems	9,673
14	(114) Office furniture and equipment	43,572
15	(115) Vehicles and other work equipment	-
16	(116) Other property	7,391,091
17	TOTAL	59,291
	TRUNK LINES	
18	(151) Land	613,315
19	(152) Right of way	9,657,369
20	(153) Line pipe	64,631
21	(154) Line pipe fittings	9,839,316
22	(155) Pipeline construction	2,792,620
23	(156) Buildings	-
24	(157) Boilers	3,224,241
25	(158) Pumping equipment	-
26	(159) Machine tools and machinery	4,477,806
27	(160) Other station equipment	-
28	(161) Oil tanks	-
29	(162) Delivery facilities	619,651
30	(163) Communication systems	17,254
31	(164) Office furniture and equipment	175,424
32	(165) Vehicles and other work equipment	-
33	(166) Other property	31,540,918
34	TOTAL	GENERAL
35	(171) Land	-
36	(176) Buildings	-
37	(179) Machine tools and machinery	-
38	(183) Communication systems	-
39	(184) Office furniture and equipment	-
40	(185) Vehicles and other work equipment	-
41	(186) Other property	131,274
42	(187) Construction work in progress	131,274
43	TOTAL	39,063,283
44	GRAND TOTAL	

230. CARRIER PROPERTY—Concluded

Line No.	PROPERTY CHANGES DURING THE YEAR				Other adjustments, transfers and clearances (g)	Increase or decrease during the year (h)	Balance at close of year (i)
	Expenditures for new construction and improvements (c)	Expenditures for existing property purchased or otherwise acquired (d)	Credits for property sold, abandoned, or otherwise retired during the year (e)	Net (f)			
	\$	\$	\$	\$	\$	\$	\$
1							
2							
3							
4							
5							
6	101,958			101,958		101,958	2,590,069
7							
8							
9	164,135		4,700	159,435		159,435	2,600,670
10							1,957,169
11							379,473
12							71,858
13							13,247
14	3,574			3,574		3,574	43,572
15							
16							
17	269,667		4,700	264,967		264,967	7,656,058
18							59,291
19							613,315
20							9,657,369
21							64,631
22							9,839,316
23	18,574			18,574		18,574	2,811,194
24					(21,304)	(21,304)	3,202,937
25							
26	101,912			101,912		101,912	4,579,718
27							
28							
29	1,200			1,200		1,200	620,851
30	2,122			2,122		2,122	19,376
31	50,917		361	50,556		50,556	225,980
32							
33	174,725		361	174,364	(21,304)	153,060	31,693,978
34							
35							
36							
37							
38							
39							
40							
41	330,157			330,157	(455,038)*	(124,881)	6,393
42	330,157			330,157	(455,038)	(124,881)	6,393
43	774,549		5,061	769,488	(476,342)	293,146	39,356,429
44							

* \$361,037 transferred from Account 187 to carrier property primary accounts.

All other transfers under \$100,000.

231. DEPRECIATION BASE AND RATES - CARRIER PROPERTY
(EXCLUSIVE OF SYSTEM PROPERTY REPORTED IN SCHEDULE 231A)

1. Show in columns (b) and (c) for each depreciable property account the balance at the beginning and end of the year, respectively, used in computing depreciation charges. The average depreciation base in column (d) should be determined for each such depreciable account by adding together the base used for each month during the year and then dividing the total by 12.

2. If composite annual depreciation rates are prescribed, those in effect at the close of the year should be shown in column (e). If component rates are prescribed, the composite rates to be shown in column (e) should be computed from the charges developed for December by application of the prescribed component rates. Where

or component or composite rates are prescribed, the entries on lines 16, 32, 39, and 40 of column (e) should be computed from December depreciation charges.

3. Information to be included in columns (b) and (c) of lines 41 to 45 inclusive, is for reconciliation of the returns in these schedules with those in schedule 230.

4. Entries on line 43 should agree with totals for the beginning and end of the year in columns (b) and (c), respectively, of schedule 233, "Amortization Base and Reserve. Amounts included in line 43, "Values being amortized," should be excluded from items shown on lines 41 and 42.

Line No.	Account	DEPRECIATION BASE			Annual composite rates
		Balance at beginning of year (b)	Balance at close of year (c)	Average balance for the year (d)	
	(a)				(e)
		\$	\$	\$	%
1	DEPRECIABLE CARRIER PROPERTY— Preparation Plant				
2	(102) Right of way	-	-	-	-
3	(103) Line pipe	-	-	-	-
4	(104) Line pipe fittings	-	-	-	-
5	(105) Pipeline construction	2,488,111	2,590,069	2,496,608	2.76
6	(106) Buildings	-	-	-	-
7	(107) Boilers	-	-	-	-
8	(108) Pumping equipment	2,441,235	2,600,670	2,458,928	2.86
9	(109) Machine tools and machinery	1,957,169	1,957,169	1,957,169	3.12
10	(110) Other station equipment	379,473	379,473	379,473	2.76
11	(111) Oil tanks	-	-	-	-
12	(112) Delivery facilities	71,858	71,858	71,858	9.96
13	(113) Communication systems	9,673	13,247	9,971	3.96
14	(114) Office furniture and equipment	43,572	43,572	43,572	6.72
15	(115) Vehicles and other work equipment	-	-	-	-
16	(116) Other property	7,391,091	7,656,058	7,417,579	2.98
	All depreciable prep. plant accounts				
17	DEPRECIABLE CARRIER PROPERTY— TRUNK LINES	613,315	613,315	613,315	2.88
18	(152) Right of way	9,657,369	9,657,369	9,657,369	2.76
19	(153) Line pipe	64,631	64,631	64,631	2.76
20	(154) Line pipe fittings	9,839,316	9,839,316	9,839,316	2.88
21	(155) Pipeline construction	2,792,620	2,811,194	2,794,169	2.76
22	(156) Buildings	-	-	-	-
23	(157) Boilers	3,224,241	3,202,937	3,222,466	3.84
24	(158) Pumping equipment	-	-	-	-
25	(159) Machine tools and machinery	4,477,806	4,579,718	4,486,299	3.12
26	(160) Other station equipment	-	-	-	-
27	(161) Oil tanks	-	-	-	-
28	(162) Delivery facilities	619,651	620,851	619,750	9.96
29	(163) Communication systems	17,254	19,376	17,431	3.96
30	(164) Office furniture and equipment	175,424	225,980	196,009	6.67
31	(165) Vehicles and other work equipment	-	-	-	-
32	(166) Other property	31,481,627	31,634,687	31,510,755	3.14
	All depreciable trunk lines accounts				
33	DEPRECIABLE CARRIER PROPERTY— GENERAL				
34	(176) Buildings	-	-	-	-
35	(179) Machine tools and machinery	-	-	-	-
36	(183) Communication systems	-	-	-	-
37	(184) Office furniture and equipment	-	-	-	-
38	(185) Vehicles and other work equipment	-	-	-	-
39	(186) Other property	-	-	-	-
40	All depreciable general accounts	38,872,718	39,290,745	38,928,334	3.11
	All depreciable carrier property accounts				
41	NONDEPRECIABLE CARRIER PROPERTY (See instruction 3) and unallocated	59,291	59,291	x x x x	x x x x
42	(101—151—171) Land	131,274	6,393	x x x x	x x x x
43	(187) Construction work in progress	9,869	9,869	x x x x	x x x x
44	Values being amortized (see instruction 4)	200,434	75,553	x x x x	x x x x
45	All nondepreciable carrier property	39,073,152	39,366,298	x x x x	x x x x
	Total investment in carrier property				

231a. DEPRECIATION BASE AND RATES - SYSTEM PROPERTY
(THIS SCHEDULE IS FOR USE ONLY WHEN SPECIFICALLY DIRECTED BY THE COMMISSION)

