



---

235 Montgomery Street, Suite 935, San Francisco, CA 94104-3002  
Tel. 415-955-4775, Fax 415-955-4776, www.aspeneg.com

**PROJECT MEMORANDUM**  
**LODI GAS KIRBY HILLS NATURAL GAS STORAGE FACILITY PROJECT**

**To:** Junaid Rahman, CPUC  
**From:** Vida Strong, Aspen Project Manager  
**Date:** November 2, 2006  
**Subject:** Weekly Report #23: October 22, 2006 – October 28, 2006

**CPUC ENVIRONMENTAL MONITORS (EM):** Jody Fessler

CPUC EM Jody Fessler was on site October 23<sup>rd</sup>.

**PIPELINE SEGMENT:**

**Summary of Activity:**

All 16-inch pipeline work has been completed (except for where it connects into the Compressor Station and the Metering Station), as well as right-of-way cleanup. All of the affected landowners have signed off on the work as acceptable.

The cleanup of the staging area off Shiloh Road is complete; equipment and materials have been moved off the site and the area tilled per the specifications of the landowner.

**Environmental Compliance Activities:**

The CPUC EM observed that construction activities were in compliance with mitigation measures adopted in the MND and other permit requirements.

**WELL SITES:**

Work at well site S-1 was ongoing throughout the week. On Monday and Tuesday, crews continued drilling operations at S1A at well site S-1 (see Figure 1). On Wednesday, crews completed the drilling for well S1A and began to break down the drilling rig equipment. On Thursday, crews moved the drilling rig equipment off site.

On Friday, crews began excavation for electrical conduit at well site S-2.

No activity took place at S-10 well site this week.

Water trucks were observed regularly watering the sites and roads for dust control.

**Environmental Compliance Activities:**

The CPUC EM was informed by the Lodi Gas EI that the dark soil around the first well drilled at the S-2 well site had been cleaned up. The CPUC EM observed that construction activities were in compliance with mitigation measures adopted in the MND and other permit requirements.



### **KIRBY HILLS COMPRESSOR STATION SITE:**

Work at the Kirby Hills Compressor Station took place Monday through Saturday of this week, including piping fabrication and welding, foundation work, compressor building erection, grounding work, electrical work, and sandblasting and coating of piping (see Figures 2 – 5).

- On Monday, crews completed installing rebar in the compressor building ramp foundation and the Solano County Inspector approved it for pouring concrete.
- On Tuesday, crews installed a power conduit in the air compressor/dryer area, installed a control conduit at the north compressor area, and poured concrete for the ramp near the south end of the compressor building.
- On Wednesday, no civil or mechanical work occurred due to high winds. Crews worked inside the compressor building conducting insulation installation, interior acoustic panel installation, and cable tray installation and associated conduit.
- On Thursday, crews prepared duct banks for concrete and installed main power cable and fiber optic cable.
- On Friday, crews prepared the small bore piping for hydrostatic testing.
- On Saturday, crews continued to prepare the underground piping systems for hydrostatic testing. No welding work, civil work, or building erection was conducted on Saturday.

Water trucks were observed regularly watering the site for dust control.

### **Environmental Compliance Activities:**

The CPUC EM observed that construction activities were in compliance with mitigation measures adopted in the MND and other permit requirements.

### **METERING STATION SITE:**

PG&E and Rockford crews worked throughout the week at the Metering Station site. On Monday, crews de-watered the 16-inch piping system following the hydrostatic testing. On Tuesday, crews conducted the tie-in of the 16-inch piping to the pig receiver. On Wednesday, crews conducted the tie-in of the 12-inch piping from the pig receiver to the meter run before the high winds shut them down for the day. On Thursday, crews coated the underground piping, began to backfill the area, and began the installation of the cable tray support beams. On Friday, crews continued to backfill the underground piping. On Saturday, crews installed a power cable for the gate system, set a pole at the meter yard, and continued to backfill the underground piping.

### **Environmental Compliance Activities:**

The CPUC EM observed that construction activities were in compliance with mitigation measures adopted in the MND and other permit requirements.

