NATURAL RESOURCES AGENCY EDMUND G. BROWN JR., GOVERNOR



## DEPARTMENT OF CONSERVATION News Release

**FOR IMMEDIATE RELEASE** NR #2017-01 January 17, 2017

Contact: Teresa Schilling/Don Drysdale/Krista Watson/Staci Morrison (916) 323-1886 or pao@conservation.ca.gov

## PUBLIC INVITED TO COMMENT ON SAFETY FINDINGS AND PROPOSED RESTRICTIONS AT ALISO CANYON

LOS ANGELES – State regulators seek public comment on a proposal to significantly limit the amount of natural gas that can be stored in the Aliso Canyon Storage Facility operated by the Southern California Gas Company (SCG) and to require more stringent safety measures, such as equipping all wells with real-time monitors and alarms, and to protectively encase wells that would be used to inject gas.

Regulators from the Department of Conservation's Division of Oil, Gas, and Geothermal Resources (DOGGR) and the California Public Utilities Commission (CPUC) have completed their comprehensive review of the safety of wells at the facility and are in the process of determining whether it is safe to allow injection of natural gas to resume. Members of the public can learn about and comment on the state's well safety review and proposed operational conditions at two upcoming meetings in Woodland Hills.

"We want to hear the public's thoughts on the testing and inspections, and the steps being taken to ensure public health, safety, and environmental protection," said Ken Harris, State Oil and Gas Supervisor and head of DOGGR. "We are responsible for ensuring that if the facility reopens, the wells are safe. The entire facility has undergone extensive inspection and each well has been thoroughly tested with stringent standards that were developed with experts at the Lawrence Berkeley, Lawrence Livermore, and Sandia National Laboratories."

DOGGR ordered a halt to injection of natural gas at the Aliso Canyon storage facility after a leak was discovered in a well in October 2015. The leak was permanently sealed in February 2016.

After the leak was sealed, DOGGR immediately ordered SCG to conduct a rigorous battery of tests on all wells in the storage facility and to undertake numerous safety measures prior to requesting permission to resume injection. The comprehensive testing process was developed in close coordination with Lawrence Berkeley, Lawrence Livermore, and Sandia National Labs. SCG requested permission to resume injection on November 1, 2016.

Findings from the state's full inspection of the facility include:

The Department of Conservation's mission is to balance today's needs with tomorrow's challenges and foster intelligent, sustainable, and efficient use of California's energy, land, and mineral resources.

- 34 wells at the facility have passed the six-test series.
- 79 have been taken out of service, filled with protective fluid, and safely isolated from the gas storage field. These wells have one year to either pass all of the tests or be permanently plugged.
- One well is currently undergoing testing.
- Wells eligible for injection have new steel tubing, and a seal between the tubing and outer casing.
- Every well is equipped with real-time pressure monitoring of the tubing and casing. The pressure is
  continuously reported and monitored in SCG's operations center with alarms for any significant
  pressure changes.
- The production tubing and production casing of all the wells that may inject or withdraw natural gas have been pressure-tested to verify the strength of the double barrier.
- SCG has updated its spill contingency plan, including actions that will be taken if a well alarm sounds.
- SCG is conducting daily field scanning with infrared cameras to detect leaks.
- The CPUC directed SCG to conduct tests and corrosion assessments on its storage facilities and its
  withdrawal and injection pipelines. The CPUC and DOGGR have conducted joint inspections of
  storage facilities, and CPUC engineers reviewed records and conducted field verifications and tests
  of the SCG's critical safety measures.

## Additional conditions the agencies propose to impose on SCG include:

- Limiting gas injection and withdrawal to the well's production tubing (inner steel pipe); injection and withdrawal through the production casing (steel pipe casing) will no longer be allowed.
- Gas storage well heads must be inspected at least daily using gas leak detection technology such as infrared imaging.
- Limiting gas storage in the facility to a maximum 29 billion cubic feet (BCF). The Aliso Canyon storage facility has a capacity of 83 BCF.
- Requiring a minimum of 15.4 billion cubic feet (BCF) of natural gas in the storage field in order to ensure there is a reserve of gas available during an extreme weather event.
- Conservatively setting the maximum pressure in the storage reservoir lower than levels requested by SCG.

"A decision about whether injection of gas into the storage field can resume will not occur until the surrounding communities and concerned public have an opportunity to weigh in," added Harris.

The public meetings will be held on consecutive days, from 5:30 p.m. – 9 p.m. on both Wednesday, February 1, and Thursday, February 2, in the Trillium Room of the Hilton Woodland Hills, 6360 Canoga Avenue, Woodland Hills, CA, 91367.

Details about the public meetings and the full results of the well safety review, including all test results, can be found on the Department of Conservation's (DOC) Aliso Canyon web page.

The CPUC has been working with DOGGR to ensure the safety of the field and will participate in the meeting to discuss the facility's role in ensuring that the greater Los Angeles area has a reliable supply of natural gas. The CPUC also will provide information about how to participate in a future proceeding to determine the feasibility of minimizing or eliminating the use of the Aliso Canyon facility.

At the meetings, the public also will have an opportunity to comment on the maximum and minimum pressure limits proposed for the Aliso Canyon facility as required by <u>Senate Bill 380, legislation enacted in May 2016</u>.

Written comments about the comprehensive safety review and proposed safety requirements can be submitted to DOGGR now through Monday, February 6 at 5:00 p.m. in the following ways:

- ♦ via email to <u>Alisocomments@conservation.ca.gov</u>;
- ♦ by FAX to (916) 324-0948;
- ♦ by mail to Aliso Canyon Comprehensive Safety Review, Department of Conservation, 801 K Street MS 24-02, Sacramento, CA. 95814.

###