Follow instruction for Schedule 231. Depreciation Base and Rates - Carrier Property

Name of system: Not Used

Line No.	ACCOUNT	DEPRECIATION BASE			Annual composite rate
		Balance at beginning of year (b)	Balance at close of year (c)	Average balance for the year (d)	
	(a)				(e)
	DEPRECIABLE SYSTEM PROPERTY—GATHERING LINES	\$	\$	\$	%
1	(102) Right of way				
2	(103) Line pipe				
3	(104) Line pipe fittings				
4	(105) Pipeline construction				
5	(106) Buildings				
6	(107) Boilers				
7	(108) Pumping equipment				
8	(109) Machine tools and machinery				
9	(110) Other station equipment				
10	(111) Oil tanks				
11	(112) Delivery facilities				
12	(113) Communication systems				
13	(114) Office furniture and equipment				
14	(115) Vehicles and other work equipment				
15	(116) Other property				
16	All depreciable gathering lines accounts				
	DEPRECIABLES SYSTEM PROPERTY—TRUNK LINES				
17	(152) Right of way				
18	(153) Line pipe				
19	(154) Line pipe fittings				
20	(155) Pipeline construction				
21	(156) Buildings				
22	(157) Boilers				
23	(158) Pumping equipment				
24	(159) Machine tools and machinery				
25	(160) Other station equipment				
26	(161) Oil tanks				
27	(162) Delivery facilities				
28	(163) Communication systems				
29	(164) Office furniture and equipment				
30	(165) Vehicles and other work equipment				
31	(166) Other property				
32	All depreciable trunk lines accounts				
	DEPRECIABLE SYSTEM PROPERTY—GENERAL				
33	(176) Buildings				
34	(179) Machine tools and machinery				
35	(183) Communication systems				
36	(184) Office furniture and equipment				
37	(185) Vehicles and other work equipment				
38	(186) Other property				
39	All depreciable general accounts				
40	All depreciable system property accounts				
	NONDEPRECIABLE SYSTEM PROPERTY (See instruction 3)				
41	(101—151—171) Land			X X X X X	X X X X X
42	Total investment in system property			X X X X X	X X X X X

232. ACCRUED DEPRECIATION—CARRIER PROPERTY
(EXCLUSIVE OF DEPRECIATION ON SYSTEM PROPERTY REPORTED IN SCHEDULE 232A)

Give particulars of the credits and debits to account No. 31, "Accrued depreciation—carrier property," during the year. All contra items in the respective columns herein should be indicated in parentheses.

Line No.	Account	Balance at beginning of year	Charged to account No. 540	Net charge from retirement of carrier property	Other debits and credits—Net	Balance at close of year
	(a)	(b)	(c)	(d)	(e)	(f)
	Preparation Plant	\$	\$	\$	\$	\$
1	(102) Right of way					
2	(103) Line pipe					
3	(104) Linepipe fittings					
4	(105) Pipeline construction	467,466	68,910			536,376
5	(106) Buildings					
6	(107) Boilers					
7	(108) Pumping equipment	485,254	70,226	4,700		550,780
8	(109) Machine tools and machinery	392,022	61,068			453,090
9	(110) Other station equipment	71,612	10,476			82,088
10	(111) Oil tanks					
11	(112) Delivery facilities	33,367	7,152			40,519
12	(113) Communication systems	2,255	396			2,651
13	(114) Office furniture and equipment	12,633	2,928			15,561
14	(115) Vehicles and other work equipment					
15	(116) Other property	1,464,609	221,156	4,700		1,681,065
16	Total					
	TRUNK LINES	119,326	17,664			136,990
17	(152) Right of way	1,765,613	266,544			2,032,157
18	(153) Line pipe	12,374	1,788			14,162
19	(154) Line pipe fittings	1,914,376	283,380			2,197,756
20	(155) Pipeline construction	463,786	77,107			540,893
21	(156) Buildings					
22	(157) Boilers	727,561	123,760			851,321
23	(158) Pumping equipment					
24	(159) Machine tools and machinery	880,185	139,969			1,020,154
25	(160) Other station equipment					
26	(161) Oil tanks					
27	(162) Delivery facilities	268,879	61,750			330,629
28	(163) Communication systems	4,551	679			5,230
29	(164) Office furniture and equipment	79,460	13,320	360		92,420
30	(165) Vehicles and other work equipment					
31	(166) Other property	6,236,111	985,961	360		7,221,712
32	Total					
	GENERAL					
33	(176) Buildings					
34	(179) Machine tools and machinery					
35	(183) Communication systems					
36	(184) Office furniture and equipment					
37	(185) Vehicles and other work equipment					
38	(186) Other property					
39	Total	7,700,720	1,207,117	5,060		8,902,777
40	Grand Total					

232A. ACCRUED DEPRECIATION - SYSTEM PROPERTY
(THIS SCHEDULE IS FOR USE ONLY WHEN SPECIFICALLY DIRECTED BY THE COMMISSION)
 Follow instructions for Schedule 232, Accrued Depreciation - Carrier Property

Name of system: Not Used

Line No.	Account	Balance at beginning of year	Charged to account No. 540	Net charge from retirement of system property	Other debits and credits—Net	Balance at close of year
	(a)	(b)	(c)	(d)	(e)	(f)
	GATHERING LINES	\$	\$	\$	\$	\$
1	(102) Right of way					
2	(103) Line pipe					
3	(104) Line pipe fittings					
4	(105) Pipeline construction					
5	(106) Buildings					
6	(107) Boilers					
7	(108) Pumping equipment					
8	(109) Machine tools and machinery					
9	(110) Other station equipment					
10	(111) Oil tanks					
11	(112) Delivery facilities					
12	(113) Communication systems					
13	(114) Office furniture and equipment					
14	(115) Vehicles and other work equipment					
15	(116) Other property					
16	TOTAL					
	TRUNK LINES					
17	(152) Right of way					
18	(153) Line pipe					
19	(154) Line pipe fittings					
20	(155) Pipeline construction					
21	(156) Buildings					
22	(157) Boilers					
23	(158) Pumping equipment					
24	(159) Machine tools and machinery					
25	(160) Other station equipment					
26	(161) Oil tanks					
27	(162) Delivery facilities					
28	(163) Communication systems					
29	(164) Office furniture and equipment					
30	(165) Vehicles and other work equipment					
31	(166) Other property					
32	TOTAL					
	GENERAL					
33	(176) Buildings					
34	(179) Machine tools and machinery					
35	(183) Communication systems					
36	(184) Office furniture and equipment					
37	(185) Vehicles and other work equipment					
38	(186) Other property					
39	TOTAL					
40	GRAND TOTAL					

233. AMORTIZATION BASE AND RESERVE

1. Show in columns (b) to (e) the cost of pipeline property used as the base in computing amortization charges included in account No. 540, "Depreciation and amortization," of the accounting company.
2. Show in columns (f) to (i) the balances at the beginning and close of the year and the total credits and debits during the year in account No. 52, "Accrued amortization - Carrier property."
3. The information requested for columns (b) to (i), inclusive, may be

shown by projects, or for totals only.

A. If amounts represented in column (g) are different from corresponding charges to account No. 540, for the same property, such differences should be explained in detail.

5. Adjustments included in column (h), affecting operating expenses, should be fully explained.

6. Should respondent elect to report by projects, each project amounting to \$10,000 or more should be briefly described as to kind of property. Location of property should not be stated. Items less than \$10,000 should be combined in a single entry designated "Minor items" in number, each less than \$10,000.

