



Department of Conservation  
**Division of Oil, Gas, and Geothermal Resources**  
Southern District  
5816 Corporate Avenue • Suite 100  
Cypress, CA 90630  
(714) 816-6847 • FAX (714) 816-6853

July 5, 2018

**VIA EMAIL**

Mr. Timothy Parker, Agent  
AllenCo Energy, Inc. (A1240)  
2109 Gundry Avenue  
Signal Hill, CA 90755-3517  
[tparker@allencoca.com](mailto:tparker@allencoca.com)

Dear Mr. Parker:

STARTUP PLAN RESPONSE AND OVERDUE FACILITY TESTING, ST. JAMES LEASE, 813 WEST 23<sup>RD</sup> STREET, LOS ANGELES CA 90007, LAS CIENEGAS OIL FIELD

**STARTUP PLAN:**

The Division of Oil, Gas, and Geothermal Resources (Division) has reviewed AllenCo Energy, Inc. (AllenCo) St. James Lease Startup Checklist submitted on March 30, 2018 as its startup plan. The startup plan, as submitted, is lacking significant information necessary for the Division to evaluate AllenCo's preparedness to resume operations at its St. James drill site. Please revise the startup plan to include details of the following:

1. Hours facility will be staffed.
2. Hours facility will operate (well work hours, injection well hours, gas turbine hours, production well hours...).
3. Anticipated number of personnel on site daily (operator and contractors).
4. Idle well testing plan by well.
5. Injection well testing plan.
6. Full start up process, including significant dates or day counts, from initial operations to full production (i.e. gas line purge, well bled down, injection well tests, compressor startup, micro turbine startup, idle well testing – start to finish, production well start up...).
7. Operating processes – initial fluid handling and disposal, production system operation, well work coordination, injection well startup procedures, production well start up procedures.
8. Sound mitigation plan.
9. Emissions/Odor control plan.
10. Preventative maintenance program plan.
11. Emergency operations plans (i.e. procedures for gas leak, fire, chemical spill, produced fluids spill, system alarms, emergency alarms...).
12. Anticipated daily mobile equipment operations (i.e. rigs, vacuum trucks, water trucks, wireline trucks, chemical trucks, mobile pumps...).
13. Anticipated mobile equipment counts by day (beginning with day one).
14. Anticipated daily vehicle traffic during each stage of the startup process.

Please provide this updated plan at your earliest convenience, but no less than 30 days prior to your anticipated startup.

**FACILITY TESTING:**

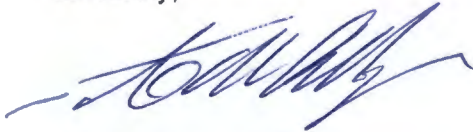
A review of Division records show required pipeline testing was last completed in November 2013. Per California Code of Regulations (CCR) § 1774.1(e) mechanical integrity tests must be performed on all environmentally sensitive and all urban pipelines over 4" in diameter, every two years. Testing of the pipelines associated with this facility are overdue.

Division records indicate tank testing was last performed in December 2012. Per CCR § 1773.4(a)(1) tank thickness testing must be performed at least once every five years. As indicated in your tank testing report dated 12/14/2012, new tank thickness tests were to be performed by December 14, 2017.

Per CCR § 1773.5(b) out-of-service production facilities shall not be reactivated unless all needed repairs have been completed and the production facility is in compliance with all applicable testing and inspection requirements. Please notify the Southern District office at least two days prior to conducting pipeline or tank testing.

If you have any questions, please contact Tamara Lopez at (714) 816-6847 or email at [Tamara.Lopez@conservation.ca.gov](mailto:Tamara.Lopez@conservation.ca.gov).

Sincerely,



Chris McCullough,  
Environmental, Facilities, and Field Operations Manager

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