

MINUTE ITEM

6. ASSIGNMENT OF STATE COMPENSATORY GAS AGREEMENT EASEMENT 412.1, NATURAL GASOLINE CORPORATION OF CALIFORNIA, McDONALD ISLAND GAS FIELD, SAN JOAQUIN COUNTY - W.O. 3397.

After consideration of Calendar Item 12 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO APPROVE THE ASSIGNMENT OF STATE COMPENSATORY GAS AGREEMENT EASEMENT 412.1 BY THE NATURAL GASOLINE CORPORATION OF CALIFORNIA TO PACIFIC GAS AND ELECTRIC COMPANY. THE ASSIGNEE IS TO BE BOUND BY THE TERMS OF THE AGREEMENT TO THE SAME EXTENT AS THE ORIGINAL LESSEE.

Attachment

Calendar Item 12 (1 page)

CALENDAR ITEM

12.

ASSIGNMENT OF STATE COMPENSATORY GAS AGREEMENT EASEMENT 412.1, NATURAL GASOLINE CORPORATION OF CALIFORNIA, McDONALD ISLAND GAS FIELD, SAN JOAQUIN COUNTY - W.O. 3397.

On January 29, 1959 (Minute Item 12, page 4438), the Commission authorized the assignment of Compensatory Gas Agreement Easement 412.1 by Standard Oil Company of California to Natural Gasoline Corporation of California, a California corporation.

An application has been received, requesting the assignment of Compensatory Gas Agreement Easement 412.1, McDonald Island Gas Field, effective July 31, 1959, from Natural Gasoline Corporation of California, a California corporation, to Pacific Gas and Electric Company, a California corporation. Natural Gasoline Corporation of California is a wholly owned subsidiary of the Pacific Gas and Electric Company. State interest in this field consists of that area of Whiskey Slough within the productive limits of McDonald Island Gas Field, or approximately 8.77 per cent of the total productive area. Royalty for gas produced was paid to the State during 1958 in the amount of \$5,237.28. Eleven of the twelve producing wells were shut in on March 16, 1958. One well continued to produce until March 17, 1959, at which time it was shut in because of excessive sand and water produced with the gas.

Pacific Gas and Electric Company has acquired the right to inject, store and withdraw gas from the major portion of the field. An agreement providing for this right is currently being negotiated between Pacific and the State.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO APPROVE THE ASSIGNMENT OF STATE COMPENSATORY GAS AGREEMENT EASEMENT 412.1 BY THE NATURAL GASOLINE CORPORATION OF CALIFORNIA TO PACIFIC GAS AND ELECTRIC COMPANY. THE ASSIGNEE IS TO BE BOUND BY THE TERMS OF THE AGREEMENT TO THE SAME EXTENT AS THE ORIGINAL LESSEE.