Line No.	Item (a)	BASE				RESERVE			
		Balance at beginning of year (b)	Debits during year (c)	Credits during year (d)	Balance at close of year (e)	Balance at beginning of year (f)	Credits during year (g)	Debits during year (h)	Balance at close of year (i)
1	Cost of Organization	\$ 9,869	\$	\$	\$ 9,869	\$ 9,869	\$	\$	\$ 9,869
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28									
29									
30									
31									
32									
33	TOTAL	9,869			9,869	9,869			9,869

234. NONCARRIER PROPERTY

Give particulars of all investments of the respondent in physical property includable in account No. 34, "Noncarrier property," in the Uniform System of Accounts for Pipe Lines. The description of the property in column (a) should give the location and other identification of it with a reasonable degree of particularity.

Each item amounting to \$100,000 or more should be stated; items less than \$100,000 may be combined in a single entry designated "Minor items, each less than

\$100,000."

If any property of the character provided for in this schedule was disposed of during the year, or by reclassification was transferred to or from the carrier property accounts, give particulars in a footnote.

The revenues, expenses, and taxes of operated properties should be summarized in schedule 340 on page 43.

Line No.	Name and description of physical property held at close of year as an investment	Date included in account No. 34	Book cost at close of year	Remarks
	(a)	(b)	(c)	(d)
1	None		\$	
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41		Total		

240. OTHER DEFERRED CHARGES

Give an analysis of the balance in account No. 44, "Other deferred charges," at the close of the year, showing in detail each item or subaccount amounting to \$20,000 or more. Items less than \$20,000 may be combined in a single entry designated

"Minor items, each less than \$20,000." In case the character of any item is not fully disclosed by the entries in the columns hereunder, make a full explanation in a footnote.

Line No.	Description and character of items, and names of debtor (or class of debtors), if any (a)	Amount at close of year (b)
1	Minor items, each less than \$20,000	\$ 3,270
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31	Total	3,270

Schedule 243.—RENTAL EXPENSE OF LESSEE

Complete this schedule only if (a) carrier operating revenues are \$10 million or more and (b) if gross rental expense in the most recent fiscal year exceeds one percent of operating revenue. **Expense less than 1%**

Otherwise, show total rental expense (reduced by rentals from subleases) entering into the determination of results of operations for each period for which an income statement is presented. Rental payments under short-term leases for a month or less which are not expected to be renewed need not be included. Contingent rentals, such as those based on usage or sales, shall be reported separately from the basic or minimum rentals.

Line No.	Type of lease (a)	Current year (b)	Prior year (c)
	Financing leases:	\$	\$
1	Minimum rentals		
2	Contingent rentals	()	()
3	Sublease rentals		
4	Total financing leases		
	Other leases:		
5	Minimum rentals		
6	Contingent rentals	()	()
7	Sublease rentals		
8	Total other leases		
9	Total rental expense of lessee		

NOTE: As used in schedules 243 through 247, a "financing lease" is defined as a lease which, during the noncancellable lease period, either (a) covers 75% or more of the economic life of the property or (b) has terms which assure the lessor a full recovery of the fair market value (which would normally be represented by his investment) of the property at the inception of the lease plus a reasonable return on the use of the assets invested subject only to limited risk in the realization of the residual interest in the property and the credit risks generally associated with secured loans.

Schedule 244.—MINIMUM RENTAL COMMITMENTS

Complete this schedule only if (a) carrier operating revenues are \$10 million or more and (b) gross rental expense in the most recent fiscal year exceeds one percent of operating revenue. **Expense less than 1%**

Show the minimum rental commitments under all noncancellable leases, as of the date of the latest balance sheet presented, in the aggregate (with disclosure of the amounts applicable to noncapitalized financing leases) for (a) each of the five succeeding fiscal years; (b) each of the next three five-year periods; and, (c) the remainder as a single amount. The amounts so determined should be reduced by rentals to be received from existing noncancellable subleases (with disclosure of the amounts of such rentals). For purposes of this rule, a noncancellable lease is defined as one that has an initial or remaining term of more than one year and is noncancellable, or is cancellable only upon the occurrence of some remote contingency or upon the payment of a substantial penalty.

Line No.	Year ended (a)	A			B	
		Financing leases (b)	Other leases (c)	Total (d)	Sublease rentals*	
					Financing leases (e)	Other leases (f)
1	1978	\$	\$	\$	\$	\$
2	1979					
3	1980					
4	1981					
5	1982					
6	1983-1987					
7	1988-1992					
8	1993-1997					
9	1998-*					

* The rental commitments reported in Part A of this schedule have been reduced by these amounts.

Schedule 245.—LESSEE DISCLOSURE

Complete this schedule only if carrier operating revenues are \$10 million or more.
Relate in general terms: (a) the basis for calculating rental payments if dependent upon factors other than the lapse of time, (b) existence and terms of renewal or purchase options, escalation clauses, etc., (c) the nature and amount of related guarantees made or obligations assumed, (d) restrictions on paying dividends, incurring additional debt, further leasing, etc., and, (e) any other information necessary to assess the effect of lease commitments upon the financial position, results of operations, and changes in financial position of the lessee.

Line
No.

(a) Time lapse only

(b) Renewals optional - no escalation provisions stated.

(c) None

(d) None

(e) None

Schedule 246.—LEASE COMMITMENTS—PRESENT VALUE

Complete this schedule only if: (a) carrier operating revenues are \$10 million or more and (b) if the present value of the minimum lease commitments are more than five percent of the sum of the long-term debt, stockholders' equity and the present value of the minimum lease commitments, or if the impact on net income (as computed in schedule 247, Income impact—Lessee) is three percent or more of the average net income for the most recent three years. **Present value is negligible**

Show all noncapitalized financing leases, the present value of the minimum lease commitments in the aggregate and by major categories of properties. Present values shall be computed by discounting net lease payments (after subtracting, if practicable, estimated, or actual amounts, if any, applicable to taxes, insurance, maintenance and other operating expenses) at the interest rate implicit in the terms of each lease at the time of entering into the lease.

Show either the weighted average interest rate (based on present value) and range of rates or specific interest rates for all lease commitments.

Line No.	Asset category (a)	Present value		Range		Weighted average	
		Current year (b)	Prior year (c)	Current year (d)	Prior year (e)	Current year (f)	Prior year (g)
		\$	\$	%	%	%	%
1	Structures						
2	Revenue equipment						
3	Shop and garage equipment						
4	Service cars and equipment						
5	Noncarrier operating property						
	Other (specify)						
6							
7							
8							
9							
10	Total						

Schedule 247.—INCOME IMPACT—LESSEE

Complete this schedule only if carrier operating revenues are \$10 million or more. If the impact on net income is less than three percent of the average net income for the most recent three years, a statement to this effect will suffice to complete this schedule. Otherwise, show the impact on net income for each period for which an income statement is presented if all noncapitalized financing leases were capitalized, related assets were amortized on a straight-line basis and interest cost was accrued on the basis of the outstanding lease liability. The amounts of amortization and interest cost shall be separately identified.

In calculating average net income, loss-years should be excluded. If losses were incurred in each of the most recent three years, the average loss shall be used for purposes of this test.

Line No.	Item (a)	Current year (b)	Prior year (c)
1	Amortization of lease rights	\$	\$
2	Interest		
3	Rent expense		
4	Income tax expense		
5	Impact (reduction) on net income		

Impact on net income less than 3%.

NOTES AND REMARKS

None

250. NOTES PAYABLE

Give particulars of the various creditors and the character of the transactions involved in the current liability account No. 50, "Notes payable."
List every item in excess \$100,000 and state its date of issue and date of maturity.
For creditors whose balances were severally less than \$100,000, a single entry

may be made under a caption "Minor accounts, each less than \$100,000."

Entries in columns (g) and (h) should include interest accruals and interest payments on notes payable retired during the year, even though no portion of the obligation remained outstanding at the close of the year.

Line No.	Name of creditor (a)	Character of liability or of transaction (b)	Date of issue (c)	Date of maturity (d)	Rate of interest (e)	Balance at close of year (f)	Interest accrued during year (g)	Interest paid during year (h)
1	None				%	\$	\$	\$
2								
3								
4								
5								
6								
7								
8								
9	Total							

251. PAYABLES TO AFFILIATED COMPANIES

Give particulars of the various affiliated company creditors and the character of the transactions involved in the current liability account No. 51, "Payables to affiliated companies."
List every item in excess of \$100,000.

