

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Copy for:

RESOLUTION NO. G-2088

Orig. and Copy  
to Executive Director

RESOLUTION

UTILITIES DIVISION  
BRANCH/SECTION: Gas  
DATE: May 24, 1977

Director  
Numerical File  
Alphabetical File  
Accounting Officer

SUBJECT: Gas Exploration and Development Adjustment (GEDA) Project Letter  
No. 77-B Filed for Approval Pursuant to Procedures Prescribed by  
Decision No. 81898, and Decision No. 87137 Extending Authority

WHEREAS: PACIFIC LIGHTING SERVICE COMPANY and SOUTHERN CALIFORNIA GAS COMPANY by GEDA Project Letter No. 77-B filed May 2, 1977, have requested approval of additional gas exploration and development activities in the Cook Inlet area of south Alaska under the following circumstances:

1. Applicant's request is for authority to fund the exploration and development activities of Simasko Production Co. (SIMPCO) in the "Tyonek Prospect".
2. Under the agreement with SIMPCO, Pacific Lighting Gas Development (PLGD) is committed to provide funds of \$598,445 representing PLGD's share of the costs incurred by SIMPCO to date. Additionally, PLGD will bear 100% of the cost of drilling and completing two required wells, and, at its option, two lease maintenance wells. PLGD's minimum obligation under the agreement is approximately \$6,000,000 and if it elects to drill the two lease maintenance wells total exploration costs would be approximately \$10,600,000.
3. In return for the funds committed PLGD will acquire, until payout, 100% working interest in the wells subject to a 1/6 landowner's royalty and a 1/8 SIMPCO override.
4. The resulting 1977 cost of service is estimated at \$67,000 or 0.001¢/therm.
5. The Commission has approved seven GEDA projects in the Cook Inlet area. A total of approximately one trillion cubic feet of gas is committed to the south Alaska LNG project. An additional two trillion cubic feet are required to support a 400 MMcf/d project.
6. We find that the request to participate in the funding of the above project should be granted and that a public hearing is not necessary, therefore, good cause appearing,

IT IS ORDERED that:

1. Authority be granted pursuant to the provisions of Decisions Nos. 81898 and 81837 for Pacific Lighting Service Company and Southern California Gas Company to participate in funding the above project.
2. The 1977 cost of service associated with the funding of the project shall be accumulated and reflected in the next annual adjustment for under or over collections.
3. The Project Letter be marked to show that it was accepted for filing under Resolution of the Public Utilities Commission of the State of California No. G-2088. The effective date of this Resolution is the date hereof.

I hereby certify that the foregoing Resolution was duly introduced, passed and adopted at a regular conference of the Public Utilities Commission of the State of California, held on the 24th day of May, 1977, the following Commissioners voting favorably thereon: