



Statement from Division of Oil, Gas, and Geothermal Resources on SCG's Request to Restart Injection at Aliso Canyon

November 1, 2016

Statement from the State Oil and Gas Supervisor Ken Harris:

“Safety is our top priority. We will thoroughly review all the information and data, conduct independent site inspections, seek public feedback and the opinion of outside experts before making any determination.”

Background:

Southern California Gas Company (SCG) today sent a [letter](#) to the Division of Oil, Gas, and Geothermal Resources stating that mandatory well testing at the Aliso Canyon storage facility is complete and requesting permission to resume natural gas injection. Under requirements set forth by the Division, all the wells at the facility have either completed the rigorous series of tests, have been isolated from the reservoir and temporarily taken out of service, or have been permanently plugged and abandoned. However, additional steps remain before a decision is made about whether the field is safe and injection can resume. Those steps include an onsite inspection to confirm the facility is in compliance with all relevant rules and regulations, as well as opportunity for public input. Before injection can resume, the Division and California Public Utilities Commission (CPUC) must concur that all the conditions have been met and all public comments have been taken into account. This process is likely to take several weeks.

- Independent experts from Lawrence Berkeley, Lawrence Livermore, and Sandia National Laboratories have been working in partnership with the Division throughout the safety review process at Aliso Canyon and validated the testing requirements that were issued to Southern California Gas. National lab experts will continue to provide expertise throughout the review process.

- There are 114 natural gas storage wells in the Aliso Canyon field. Of these, 29 have completed the full safety review and remediation process and potentially can be used for injection if authorization is granted. Another 80 wells have been plugged and isolated from the reservoir. Five wells have rigs on them and are securely isolated from the reservoir. These 85 wells that have not passed all the required tests must do so within one year or be permanently sealed (plugged and abandoned). There is one additional well, Standard Sesnon 25, which was the well that leaked for nearly four months and is now the focus of an investigation by DOGGR and the CPUC. That well is currently partially filled with cement. An attempt will be made to remove components of the well, including portions of the casing and tubing, for analysis as part of the ongoing investigation to determine the root cause of the leak.
- Before any reinjection can occur, the Division must confirm through inspection that SCG and the Aliso Canyon facility are in compliance with all the conditions set forth in [Senate Bill 380](#); the state's [emergency regulations](#) for underground gas storage; and also the State Oil and Gas Supervisor's [Formal Order 1109](#), all of which are intended to ensure the protection of public health and safety as well as the environment.
- A checklist of safety and operational issues SCG must utilize at various stages of the process can be found [here](#).
- The Division's letter of response to SCG is [here](#).
- Upon its final inspection, the Division will issue its proposed findings and schedule a public meeting in the local community. At the meeting, regulators from the Division and CPUC will share the findings of the comprehensive safety review and accept comments.
- If CPUC and the Division concur that reinjection may begin, the Division will issue a Project Approval Letter (PAL). The PAL will set the conditions under which injection may resume at Aliso Canyon. Per SB 380 requirements, operations may occur only within a range of pressures to be designated by state regulators in consultation with the National Laboratories.

- SB 380 also requires the CPUC, by July 1, 2017, “*to open a proceeding to determine the feasibility of minimizing or eliminating use of the Aliso Canyon natural gas storage facility located in the County of Los Angeles while still maintaining energy and electric reliability for the region, and to consult with specified entities in making its determination.*”

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