For creditors whose balances were severally less than \$100,000, a single entry may be made under a caption "Minor accounts, each less than \$100,000."

Line No.	Name of creditor (a)	Character of liability or of transaction (b)	Balance at close of year (c)
1	None		\$
2			
3			
4			
5			
6			
7			
8			
9	Total		

252. ACCOUNTS PAYABLE

Give particulars of the various creditors and the character of the transactions involved in the current liability account No. 52, "Accounts payable."
List every item in excess of \$100,000.

For creditors whose balances were severally less than \$100,000, a single entry may be made under a caption "Minor accounts, each less than \$100,000."

Line No.	Name of creditor (a)	Character of liability or of transaction (b)	Balance at close of year (c)
1	Various	Minor accounts each less than \$100,000.	\$ 303,976
2	-do-	Vouchers issued but unpaid	(211,957)
3			
4			
5			
6			
7			
8			
9	Total		92,019

253. LONG-TERM DEBT PAYABLE WITHIN ONE YEAR

None

Give particulars of the various unmatured bonds and other evidences of long-term debt of the respondent included in account No. 57, "Long-term debt payable within one year" at the close of the year.

In column (a) show the name of each bond or other obligation as it is designated in the records of the respondent.

In case obligations of the same designation mature serially or otherwise at various dates, enter in column (c) the latest date of maturity and explain the matter in a foot-

note.

Column (d) calls for the par value of the amount of debt authorized to be incurred, as determined by the final authority whose assent is necessary to the legal validity of the issue. In case such final authority is some public officer or board, attach a footnote showing such officer or board and the date when assent was given.

Line No.	Name and character of obligation	Nominal date of issue	Date of maturity	Par value of amount authorized	Total par value issued and not retired at close of year	TOTAL PAR VALUE NOMINALLY ISSUED		
						to treasury	pledged as collateral	in sinking or other funds
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	MORTGAGE BONDS:			\$	\$	\$	\$	\$
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12	Total for mortgage bonds							
	COLLATERAL TRUST BONDS:							
13								
14								
15								
16								
17								
18	Total for collateral trust bonds							
	INCOME BONDS:							
19								
20								
21								
22	Total for income bonds							
	MISCELLANEOUS OBLIGATIONS:							
23								
24								
25								
26								
27								
28								
29								
30								
31								
32	Total for miscellaneous obligations							
	NONNEGOTIABLE DEBT TO AFFILIATED COMPANIES:							
33								
34								
35								
36								
37								
38								
39								
40								
41	Total for nonnegotiable debt to affiliated companies							
42								
43	Grand Total							

253. LONG-TERM DEBT PAYABLE WITHIN ONE YEAR--Concluded

Entries in column (c) should include long-term debt nominally issued, nominally outstanding, and actually outstanding.

Entries should conform to the definitions of "nominally issued", "actually issued", etc., as given in the last paragraph of instructions on page 36.

If the interest accrued during the year as entered in columns (i) and (p) does not aggregate the total accrual for the year on any security, explain the discrepancy. Entries in these columns should include interest accrued on long-term debt reacquired or retired during the year, although no portion of the issue is actually out-

standing at the close of the year.

In determining the entries for columns (q), do not treat any interest as paid unless the liability of the respondent in respect to it is extinguished. Deposits of cash with banks and other fiscal agents for the payments of interest coupons should not be reported as payments of such interest until actually paid to coupon holders or others under such circumstances as to relieve the respondent from further liability.

Line No.	TOTAL PAR VALUE NOMINALLY OUTSTANDING			Total par value actually outstanding at close of year (d)	INTEREST PROVISIONS		Amount of interest accrued during year charged to income (e)	Amount of interest charged to construction or other investment account (q)	Amount of interest paid during year (p)
	In treasury (a)	Pledged as collateral (b)	In sinking or other funds (c)		Rate per cent per annum (m)	Dates due (n)			
1	\$	\$	\$	\$			\$	\$	\$
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
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21									
22									
23									
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28									
29									
30									
31									
32									
33									
34									
35									
36									
37									
38									
39									
40									
41									
42									
43									

260. LONG-TERM DEBT PAYABLE AFTER ONE YEAR

Give particulars of the various unmatured bonds and other evidences of long-term debt of the respondent included in account No. 60, "Long-term debt payable after one year," maturing more than one year from the date of the balance sheet.

In column (a) show the name of each bond or other obligation as it is designated in the records of the respondent.

In case obligations of the same designation mature serially or otherwise at various dates, enter in column (c) the latest date of maturity and explain the matter in a footnote.

Column (d) calls for the par value of the amount of debt authorized to be incurred, as determined by the final authority whose assent is necessary to the legal validity of the issue. In case such final authority is some public officer or board, attach a footnote showing such officer or board and the date when assent was given. In all cases where any issues, whether actual or merely nominal, were made during the year, state on page 34 the purposes for which such issues were authorized as expressed in the resolution of the final authority passing on the matter.

Line No.	Name and character of obligation	Nominal date of issue	Date of maturity	Par value of amount authorized	Total par value raised and not retired at close of year	TOTAL PAR VALUE NOMINALLY ISSUED		
						In treasury	Pledged as collateral	In sinking or other funds
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	MORTGAGE BONDS:			\$	\$	\$	\$	\$
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12	Total for mortgage bonds							
	COLLATERAL TRUST BONDS:							
13								
14								
15								
16								
17								
18	Total for collateral trust bonds							
	INCOME BONDS:							
19								
20								
21								
22	Total for income bonds							
	MISCELLANEOUS OBLIGATIONS:							
23								
24								
25								
26								
27								
28								
29								
30								
31								
32	Total for miscellaneous obligations							
	NONNEGOTIABLE DEBT TO AFFILIATED COMPANIES:							
33	Southern Pacific Pipe Lines, Inc.	Various		40,939,701	9,000,000			
34								
35								
36								
37								
38								
39								
40								
41	Total for nonnegotiable debt to affiliated companies			40,939,701	9,000,000			
42	Grand Total			40,939,701	9,000,000			
43								

260. LONG-TERM DEBT PAYABLE AFTER ONE YEAR—Concluded

Entries in column (e) should include long-term debt nominally issued, nominally outstanding, and actually outstanding.

Entries should conform to the definitions of "nominally issued", "actually issued", etc., as given in the last paragraph of instructions on page 36.

If the interest accrued during the year as entered in columns (o) and (p) does not aggregate the total accrual for the year on any security, explain the discrepancy. Entries in these columns should include interest accrued on long-term debt reacquired or retired during the year, although no por-

tion of the issue is actually outstanding at the close of the year.

In determining the entries for column (q), do not treat any interest as paid unless the liability of the respondent in respect to it is extinguished. Deposits of cash with banks and other fiscal agents for the payment of interest coupons should not be reported as payments of such interest until actually paid to coupon holders or others under such circumstances as to relieve the respondent from further liability.

Line No.	TOTAL PAR VALUE NOMINALLY OUTSTANDING			Total par value actually outstanding at close of year (f)	INTEREST PROVISIONS		Amount of interest accrued during year charged to income (g)	Amount of interest charged to construction or other investment account (h)	Amount of interest paid during year (i)
	In treasury (a)	Pledged in collateral (b)	In sinking or other funds (c)		Rate percent per annum (m)	Dates due (n)			
	\$	\$	\$	\$			\$	\$	\$
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28									
29									
30									
31									
32									
33				9,000,000	None		None	None	None
34									
35									
36									
37									
38									
39									
40									
41				9,000,000					
42				9,000,000	None		None	None	None
43									

261. LONG-TERM DEBT CHANGES DURING THE YEAR

Give particulars of long-term debt actually or nominally issued (either original issues or reissues); long-term debt assumed; and long-term debt reacquired or canceled during the year. Include matured and unmatured long-term debt changes during the year. In column (c) state whether issued for the purchase of a complete pipe line; constructing and equipping new plant; or improvements to or extension of existing plant; for refunding or paying outstanding securities; for acquisition of securities; for reorganization, or for cash, etc. If an issue of securities was authorized for more than one purpose, state amount applicable to each purpose. Also give the number and date of authorization by the public authority under

whose control such issue was made, naming such authority. In column (e) include as cash all money, checks, drafts, bills of exchange, and other commercial paper payable at par on demand. For nominally issued securities show returns in columns (a), (b), (c), and (d) only.

For each class of long-term debt actually issued, the sum of the entries in columns (e), (f), and (h), plus discounts or less premiums in column (g), should equal the entry in column (d). For definition of expense, reportable in column (h), see definition 14 on page 3 of the Uniform System of Accounts for Pipe Lines.

Line No.	Name of obligation (a)	LONG-TERM DEBT DURING YEAR			
		Date of issue (b)	Purpose of the issue and authority (c)	Par value (d)	Net proceeds received for issue (cash or its equivalent) (e)
1	Southern Pacific	Various	Original construction of coal	\$ None	\$ None
2	Pipe Lines, Inc.		slurry pipeline		
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	TOTAL			None	None

Line No.	LONG-TERM DEBT ISSUED DURING YEAR—Concluded			LONG-TERM DEBT REACQUIRED DURING YEAR		Remarks
	Cash value of other property acquired or services received as consideration for issue (f)	Net total discounts (in black) or premiums (in red). Excludes entries in column (h). (g)	Expense of issuing long-term debt (h)	AMOUNT REACQUIRED		
				Par value (i)	Purchase price (j)	
	\$ None	\$ None	\$ None	\$ 5,000,000	\$ 5,000,000	
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						

262. SECURITY FOR LONG-TERM DEBT

Give particulars of the property of the respondent mortgaged, pledged, or otherwise encumbered as security for the unmortgaged long-term debt of the respondent at the close of the year.

Give a footnote reference to each sinking fund required to be established for the redemption or retirement of long-term debt, naming the fund and referring to the page and schedule of this report wherein particulars of such fund are shown; if no such fund has been established, state fully the reasons why the sinking

fund requirements have not been complied with. Give an abstract or synopsis of the contract provisions governing the establishment and maintenance of each such fund.

The respondent may, in lieu of giving the particulars called for in this schedule, furnish copies of all mortgages, trust deeds, and equivalent instruments in force at the close of the year, or give reference to copies of such instruments previously filed with the Commission. All instruments, copies of which are filed or re-

ferred to, should be listed in column (a).

If the respondent has mortgaged or pledged any of its property for the purpose of securing the payment of any debt for which some other company is primarily responsible, give particulars of such mortgage or pledge also, and state the name of the primary debtor. Show what security has been taken by the respondent in connection with the loan of its credit.

Line No.	(a) Designation of mortgage, pledge or other lien	(b) Plant and equipment mortgaged	(c) Securities, income, etc., mortgaged or pledged
1	None		
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			

270. CAPITAL STOCK

1. Give particulars of the various issues of capital stock of the respondent, distinguishing separate issues of any general class, if different in any respect.

2. In the second section list particulars of the various issues on the same lines, and in the same order as in the first section.

3. Identify the entries in columns (a) to (i), inclusive, in a manner which will indicate whether the same are in the nature of shares or debentures.

4. In stating the date of an authorization the date of the latest action or resolution necessary to its validity should be shown, e.g., in case an authorization is required to be ratified by stockholders after action by the Board of Directors, but is not required to be approved by any State or other governmental body or officer, give the date of approval by stockholders, if the assets of a State railroad commission or other public board or officer is necessary, give the date of such action, or if subsequent to such action notice has to be filed with a secretary of state or other public officer and a tax or other fee has to be paid.

in a condition precedent to the validity of the issue, give the date of such payment. In case some condition precedent has to be complied with after the approval and ratification of the stockholders has been obtained, state, in a footnote, the particulars of such condition and of the respondent's compliance therewith.

5. For the purposes of this report, capital stock and other securities are considered to be normally issued when certificates are signed and sealed and placed with the proper officer for sale and delivery or are pledged or otherwise placed in some special fund of the respondent. They are considered to be not fully issued when sold to a bona fide purchaser in a regular transaction, and such purchaser holds them from control by the respondent. All securities actually issued and not reacquired by or for the respondent are considered to be actually outstanding. If reacquired by or for the respondent under such circumstances as require them to be considered as held alive, and not canceled or retired, they are considered to be actually outstanding.

6. Column (d) refers to the initial preference dividend payable before any common dividend, common (h) and (i) to participation in excess of initial preference dividend, at a specified percentage or amount (except stockholders (h) or a percentage or proportion of the profits (column (i)).

7. "Authorized," as applied to column (a) of this schedule means the total par value of certificates of par value stock or total number of shares of no-par stock that have been signed and sealed and placed with the proper officer of the carrier for sale or other disposition. The amount stated in this column is the sum total of the amounts stated in normally issued and actually issued stock.

8. In column (v) show the actual consideration received for the stock whether in cash or other property.

PREFERRED STOCK

Line No.	Class of stock	Date issue was authorized	Par value per share (if none, so indicate)	Dividend rate specified in contract	Total amount of accumulated dividends	CUMULATIVE		Noncumulative ("Yes" or "No")	Convertible ("Yes" or "No")	Callable or redeemable ("Yes" or "No")	OTHER PROVISIONS OF CONTRACT	
						To extent earned ("Yes" or "No")	Fixed rate or percentage specified by contract				Fixed amount or percentage (Specify)	Fixed rate with common (Specify)
1	Common	4-29-66	Non-par		\$	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
2				X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
3				X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
4				X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
5	Preferred			X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X
6												
7												
8	Debtenture											
9												
10	Receipts outstanding for installments paid*											
11												
12	TOTAL			X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X	X X X X

PAR VALUE OF PAR-VALUE STOCK OR NUMBER OF SHARES OF NONPAR STOCK

Line No.	Authorized or date shown on column (b)	Authenticated	NOMINALLY ISSUED AND		Actually issued	REACQUIRED AND		Number of shares	STOCK ACTUALLY OUTSTANDING AT CLOSE OF YEAR	
			Held in special funds or in trust or otherwise pledged securities by symbol ("Yes" or "No")	Canceled		Canceled	Held in special funds or in trust or otherwise pledged securities by symbol ("Yes" or "No")		The value of par-value stock	Book value of stock without par value
1	1,000 shares 10 shares				10 shares			10	\$	1,000
2										
3										
4										
5										
6										
7										
8										
9										
10										
11	X X X X X	X X X X X	X X X X X	X X X X X	X X X X X	X X X X X	X X X X X	10		1,000

*Give the class of capital stock covered by the receipts.

271. CAPITAL STOCK CHANGES DURING THE YEAR

Give full particulars of stocks actually or nominally issued (either original issues or reissues) and of stocks reacquired or canceled during the year.

In the second section of the schedule show the particulars of the several issues on the same lines and in the same order as in the first section.

In column (c) state whether issued for construction of new properties, for additions and betterments, for purchase of pipe line or other property, for conversion, for acquisition of securities, for reorganization, or for other corporate purposes. If an issue of securities was authorized for

more than one purpose, state amount applicable to each purpose. Also give the number and date of the authorization by the public authority under whose control such issue was made, naming such authority. In column (e) include as cash all money, checks, drafts, bills of exchange, and other commercial paper payable at par on demand. For nominally issued stock, show returns in columns (a), (b), (c), and (d) only. For each class of par stock actually issued the sum of the entries in columns (e), (f), and (h), plus discounts or less premiums in column (g), should equal the entry in column (d).

Line No.	Class of stock	STOCKS ISSUED DURING YEAR			
		Date of issue	Purpose of the issue and authority	Par value (For nonpar stock show the number of shares)	Net proceeds received for issue (cash or its equivalent)
	(a)	(b)	(c)	(d)	(e)
1	None			\$	\$
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14			Total		

Line No.	STOCKS ISSUED DURING YEAR—Continued			STOCK REACQUIRED DURING YEAR		Remarks
	Cash value of other property acquired or services received as consideration for issue	Net total discounts (in black) or premiums (in red). Excludes entries in column (b)	Expense of issuing capital stock	Par value (For nonpar stock show the number of shares)	Purchase price	
	(f)	(g)	(h)	(i)	(j)	(k)
1	\$	\$	\$	None	\$	
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						

272. STOCK LIABILITY FOR CONVERSION OF SECURITIES OF OTHER COMPANIES

If at the close of the year respondent was subject to any liability to issue its own capital stock in exchange for outstanding securities of constituent or other companies give full particulars thereof hereunder, includ-

ing names of parties to contracts and abstracts of terms of contracts whereunder such liability exists.

274. ADDITIONAL PAID-IN CAPITAL

Give an analysis in the form called for below of account No. 73, "Additional paid-in capital. In column (a) give a brief description of the items added or deducted and in column (b) insert the contra account number to which the amount stated in column (c) was charged or credited.

Line No.	Item (a)	Contra account number (b)	Amount (c)
1	Balance at beginning of year	X X X	\$
	Additions during the year (describe):		
2	None		
3			
4			
5			
6			
7			
8			
9			
10			
11			
12	Total additions during the year	X X X	
	Deductions during the year (describe):		
	None		
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23	Total Deductions	X X X	
24	Balance at close of year	X X X	

275. APPROPRIATED RETAINED INCOME

Give an analysis of the amount in account No. 74, "Appropriated retained income," at the close of the year.

Line No.	Class of appropriation (a)	Balance at close of year (b)
1	Additions to property through retained income	
2	Debt retired through retained income	
3	Sinking funds	
4	Other funds	
5	Appropriated retained income not specifically invested	
6	Other appropriations (specify):	
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25	Total	None

310. OPERATING REVENUE ACCOUNTS

State the pipeline operating revenues of the respondent for the year, classified in accordance with the Uniform System of Accounts for Pipe Lines.

Line No.	Operating revenue accounts (a)	Crude oil (b)	Slurry Product (c)	Total (d)
1	(200) Gathering revenues	\$	\$	\$
2	(210) Trunk revenues (1)		11,997,316	11,997,316
3	(220) Delivery revenues			
4	(230) Allowance oil revenue			
5	(240) Storage and demurrage revenue			
6	(250) Rental revenue			
7	(260) Incidental revenue			
8	Total		11,997,316	11,997,316

- (1) Trunk revenues are based on contracted agreement between Black Mesa Pipeline and a sole customer shipper. Black Mesa Pipeline, Inc. does not publish a tariff.

320. OPERATING EXPENSE ACCOUNTS

State the pipeline operating expenses of the respondent for the year.

Line No.	Operating expense accounts (a)	CRUDE OIL			
		Gathering (b)	Trunk (c)	Delivery (d)	Total (e)
		\$	\$	\$	\$
	OPERATIONS				
1	(300) Salaries and wages				
2	(310) Supplies and expenses				
3	(320) Outside service				
4	(330) Operating fuel and power				
5	(340) Oil losses and shortages				
6	TOTAL OPERATIONS EXPENSES				
	MAINTENANCE				
7	(400) Salaries and wages				
8	(410) Supplies and expenses				
9	(420) Outside services				
10	(430) Maintenance materials				
11	TOTAL MAINTENANCE EXPENSES				
	GENERAL				
12	(500) Salaries and wages				
13	(510) Supplies and expenses				
14	(520) Outside services				
15	(530) Rentals (p. 48)				
16	(540) Depreciation and amortization				
17	(550) Pensions and benefits				
18	(560) Insurance				
19	(570) Casualty and other losses				
20	(580) Pipeline taxes (p. 42)				
21	TOTAL GENERAL EXPENSES				
22	Grand Totals				
23	Operating ratio (ratio of operating expenses to operating revenues—percent): XXXXXXXX 15.22 Trunk 43.92 preparation				

320. OPERATING EXPENSE ACCOUNTS—Continued

Classifying them in accordance with the Uniform System of Accounts for Pipe Lines.

Line No.	PRODUCTS - Coal Slurry				TOTAL			
	Preparation EXPENSE (f)	Trunk (g)	Delivery (h)	Total (i)	Preparation EXPENSE (j)	Trunk (k)	Delivery (l)	Total (m)
	\$	\$	\$	\$	\$	\$	\$	\$
1	270,679	155,106	-	425,785				
2	138,119	436,978	-	575,097				
3	91	41,770	-	41,861				
4	557,282	1,288,426	-	1,845,708				
5	-	-	-	-				
6	966,171	1,922,280	-	2,888,451				
7	263,858	424,417	-	688,275	See Products - Coal Slurry			
8	35,384	76,828	-	112,212				
9	17,103	56,950	-	74,053				
10	59,232	91,279	-	150,571				
11	375,637	649,474	-	1,025,111				
12	52,014	100,969	-	152,983				
13	10,985	21,324	-	32,309				
14	42,097	81,717	-	123,814				
15	720	5,302	-	6,022				
16	221,156	985,961	-	1,207,117				
17	78,727	152,823	-	231,550				
18	33,185	64,417	-	97,602				
19	504	1,467	-	1,971				
20	45,169	1,283,306	-	1,328,475				
21	484,557	2,697,286	-	3,181,843				
22	1,826,365	5,269,040	-	7,095,405				
23	Delivery -	Total	59.14					

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BLACK MESA PIPELINE, INC.

1978

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330. PIPE-LINE TAXES

Give the particulars called for with respect to the taxes accrued on carrier properties and charged to account No. 580, "Pipeline taxes," of the respondent's Income Account for the year.

If during the year an important adjustment was made in account No. 580 for taxes applicable to a prior year, state in a footnote full particulars concerning same.

A. OTHER THAN U.S. Government TAXES

Line No.	Name of state (a)	Amount (b)	Line No.	Name of State (a)	Amount (b)
		\$			\$
1	Alabama		31	New Mexico	
2	Alaska		32	New York	
3	Arizona	2,166,571	33	North Carolina	
4	Arkansas		34	North Dakota	
5	California		35	Ohio	
6	Colorado		36	Oklahoma	
7	Connecticut		37	Oregon	
8	Delaware	30	38	Pennsylvania	
9	Florida		39	Rhode Island	
10	Georgia		40	South Carolina	
11	Hawaii		41	South Dakota	
12	Idaho		42	Tennessee	
13	Illinois		43	Texas	
14	Indiana		44	Utah	
15	Iowa		45	Vermont	
16	Kansas		46	Virginia	
17	Kentucky		47	Washington	
18	Louisiana		48	West Virginia	
19	Maine		49	Wisconsin	
20	Maryland		50	Wyoming	
21	Massachusetts		51	District of Columbia	
22	Michigan		52	Other (specify):	x x x x x
23	Minnesota		53		
24	Mississippi		54	Less property taxes booked	(906,986)
25	Missouri		55	in Acct. 14-21 for billing in	
26	Montana		56	1979.	
27	Nebraska		57		
28	Nevada	8,083	58		
29	New Hampshire		59		
30	New Jersey		60	Total—Other Than U.S. Government Taxes	1,267,698

B. U.S. GOVERNMENT TAXES (Except Income Taxes)

Line No.	Kind of tax (a)	Amount (b)
		\$
61	Old-age retirement	58,232
62	Unemployment insurance	2,464
63	Other U.S. taxes (specify, except income taxes): Highway Use	81
64		
65		
66		
67		
68		
69		
70	Total—U.S. Government Taxes	60,777
71	Grand Total (account 580)	1,328,475

340. INCOME FROM NONCARRIER PROPERTY

1. State the revenues, expenses, and net income of the respondent during the year from each class of nonoperated properties of the character provided for in account No. 620, "Income from noncarrier property," in the Uniform System of Accounts for Pipe Lines.

