

ORIGINALDecision No. 61240

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
 of Southern California Water)
 Company for Authority to Lease)
 Certain of Its Property.)

Application No. 42786

OPINION AND ORDER

Southern California Water Company, a California corporation, by the above-entitled application filed on October 25, 1960, requests an order of this Commission authorizing it to execute a lease with L & L Oil Co. Inc., dated August 19, 1960, relating to the use of certain of applicant's property for oil exploration. Applicant operates principally as a public utility water corporation in certain areas in the Counties of Los Angeles, Orange, Ventura, San Bernardino, Imperial, and Sacramento.

The property covered by the lease constitutes three acres, more or less, and is more particularly described in the agreement attached to the application. A portion of the property to be leased constitutes a part of applicant's Wadsworth Plant site in Los Angeles County, and is property upon which are located certain of applicant's producing water wells and other operating facilities. The balance of the property to be leased consists of one-half acre and measures approximately 235 feet by 100 feet. This latter portion of the property is recorded on the books of applicant as non-operative property. Lessee is obligated to confine its use of the surface of the leased property to the latter one-half acre.

portion for all drilling operations and necessary appurtenances, such as oil and gas separators and storage tanks.

A field investigation was made in connection with this application in November of 1960 by a Commission staff engineer. The results of this investigation have been presented in a memorandum, which memorandum is hereby received in evidence as Exhibit No. 1. The staff investigation has verified the factual data submitted by applicant.

The lease provides that applicant will receive royalties if the exploratory well is successful. However, if the well is not successful and is abandoned, applicant may purchase it for the cost of so much of the well casing as is needed for development and water production. The lease also provides for compensation to applicant for any damage to its installations or for any pollution or loss in the volume of water which may be caused by the oil company's operation within the leased property.

The lease is for a period of two years and for as long thereafter as oil, gas, or other hydrocarbons are produced from the leased premises, its term to commence on the first day of the calendar month next succeeding the issuance of an order by this Commission authorizing applicant to execute the lease. The lease further provides that if an order is not issued by this Commission on or before November 30, 1960, or such later date as lessor or lessee may stipulate in writing, all obligations of applicant and lessee under the lease shall terminate.

The Commission has considered the matter and is of the opinion and so finds that the plans to lease the Wadsworth Plant property will not unduly endanger applicant's water supply, that the proposed lease will not be adverse to the public interest, that

a public hearing is not necessary, and that the application should be granted.

IT IS HEREBY ORDERED that Southern California Water Company be and it hereby is authorized to carry out the terms and conditions of the lease with L & L Oil Co., dated August 19, 1960, a certified copy of which is attached to the application.

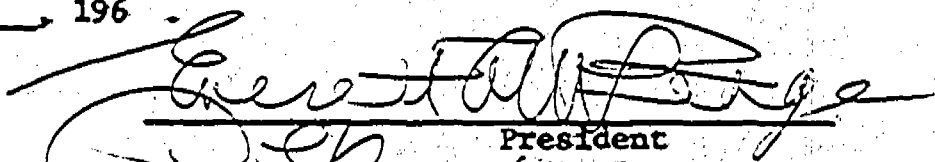
IT IS HEREBY FURTHER ORDERED that:

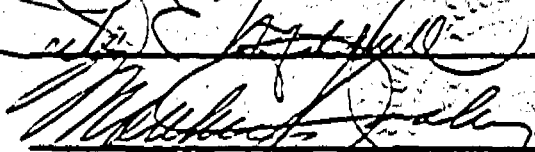
1. If the authorization herein is exercised, applicant shall, within 30 days thereafter, notify this Commission in writing, of the date on which the lease is deemed to have become effective.
2. If the authorization herein is exercised, applicant shall notify this Commission of the date of termination of said lease, within thirty days from and after said date of termination.


The authorization herein granted will expire if not exercised within one year of the date hereof.

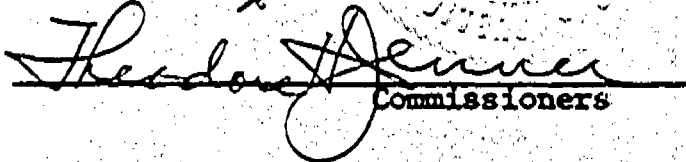
The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 20th day of December, 196



President






Commissioners