

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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RESOLUTION NO. G-2217

R E S O L U T I O N

UTILITIES DIVISION
BRANCH/SECTION: Gas
DATE: May 16, 1978

SUBJECT: Gas Exploration and Development Adjustment (GEDA) Project Letter No. 78-F Filed for Approval Pursuant to Procedures Prescribed by Decision No. 88121.

WHEREAS: NATURAL GAS CORPORATION OF CALIFORNIA AND PACIFIC GAS AND ELECTRIC COMPANY by GEDA Project Letter No. 78-F filed March 29, 1978, have requested approval of additional gas exploration and development activities in the Rocky Mountains under the following circumstances:

1. Applicant's request is for authority to participate in the funding of exploration and development activities of Champlin Petroleum Company (Champlin) in the "Terry Flat Prospect" in Utah.
2. Under the agreement with Champlin, Natural Gas Corporation of California (NGC) has a minimum financial obligation of 1/3 of the cost of an initial test well for a total expenditure in 1978 and 1979 of \$2,890,660. NGC also has an option to participate in the funding of four additional wells at a cost of \$10,900,000 during 1980 and 1981.
3. In return for funds committed, NGC will acquire a 33 1/3% working interest until payout, subject to a 1/16 overriding royalty, and will retain a 20% working interest in the initial well and 16.66% in the option wells after payout, plus a call on Champlin's share of the gas.
4. The resulting 1978 cost of service is estimated at \$31,739 or 0.0004 ¢/therm.
5. 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 Decision No. 88121 for Natural Gas Corporation of California and Pacific Gas and Electric Company to participate in funding the above project.
2. The 1978 cost of service associated with the funding 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-2217. 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 16th day of May, 1978, the following Commissioners voting favorably thereon:

Executive Director