2. If the income relates to only a part of the year, give particulars in a footnote.

Line No.	General description of property (a)	Total revenues (b)	Total expenses (c)	Net income (d)
1		\$	\$	\$
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15	Total			None

342. ABSTRACTS OF TERMS AND CONDITIONS OF LEASES

Give briefly any changes since the beginning of the year in the terms and conditions of the important leases under which the above-stated income is derived. For any important leases executed during the year give a brief abstract of the terms and conditions, showing particularly (1) the date of the grant, (2) the chain of title (in case of assignment or subletting) and dates of transfer connecting the original parties with the present parties.

(3) the basis on which the amount of the annual rent is determined, and (4) the date when the lease will terminate, or, if the date of termination has not yet been fixed, the provisions governing the termination of the lease.

Copies of leases may be filed in lieu of abstracts above called for.

None

345. INTEREST AND DIVIDEND INCOME

Give a detailed analysis of amounts credited to account No. 630, "Interest and dividend income", classified in accordance with the Uniform System of Accounts for Pipe Lines

Line No.	Items (a)	Dividend income (b)	Interest income (c)
		\$	\$
1	Income from securities shown in schedule 220		
2	Income from securities shown in schedule 221		
3	Income from temporary cash investments		
4	Other credits (specified):		
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26	Total	None	None

360. MISCELLANEOUS ITEMS IN INCOME AND RETAINED INCOME ACCOUNTS FOR THE YEAR

Give a detailed analysis of the items in accounts 640, "Miscellaneous income"; 660, "Miscellaneous income charges"; 680, "Extraordinary items"; 695, "Income taxes on extraordinary items"; 710, "Other credits to retained income"; and 720, "Other debits to retained income", for the year. The classification should be made in accordance with the

Uniform System of Accounts for Pipe Lines. For accounts 640 and 660, each item amounting to \$100,000 or more should be stated; items less than \$100,000 in these accounts may be combined in a single entry designated "Minor items, each less than \$100,000." Insert a total for each account.

Line No.	Account No. (a)	Item (b)	Debits (c)	Credits (d)
1	640	Minor items, less than \$100,000	\$ 719	\$
2	660	Minor items, less than \$100,000	2,038	
3	680	None		
4	690	None		
5	710	None		
6	720	None		
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
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50				
51				

I.C.C. Schedule 410

Miles of Pipeline Operated at Close of Year 1978

Black Mesa Pipeline, Inc.

T-E-R-M-I-N-I

Name of Company and State (a)	Line Section	From (b)	To (c)	Miles	Size of Line (1)	Increases (1)	Decreases (o)
A. - Owned And Operated By Respondent							
BMP, Inc. Arizona	1	Kayenta	Nevada St. Line	259.577	18"	None	
BMP, Inc. Arizona	1	Kayenta	Nevada St. Line	.150	14"	None	
BMP, Inc. Arizona	1	Kayenta	Nevada St. Line	11.609	12"	None	
BMP, Inc. Nevada	2	Nevada St. Line	Mohave	.118	14"	None	
BMP, Inc. Nevada	2	Nevada St. Line	Mohave	1.592	12"	None	
TOTAL				273.046			

B. - Owned In Undivided Interest And Operated By Respondent

None

C. - Owned By Others But Operated By Respondent

None

Office of President
Los Angeles, California - January 17, 1979
Valuation Section

420. RENTALS

Give particulars of the rents payable during the year, for property used in transportation service, included in account No. 530 as defined in the Uniform System of Accounts for Pipe Lines. Each item amounting to

\$10,000 or more should be listed; all others may be combined in a single entry designated "Minor items, each less than \$10,000."

Line No.	Name of lessor (a)	Location of property (b)	Description of property (c)	Rent accrued during year (d)
1	Minor items, less than \$10,000			\$ 6,022
2				
3				
4				
5				
6				
7				
8				
9				
10			TOTAL	6,022

422. ABSTRACTS OF LEASEHOLD CONTRACTS

Give briefly any changes since the beginning of the year in the terms and conditions of the leases under which the respondent rents a complete pipe line or section thereof. If any such leases have been executed during the year, give brief abstracts of the terms and conditions thereof, showing particularly (1) the date of the lease, (2) the chain of title and dates of transfers connecting the original lessee with the respondent in case of assignment or subletting, (3) the basis on which the amount of the annual

rent is determined, and (4) the date when the lease is to terminate, or, if such date has not yet been determined, the provisions governing its determination.

In lieu of the abstracts here called for, the respondent may file copies of lease agreements and give specific references to copies heretofore filed with the Commission.

None

561. EMPLOYEES AND THEIR COMPENSATION

Give the number of employees, by classes, in the service of the respondent and state the total compensation, including payments of every character made to each class of employees during the year. If any compensation was paid or is payable under labor awards of the current year, include the amount applicable to the current year in column (c) and show the portion applicable to prior years (back pay) in a footnote, by classes of employees. For purposes of this report, labor awards are intended to cover adjustments resulting from the decisions of Wage Boards and voluntary awards by the respondent incident thereto. The assignment of employees should accord as nearly as possible with the classes listed. If the regular duties of an employee are such as to make him includible in two or more classes, he should be assigned to the class that is indicated by the greater part of his duties, and his compensation assigned to the same class.

For the purpose of the subjoined statement the word "employees" is intended to include every person in the service of the respondent subject to its continuing authority to supervise and direct the manner of rendition of his service. Persons engaged to render only specifically defined service and not subject to the continuing authority of the respondent to supervise and control their acts, such as lawyers retained only for specific cases

and not under general or continuing retainer, are not to be included as employees.

The number of employees in service for entry in column (b) is obtained by adding the number of employees on the payroll in each of the stated classes during the payroll period containing the 12th day of each month and dividing by 12. Every count should cover not only employees actually on duty during the period of the count, but also employees under pay not so on duty if absent from service on sick or other leave or held subject to call for duty.

Each person jointly employed shall, if carried on the payrolls of the several joint employers, be counted by each employer and represented in its return of number of employees by a fraction based on the number of employers reporting him; if a person, for example, is reportable by three employers, each should include him in its number of employees as one-third of an employee. When the entire compensation of a joint employee is shown on the payroll of a single joint employer and is paid to the employee by that employer such employee should, for the purpose of returns, be treated as if employed solely by such employer.

Line No.	Class of employees	Average number of employees in service	Total compensation during year
	(a)	(b)	(c)
1	Executives, general officers, and assistants	2	99,120
2	General office clerks	-	-
3	Other general office employees	2	36,022
4	Field clerks	2	35,657
5	Field superintendents	2	65,333
6	Professional and subprofessional employees (engineers, chemists, etc.)	3	88,525
7	Foremen and assistant foremen	13	337,597
8	Station engineers and pumpers	4	89,015
9	Station firemen and oilers	-	-
10	Gagers—Deliverymen and oil receivers	-	-
11	Telegraph operators	-	-
12	Telegraph and telephone line repairmen	-	-
13	Line riders, walkers, or patrolmen	-	-
14	Pipe-line repairmen	5	62,375
15	Carpenters	-	-
16	Machinists	1	26,447
17	Electricians	4	54,362
18	Other mechanics (skilled trades)	5	103,993
19	Apprentices and helpers (skilled trades)	8	162,657
20	Truck drivers and teamsters	-	-
21	Laborers, roustabouts, etc.	8	128,276
22	All other employees	-	-
23	TOTAL	57	1,289,379

562. COMPENSATION OF OFFICERS, DIRECTORS, ETC.

1. In columns (a) and (b) enter the name and position of each of the five persons named in Schedules 102 and 103 of this report to whom the respondent paid the largest amount during the year as compensation for current or past service over and above necessary expenses incurred in discharge of duties. In addition, list all other officers, directors, pensioners or employees, if any, to whom the respondent paid \$40,000 or more in total compensation during the year.

