



January 3, 2017

SENT VIA EMAIL

Mr. Rodger Schwecke
Vice President
Transmission and Storage
Southern California Gas Company
RSchwecke@semprautilities.com

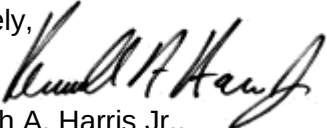
FINDING THAT WELL PORTER 32E (API NO. 03721363) HAS PASSED THE FIRST BATTERY OF TESTS AND WAS TAKEN OUT OF SERVICE AND ISOLATED FROM THE UNDERGROUND GAS STORAGE RESERVOIR

Dear Mr. Schwecke:

I am writing regarding the safety review results of one of the 114 wells at the Aliso Canyon gas storage facility (Facility). Each of the wells are subject to the comprehensive safety review that State Oil and Gas Supervisor Order 1109 and SB 380¹ require to be completed before the Division of Oil, Gas, and Geothermal Resources (Division) may authorize resumption of injection operations at the Facility. Order 1109 describes two batteries of well tests. To complete the review, each well must (1) pass both batteries of tests, (2) pass the first battery of tests and be taken out of service and isolated from the underground gas storage reservoir, or (3) be properly plugged and abandoned.

The first battery of tests assesses the casing using temperature and noise logs to ensure that there is no migration of fluids near the wellbore. If a well passes those tests, it may (1) undergo the second battery of tests for potential approval to use for injection if and when injections may resume, or (2) be taken out of service and isolated from the underground gas storage reservoir as specified in Steps 4b through 7b of the Safety Review Testing Regime of Order 1109 (Testing Regime). The Division posts the current status and testing results for each of the 114 wells on its website at <http://www.conservation.ca.gov/dog/AlisoCanyon/Pages/Well-Detail.aspx>.

After receiving and evaluating all test results and other data concerning the well, I find for purposes of Order 1109 and SB 380, that well Porter 32E (API No. 03721363) has completed the first battery of the Testing Regime and was taken out of service and, on September 23, 2016, the well was isolated from the underground gas storage reservoir as specified in Step 6b of the Testing Regime. Monitoring and testing of the well must continue as required by Order 1109 and any applicable law. If the well does not pass the second battery of tests within one year of being isolated from the reservoir, then the well must be plugged and abandoned in accordance with Public Resources Code section 3208.

Sincerely,

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

¹ Senate Bill 380 (Pavley, Chapter 14, Statutes of 2016) codified in part at Public Resources Code section 3217.