

23. APPROVAL OF MODIFICATION OF GAS SALES AGREEMENT; SUB-UNIT ZONES OF GAS LEASE ISSUED IN EXCHANGE FOR GAS LEASE EASEMENT NO. 415.1, SACRAMENTO AND SOLANO COUNTIES; STANDARD OIL COMPANY OF CALIFORNIA AND PACIFIC GAS AND ELECTRIC COMPANY - W.O. 7208.

After consideration of Calendar Item 28 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION AUTHORIZES THE APPROVAL OF THE LETTER AGREEMENT MODIFICATION DATED OCTOBER 11, 1968, TO GAS SALES AGREEMENT DATED SEPTEMBER 22, 1967, BETWEEN STANDARD OIL COMPANY OF CALIFORNIA AND PACIFIC GAS AND ELECTRIC COMPANY, AS A BASIS FOR THE SALE AND DELIVERY BY STANDARD OIL COMPANY OF CALIFORNIA OF THE GAS PRODUCED FROM THE SUBUNITIZED ZONES OF A PORTION OF GAS LEASE ISSUED IN EXCHANGE FOR GAS LEASE EASEMENT NO. 415.1. THIS APPROVAL IS NOT TO BE CONSTRUED TO MODIFY OR TO AFFECT IN ANY MANNER ANY OF THE LEASE TERMS, INCLUDING FULL COMPLIANCE BY THE LESSEE WITH ALL THE TERMS AND CONDITIONS OF THE LEASE AND THE RULES AND REGULATIONS OF THE STATE LANDS COMMISSION.

Attachment

Calendar Item 28 (1 page)

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On October 26, 1967 (Minute Item 35, page 1163), the State Lands Commission authorized the approval of the Gas Sales Agreement dated September 22, 1967, between Standard Oil Company of California and Pacific Gas and Electric Company, that provides for the sale of gas produced from a portion of the subunitized State lands included within Gas Lease Issued in Exchange for Gas Lease Easement No. 415.1. Standard Oil Company of California has now submitted for approval a letter agreement dated October 11, 1968, between Standard Oil Company and Pacific Gas and Electric Company that would modify the Gas Sales Agreement dated September 22, 1967.

Certain wells recently have been completed in the subunitized zones that lie outside the area presently delineated. The effect of the letter agreement is to include the additional land in the September 22, 1967 agreement (as shown on Exhibit "A"). The effective date of the letter agreement is October 11, 1968.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE APPROVAL OF THE LETTER AGREEMENT MODIFICATION DATED OCTOBER 11, 1968, TO GAS SALES AGREEMENT DATED SEPTEMBER 22, 1967, BETWEEN STANDARD OIL COMPANY OF CALIFORNIA AND PACIFIC GAS AND ELECTRIC COMPANY, AS A BASIS FOR THE SALE AND DELIVERY BY STANDARD OIL COMPANY OF CALIFORNIA OF THE GAS PRODUCED FROM THE SUBUNITIZED ZONES OF A PORTION OF GAS LEASE ISSUED IN EXCHANGE FOR GAS LEASE EASEMENT NO. 415.1. THIS APPROVAL IS NOT TO BE CONSTRUED TO MODIFY OR TO AFFECT IN ANY MANNER ANY OF THE LEASE TERMS, INCLUDING FULL COMPLIANCE BY THE LESSEE WITH ALL THE TERMS AND CONDITIONS OF THE LEASE AND THE RULES AND REGULATIONS OF THE STATE LANDS COMMISSION.