2. The salary per annum to be entered in column (c) is the annual rate at which an employee is paid rather than the amount actually paid for a part of a year. If the salary of an individual was increased or decreased during the year, show salary before each change as well as at close of year.

3. If an officer, director, etc., receives compensation from one or more affiliated companies, reference to this fact should be made if the aggregate compensation from all companies amounts to \$40,000 or more.

4. Other compensation to be entered in column (d) includes, but is not limited to, commissions, bonuses, shares in profits, contingent compensation, money paid, set aside or accrued pursuant to any pension, retirement, savings, deferred compensation, or similar plan including premiums paid for retirement annuities, or life insurance where the respondent is not the beneficiary (Premiums on group life insurance for benefits less than \$50,000 need not be reported), or any other arrangement which constitutes a form of compensation. Give the details of any plan not previously reported, the basis of determining the ultimate benefits payable, and the payments or provisions made during the year.

5. Also include in column (d) all remuneration paid, directly or indirectly, in the form of securities, options, warrants, right or other property. Furnish particulars concerning any options, warrants, or rights issued or granted during the year including prices, expiration dates and other information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by each officer, director, etc.

Line No.	Name of person (a)	Title (b)	Salary per annum as of close of year (See instructions) (c)	Other compensation during the year (d)
1	J. G. Montfort	Vice President & General	\$ 58,500	\$ 2,985 (1)
2		Manager		
3				
4				
5				
6				
7	(1) includes \$1,521 for group life insurance for over \$50,000;			
8	\$1,464 Savings Plan.			
9				
10				
11	Other directors and officers listed in Schedules 102 and 103 were not compensated			
12	by the respondent.			
13				
14		TOTAL	58,500	2,985

563. PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

In the form below give information concerning payments, fees, retainers, commissions, gifts, contributions, assessments, bonuses, pensions, subscriptions, allowance for expenses, or any form of payments amounting in the aggregate to \$40,000 or more during the year to any corporation, institution, association, firm, partnership, committee, or any person (other than one of respondent's employees covered in scheduled 562 in this annual report) for services or as a donation. In the case of contributions of under \$30,000 which are made in common with other carriers under a joint arrangement in payment for the performance of services or as a donation, each such contribution shall be reported, irrespective of the amount thereof, if the total amount paid by all contributors for the performance of the particular service is equal to the sum of \$30,000 or more.

To be included are, among others, payments, directly or indirectly, for legal, medical, engineering, advertising, valuation, accounting, statistical, financial, educational, entertainment, charitable, advisory, defensive, detective, developmental, research, appraisal, registration, purchasing, architectural, and hospital services; payments for expert testimony and for handling wage disputes; and payments for services of banks, bankers, trust companies, insurance companies, brokers, trustees, promoters, solicitors, consultants, actuaries, investigators, inspectors, and efficiency engineers. The enumeration of these kinds of payments should not be understood as excluding other payments for services not excluded below.

To be excluded are: Rent of buildings or other property; taxes payable to the Federal, State, or local governments; payments for heat, light, power, telegraph, and telephone services; and payments to other carriers on the basis of local tariff charges, as well as other payments for services which both as to their nature and amount may reasonably be regarded as ordinarily connected with the routine operation, maintenance, or construction of a pipe line, but any special and unusual payments for services should be reported.

If more convenient, this schedule may be filled out for a group of companies considered as one system and shown only in the report of the principal company in the system, with references thereto in the reports of the other companies.

If any doubt exists in the mind of the reporting officer as to the reportability of any type of payment, request should be made for a ruling before filing this report.

Line No.	Name of recipient (a)	Nature of service (b)	Amount of payment (c)
1	None		\$
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15		TOTAL	

591. IMPORTANT CHANGES DURING THE YEAR

Hereunder state the following matters, numbering the statements in accordance with the inquiries, and if no changes of the character below indicated have occurred during the year, state that fact:

1. All important physical changes not elsewhere provided for.
2. All important financial changes not elsewhere provided for.
3. All changes in and all additions to franchise rights, describing fully (a) the actual consideration given therefor, and stating (b) the parties from whom acquired; if no consideration was given, state that fact.
4. All additional matters of fact not elsewhere provided for which the respondent may desire to include in its report.

1. None

2. None

3. None

4. None

Schedule 595.—COMPETITIVE BIDDING — CLAYTON ANTITRUST ACT

Section 10 of the Clayton Antitrust Act (15 U.S.C. 20) states that "no common carrier engaged in commerce shall have any dealings in securities, supplies or other articles of commerce, or shall make or have any contracts for construction or maintenance of any kind, to the amount of more than \$50,000, in the aggregate, in any one year, with another corporation, firm, partnership or association when the said common carrier shall have upon its board of directors or as its president, manager or as its purchasing or selling officer, or agent in the particular transaction, any person who is at the same time a director, manager, or purchasing or selling officer of, or who has any substantial interest in, such other corporation, firm, partnership or association, unless and except such purchases shall be made from, or such

dealings shall be made with, the bidder whose bid is the most favorable to such common carrier, to be ascertained by competitive bidding under regulations to be prescribed by rule or otherwise by the Interstate Commerce Commission." The specification for competitive bids is found in the Code of Federal Regulations, Part 1010-Competitive Bids through Part 1010.7 - Carriers Subject to the Interstate Commerce Act.

In column (g), identify the company awarded the bid by including company name and address, name and title of respondent officers, directors, selling officer, purchasing officer and/or general manager that has an affiliation with the seller.

Line No.	Nature of bid (a)	Date Published (b)	Contract number (c)	No. of bidders (d)	Method of awarding bid (e)	Date filed with the Commission (f)	Company awarded bid (g)
1	None						
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Carrier Initials BMP

Year 1978

VERIFICATION

The foregoing report must be verified by the oath of the officer having control of the accounting of the respondent. It should be verified, also, by the oath of the president or other chief officer of the respondent, unless the respondent states on the last preceding page of this report that such chief officer has no control over the accounting of the respondent. The oath required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken.

OATH

(To be made by the officer having control of the accounting of the respondent)

State of CaliforniaCounty of Los Angeles

ss:

M. J. Musey, Jr.

(Insert here the name of the affiant)

makes oath and says that he is Controller

(Insert here the official title of the affiant)

of

Black Mesa Pipeline, Inc.

(Insert here the exact legal title or name of the respondent)

that it is his duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he knows that such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the Interstate Commerce Commission, effective during the said period; that he has carefully examined the said report, and to the best of his knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he believes that all other statements of fact contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and

including January 1, 1978 to and including December 31, 1978

(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and countyabove named, this 9th day of March, 1979

Use an
L.S.
impression seal

My commission expires December 29, 1980

(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

(By president or other chief officer of the respondent)

State of CaliforniaCounty of Los Angeles

ss:

Byron K. Smith

(Insert here the name of the affiant)

makes oath and says that he is President

(Insert here the official title of the affiant)

of

Black Mesa Pipeline, Inc.

(Insert here the exact legal title or name of the respondent)

that he has carefully examined the foregoing report; that he believes that all statements of fact contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and

including January 1, 1978 to and including December 31, 1978

(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and countyabove named, this 9th day of March, 1979

Use an
L.S.
impression seal

My commission expires

December 29, 1980

(Signature of officer authorized to administer oaths)

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