



September 1, 2017

Via Electronic and U.S. Mail

Mr. Rodger R. Schwecke
Vice President
Transmission and Storage
Southern California Gas Company
555 W. 5th Street, GT21C3
Los Angeles, CA 90013
RSchwecke@semprautilities.com

Dear Mr. Schwecke:

As injections resume at Aliso Canyon Storage Facility, it has come to our attention through required monitoring, testing and reporting that 13 of the wells SoCalGas is bringing back to service have experienced gradual buildup of pressure in the annuli between the new tubing and the production casing. While there are no associated public safety issues and all excess gas was recycled to a closed system to prevent any atmospheric releases, this letter is written notice that, pursuant to California Code of Regulations, title 14, section 1724.10, subdivision (h), each of these wells shall remain shut-in until the well is repaired and tested to the Division of Oil, Gas, and Geothermal Resources' (Division) satisfaction. After testing, each well will continue to be closely monitored while on injection.

Pursuant to the California Code of Regulations, title 14, section 1724.10, subdivision (k), SoCalGas will be required to continue providing pressure monitoring reports to the Division until further notice. As before, this reporting needs to include the injection volume, tubing and annuli pressure, and estimated reservoir pressure. As you investigate and remediate the issues with these wells, SoCalGas shall continue to comply with California Code of Regulations, title 14, section 1724.9, subdivision (c), and monitor annular pressure and inform the Division of anomalous annuli pressures as well as planned mitigation measures.

Finally, as previously discussed, SoCalGas must provide an updated work schedule for plugging and abandonment of wells that will not return to service due to changes in work planning and work-over rig demands associated with maintaining safe operations at the facility.

If you have any questions, please contact Mr. Alan Walker at (916) 323-2258 or Alan.Walker@conservation.ca.gov, or me at (916) 323-1777 or Ken.Harris@conservation.ca.gov.

Sincerely,



Kenneth A. Harris Jr.,
State Oil and Gas Supervisor