### **NOTICES TO PROCEED (NTP):**

Table 1 presents the NTPs issued by the CPUC for the Lodi Gas Kirby Hills Project to date. No additional NTPs are anticipated.

**TABLE 1**  
**NOTICES TO PROCEED**  
(Updated 11-02-06)

NTP #	Date Issued	Description
#1	5-19-06	Pipeline Portion
#2	5-31-06	Civil (grading) and piping construction of the well sites, and civil (grading) construction of the compressor station
#3	7-05-06	Compressor station and well site construction. Drilling of three new storage wells.
#4	6-20-06	Civil portion only of the natural gas receiving/metering station
#5	9-06-06	Metering station foundation, structural, piping, electrical, and instrumentation construction. County permit pending.

**VARIANCE REQUESTS:**

Table 2 presents the Variance Requests reviewed and approved by the CPUC for the Lodi Gas Kirby Hills Project to date. No Variance Requests were submitted during the subject week.

**TABLE 2**  
**VARIANCE REQUESTS**  
(Updated 11-02-06)

Variance #	Date Requested	Date Issued	Description
#1	6-01-06	6-05-06	Request to trench through ephemeral wetland area approximately 70 ft. west of Olson Road.
#2	5-31-06	6-08-06	Lodi gas would like permission to trench through an area with a CNPS listed plant (pappose spikeweed). CPUC approval contingent upon CDFG concurrence. 6/21 – CDFG feedback provided and forwarded to J&S.
#3	6-16-06	6-16-06	Request to trench through two ephemeral wetland areas west of Shiloh Road.
#4	6-27-06	6-28-06	Request for additional workspace on the west side of Shiloh Road for the Shiloh bore.
#5	6-28-06	6-29-06	Request for removal of two small eucalyptus trees and trenching through the root system of two larger trees.
#6	7-07-06	7-07-06	Request to use additional workspace at the corner of Shiloh Road and the Kirby Hills access road to support large vehicles and equipment being transported to the Kirby Hills site.
#7	7-07-06	7-18-06	Request to relocate a PG&E distribution line around the S-2 well site. CPUC has requested historical resource information on the drilling “dog house” that is near the site. Jones & Stokes submitted information on 7/17/06.
#8	7-07-06	7-07-06	Request to move the 4-inch temporary gas line.

**ENVIRONMENTAL COMPLIANCE:**

One Project Memorandum has been issued by the CPUC EM for the project to date. On June 27<sup>th</sup>, the CPUC EM observed dump trucks dumping spoils from the Kirby Hills site on a levee road in an adjacent wetland area. This activity was not described in the project description. The CPUC EM requested to review permits for this activity. The landowner provided Lodi Gas with the 2006 Annual Application for the USACE Wetlands Maintenance, a copy of a letter from the USACE to the Suisun Resource Conservation District dated May 31, 2006, and a letter from the Suisun Resource Conservation District to the landowner dated June 5, 2006. The CPUC EM reviewed these documents and has concluded that the work activities are in compliance with the USACE approval. The Project Memorandum serves as a reminder that all permits for construction activities related to the Kirby Hills Natural Gas Storage Facility project be submitted and approved by the CPUC. Also, if changes to project activities as described in the MND occur, a Variance Request shall be submitted.

No Non-Compliance Reports (NCR) have been issued by the CPUC EM for the project to date.

**UPCOMING ITEMS:**

Starting in September, Lodi Gas began holding conference calls on an as needed basis in coordination with the CPUC/Aspen Project Manager.

Lodi Gas anticipates the initial commissioning of project facilities in late November.

## Photographs



**Figure 1** – Drilling rig set up at well site S-1, October 23, 2006.



**Figure 2** – Compressor Station site, October 23, 2006.



**Figure 3** – Compressor building at Compressor Station site, October 23, 2006.



**Figure 4** – Compressor Station piping, October 23, 2006.



**Figure 5** – Crews conducting welding activities at the Compressor Station site, October 23, 2006.