



2022 Allen Co, Energy Inc. Oil Production Facility

Fact Sheet

Overview

On September 26, 2019 the California Department of Conservation, Geologic Energy Management Division (CalGEM) issued Order number 1162 to AllenCo Energy, Inc. (AllenCo), requiring the operator to carryout remedial work at the St. James site in Los Angeles, including depressurizing all 21 wells onsite.

AllenCo appealed the order and after a hearing before the Director's Office of Appeals, the order was affirmed on January 21, 2020. The Remedial Order requires AllenCo to provide CalGEM with a work plan for safely depressurizing wells and placing a suitable fluid in the wells which would render zero gas pressure at the wellhead. AllenCo has not provided CalGEM with a work plan nor otherwise commenced remedial work pursuant to the Remedial Order.

As a result of the operator's inaction to fulfill requirements of the Remedial Order, CalGEM made the decision to move forward with depressurization of oil and gas wells at the AllenCo Oil Production Facility.

CalGEM selected Andersen Integrated Services as the contractor for the well depressurization work at the St. James site. The contract has been finalized and executed on August 5, 2022. Necessary planning and preparatory work, including obtaining appropriate permits from the South Coast Air Quality Management District (SCAQMD) to operate the emission control equipment, is underway.

CalGEM is working closely with state and local partners to ensure the project complies with all regulatory requirements.

Enforcement History

The City of Los Angeles filed a civil enforcement action in January, 2014, alleging, in general, that AllenCo Energy Inc. was in violation of California's oil and gas laws, public health and safety laws, air and water quality protection laws, and fire and safety, and odor regulations. The well site had been idle since November of 2013.

The Final Judgment in that case directed AllenCo to provide evidence of compliance with laws and orders, install a continuous air-monitoring system, and obtain approval from the Los Angeles City Attorney before resuming operations.

On March 5, 2020, the State Oil & Gas Supervisor issued a Plug and Abandonment Order 1174 to AllenCo Energy, Inc., to permanently close its Saint James drill site in South Central Los Angeles. Among other requirements, the company must plug and abandon (permanently seal) the 21 wells. AllenCo appealed Order 1174 and the matter is currently pending.

Timeline of On-going Depressurization Work

- Anderson Integrated Services awarded the remedial contract in August.
- Preliminary onsite work began in September 2022.
- Equipment move-in on October 13 and 14.
- Depressurization work expected to begin October 17, 2022.

Key Terms

Idle Well: a well that has not been used for two years or more and has not yet been properly plugged and abandoned (sealed and closed).

Depressurization: eliminating pressure, inhibiting upward gas migration and pressure buildup at the wellhead.

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Location

The site location is in downtown Los Angeles, adjacent to Mt. St. Mary's University.

The surrounding area is mixed commercial and high-density residential.

What is the cost of the project and who is paying for it?

The estimated cost for the depressurization of AllenCo Oil Production Facility project is approximately \$750,000, which will be paid for by state and federal funding. Much of the state funding is expected to come from sources derived from industry assessments and fees.

How will this work impact my community near the site?

The end goal of this depressurization work is to make the site and the surrounding community safer until all the wells are fully plugged and abandoned. CalGEM does not expect a significant impact on the surrounding community, any work-related noise, nor traffic generated during depressurization work. The work will mostly be contained within the property boundary. CalGEM has required all on site work to take place between the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday.

Where do I go for more information or the latest updates?

Project updates will be posted on the CalGEM Allen Co webpage.

<https://www.conservation.ca.gov/calgem/Pages/AllenCo.aspx>

Who should I contact if I have questions about the project?

For project questions, please contact the CalGEM Public Transparency Office at: CalGEMPublicTransparencyOffice@conservation.ca.gov.

If you'd like to contact us by phone, you can reach us at (916) 445-9686.



The contractor, Anderson Integrated Services submitted a schedule, workplan, and health and safety documents for review by CalGEM.

There are specific procedures the contractor is required to follow in order to complete this work.

For example, the contractor had to conduct multiple Emergency Response Drills.

For this project, CalGEM's contractor performed fluid measurements on all wells in a safe manner with no injuries or spills.

The contractor and CalGEM will work with South Coast Air Quality Management District (SCAQMD) to monitor the process using emission control equipment, ensuring no emissions are released into the atmosphere .

The contractor will mobilize equipment and materials to the site in the Fall, pending SCAQMD approval.

In addition, CalGEM's contractor will be preparing a Site Health and Safety Plan to identify measures and contingency plans to protect the health and safety of the workers at the project and the general public.

CalGEM will be working with community members to continuously update them on upcoming work throughout the process.