

PUBLIC UTILITIES COMMISSION

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**SUBJECT: Safety and Enforcement Division Directive on Preservation of SS-25 Evidence
– First Revision**

To Southern California Gas Company (SoCalGas):

This Directive replaces, in its entirety, the *Safety and Enforcement Division Directive on Preservation of SS-25 Evidence* issued on February 3, 2016. The revisions contained in this Directive are made to provide SoCalGas engineering and operational flexibility to take all reasonable steps necessary to control, kill and seal Aliso Canyon Natural Gas Storage Facility Standard Sesnon Well 25 (SS-25).

The Safety and Enforcement Division (SED) of the CPUC, in consultation with Department of Conservation, Division of Oil, Gas and Geothermal Resources (DOGGR) directs SoCalGas to preserve all physical elements of, related to and associated with SS-25, consistent with the following directives.

For the purposes of evidence retention, we are considering three distinct phases: (1) establishing well control (2) permanently sealing the well (3) post seal-activities.

Phase 1: Establishing Well Control

SED considers this phase to begin at the point when well stabilization fluids start being pumped through the relief well. Once pumping of fluids commences, SoCalGas shall verbally notify SED and DOGGR staff present on site as soon as reasonably practicable. If either SED or DOGGR staff are not present at the site, SoCalGas shall notify the agencies within 30 minutes via e-mail unless operational conditions make it impossible to do so, in which case SoCalGas shall notify the agencies as soon as possible and provide an explanation for the delay.

SED acknowledges that SoCalGas requires operational flexibility at this Well Control phase and that the exact steps that will be required to control the well will need to be determined by the operator in real time.

However, SoCalGas is hereby directed to take all reasonable steps to not alter, diminish, exchange, seal, cover, encroach or burden any and all existing SS-25 site element or facilities, whether naturally occurring, historically altered, constructed, improved or otherwise affected by

man within a horizontal area, as measured outward from the center of SS-25 well, to a distance radius of 400', thus surrounding SS-25 within a 360 degree circular area.

Subject to the provisions in the paragraph immediately following the bullets, below, SoCalGas shall protect all permanent or temporary facilities in a safe manner, in situ, damaged or intact, attached or unattached related to SS-25 well site, including:

- All existing grade level topography elements, both man-made improvements and naturally occurring
- All well head elements and facilities, valves, threadings, apertures and etc.
- All well pad facilities
- All 11.75" metal casings and outer cement casings as set in place to outmost constructed boundary with earth or strata backing
- All 7" metal casings and outer cement casings as set in place to outmost constructed
- All 2.875" tubings
- All existing apertures in tubings and casings
- All valves, valves assemblies and valve parts
- All shoes, pads, packers, plugs, sleeves, coatings, wires, jigs, or hooks found or recovered in part, intact or wholly separate
- SoCalGas shall protect and not remove any and all well resource elements or well construction materials found present in well, unless allowed for reasons listed in this directive. This includes any waters, gases, fluids, muds or cements and any gravels, native soils, sands or alluvials or strata samples.

SoCalGas shall not remove, temporarily store, bury, or raze any part stated herein without written permission from the SED and DOGGR, or otherwise authorized by this directive. However, SoCalGas may use or manipulate or handle any component of the well, the relief well, fluids or gases, and any other materials necessary to effect reasonable well control activities necessary for the expeditious and safe control of the well. Any effects from fluids, gases and/or mud emanating up through SS-25 during control activities and impacts to the area surrounding SS-25 directly resulting from necessary pumping operations will not be deemed a violation of this directive.

Phase 2: Permanently Sealing the Well

SED considers this phase to begin at the point when SoCalGas starts pumping cement mixture into SS25 well through the relief well. Once pumping of cement mixture commences, SoCalGas shall verbally notify SED and DOGGR staff present onsite as soon as reasonably practicable. If either SED or DOGGR staff are not present at the site, SoCalGas shall notify the agencies within 30 minutes via e-mail unless operational conditions make it impossible to do so, in which case SoCalGas shall notify the agencies as soon as possible and provide an explanation for the delay.

During Phase 2, SED directs SoCalGas to follow all of the requirements laid out for Phase 1. In addition, SoCalGas should take reasonable steps to not alter, diminish, exchange, seal, cover,

encroach or burden any and all existing SS-25 site element or facilities, whether naturally occurring, historically altered, constructed, improved or otherwise affected by man within these on well SS-25, any inside point, from a vertical measured depth of 6,500 feet to highest surface well component.

Phase 3: Post-Seal Activities

SED considers this phase to begin at the point when SoCalGas has made the area safe after permanently sealing the well - meaning that there is a permanent cement seal at the bottom of SS-25 well and well logging confirmations and leak migration surveys have been performed by the operator. At that point, SED, DOGGR and Blade Energy Partners will need access to SS-25 to facilitate the collection and preservation of evidence. Before sealing activities are completed, SED will send SoCalGas a directive specifying expectations for site access and control during Phase 3.

Conclusion

SoCal Gas is expected to comply with the directive unless urgent and unforeseen measures must be taken for (1) the safety of the general public or employees in the immediate vicinity; (2) engineering best practices with the goal of stopping the leak; or is otherwise approved by SED and DOGGR. Furthermore, subject to the terms of this letter, should any encroachment or alteration of a part be necessary during SS-25 control, kill and sealing activities, SoCalGas shall provide written documentation to SED and DOGGR within two weeks after the start of the well control phase. The documentation shall explain the operational considerations necessitating the encroachment or alteration. Alternatively, in either Phase 1 or Phase 2, SoCalGas may seek advance written approval from SED or DOGGR for encroachments or alterations that it deems likely to occur during SS-25 well control, kill and sealing activities. SED and DOGGR will work expeditiously to review and respond to SoCalGas' written approval request – expeditiously means within 2 hours during normal business hours (9AM-5PM including weekends).

This directive is not intended to alter any current or planned SoCalGas SS-25 well control and well kill activity. If any portion herein may alter such activities, please notify us immediately. SoCalGas shall immediately notify SED and DOGGR if any gas operation activity or third party request may affect SoCalGas' ability to conform to this directive.

If you have any questions, please contact Randy Holter at 213-576-7153 or Kenneth Bruno at 415-852-2936.



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