

DOCKETED

Docket Number:	99-AFC-01C
Project Title:	Elk Hills Power Project - Compliance
TN #:	202923
Document Title:	Notice of Upstream Ownership Change
Description:	N/A
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Organization:	Day Carter Murphy LLP
Submitter Role:	Applicant Representative
Submission Date:	8/14/2014 10:07:17 AM
Docketed Date:	8/14/2014

August 14, 2014

VIA EMAIL AND U.S. MAIL

Mary Dyas
Compliance Project Manager
California Energy Commission
1516 9th Street, MS 2000
Sacramento, CA 95814
mdyas@energy.state.ca.us

Re: Elk Hills Power Project (Docket No. 99-AFC-1C): Notice of Upstream Ownership Change

Dear Ms. Dyas:

I am writing to inform you of an upcoming change of upstream ownership for Elk Hills Power, LLC.¹ Elk Hills Power, LLC's membership units are currently owned and held by subsidiaries of Occidental Petroleum Corporation.² Occidental Petroleum Corporation is in the process of spinning off certain California assets into a new California based entity, California Resources Corporation, a Delaware corporation licensed to do business in California (CRC). As a result of this spinoff, the membership interests in Elk Hills Power, LLC will be transferred to a subsidiary of CRC.

Elk Hills Power, LLC anticipates that its membership units will be transferred to a new entity in the fourth quarter of 2014 and that the upstream transaction will close by the end of 2014. Elk Hills Power, LLC is providing advance notice of this upcoming transfer to enable Elk Hills Power, LLC to respond to any questions the California Energy Commission ("Commission") may have regarding this transfer of the membership units in Elk Hills Power, LLC to subsidiaries of CRC.

¹ Kevin Bell has confirmed the Commission no longer would like to receive formal petitions for change of ownership under California Code of Regulations Section 1769(b) unless the project entity, in this case Elk Hills Power, LLC, is changing.

² Elk Hills Power, LLC is held by EHPP Holdings Inc.; EHPP Holdings Inc. is held by Occidental Energy Ventures Corp.; Occidental Energy Ventures Corp. is held by Oxy Energy Services, Inc.; Oxy Energy Services, Inc. is held by Occidental Petroleum Investment Corporation; and Occidental Petroleum Investment Corporation is held by Occidental Petroleum Corporation.

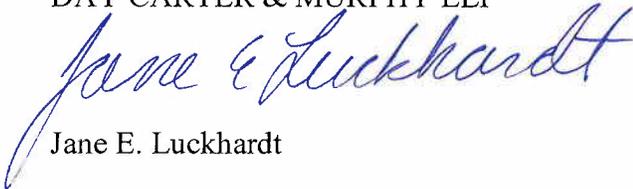
After the transactions are completed, Elk Hills Power, LLC will remain an intact entity and will continue to own and operate the Elk Hills Power Plant. Elk Hills Power, LLC will remain the entity responsible for compliance with the Commission's conditions of certification and will continue to comply with those conditions. Furthermore, the operation of the Elk Hills Power Plant by Elk Hills Power, LLC will not change from the current operations. Elk Hills Power, LLC will continue to operate the Elk Hills Power Plant after the spinoff of CRC from Occidental Petroleum.

As with any transaction of this nature, there is always a chance the spinoff of the California assets will not occur. Should the transaction not occur, the projected transfer of the membership units in Elk Hills Power, LLC to a subsidiary of CRC is still expected to take place although the ultimate upstream ownership would not change.

Please let us know if you have any questions regarding this upcoming transaction.

Sincerely yours,

DAY CARTER & MURPHY LLP



Jane E. Luckhardt

JEL:am

cc: Kevin Bell (Via Email Only)
Linda Peterson (Via Email Only)
Zabi Nowaid (Via Email Only)
Docket Unit 99-AFC-1C, California Energy Commission