

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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to Executive Director

RESOLUTION NO. G-2218

Director
Numerical File
Alphabetical File
Accounting Officer

RESOLUTION

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

SUBJECT: Gas Exploration and Development Adjustment (GEDA) Project
Letter No. 78-J 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-J filed April 21, 1978 have requested
approval of gas exploration and development activities in Yolo County, California
under the following circumstances:

- 1. Applicant's request is for authority to participate in the funding of exploration
and development activities of Capitol Oil Corporation (Capitol) in the "South Saxon
Prospect."
2. Under the agreement with Capitol, Natural Gas Corporation of California (NGC)
is committed to provide a maximum of \$600,000 for the drilling of two test wells and
has an option to provide 50% of the cost of two additional wells on adjacent
property at a maximum cost of \$250,000.
3. In return for the funds committed, NGC will earn a 50% working interest in the
first two wells, 25% in one option well and 30% in the other, plus a call on Capitol's
share of the gas.
4. The resulting 1978 cost of service is estimated at \$27,300 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-2218.
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: