



A  Sempra Energy utility

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Alice Stebbins, Executive Director
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102

RE: Request for Authorization for Limited Withdrawal at Aliso Canyon to Perform Cleanup Flow Activities of Inspected Wells

Dear Ms. Stebbins:

On July 23, 2019, the Energy Division of the California Public Utilities Commission (Commission) issued a revised Aliso Canyon Withdrawal Protocol (Withdrawal Protocol).¹ The Withdrawal Protocol specifies the conditions under which Southern California Gas Company (SoCalGas) may withdraw gas from the Aliso Canyon storage field. The conditions are intended to allow withdrawals to address gas reliability challenges, mitigate electric and gas price impacts in Southern California, or respond to an emergency condition that would impact public health and safety or result in curtailments.

SoCalGas' Storage Integrity Management Program (SIMP) was established to mitigate storage-related risks, enhance well safety, and validate well integrity. Since its initial development, many SIMP activities, including well mechanical integrity assessments and reassessments, have become regulatory requirements in response to the California Geologic Energy Management Division's (CalGEM) California Underground Gas Storage Projects regulations as defined in 14 California Code of Regulations (CCR) section 1726 and PHMSA's Final Rule as defined in 49 CFR 192 subpart A.

As part of SoCalGas' ongoing execution of SIMP and compliance with CalGEM regulations, certain wells at Aliso Canyon are scheduled for reassessment in 2020. These reassessments will require SoCalGas to install a workover rig, take the wells out of service, fill the well with workover fluids, pull the tubing, and run tools down the wellbore to assess the mechanical integrity of the wells. One of the final steps of the reassessment process is to unload workover fluids from the well, which occurs after the rig is moved off the well and after CalGEM's

¹ The July 23, 2019 Aliso Canyon Withdrawal Protocol was revised on April 1, 2020 to add two additional reporting requirements. These changes did not alter the conditions under which SoCalGas may withdraw gas from Aliso Canyon.

approval of the completed reassessment. This process requires a limited volume of gas flow under reservoir pressure to displace workover fluids from the wellbore. Gas production from this process (cleanup flow) is routed into the withdrawal system. Cleanup flow ceases once workover fluid production subsides. The cleanup flow process may last up to 24 hours depending on the configuration of the well. Thereafter, the well is ready to return to service for injection and/or withdrawal.

SoCalGas requests approval for this limited withdrawal of gas from wells undergoing the inspection process at Aliso Canyon for the cleanup flow process. Without the cleanup flow, wells cannot be placed back in service, resulting in a reduction of withdrawal and injection capacity while they are required to remain out of service. This request is consistent with previously approved requests for limited withdrawal of gas from the Aliso Canyon storage field in November 2017 and July 2016 to perform flow testing to determine the withdrawal capacity of the well in support of the Commission's directives.²

The expected total volume of gas that will be withdrawn from all the wells for the cleanup flow process is 0.2 Bcf over the course of the year. The expected total volume of gas that will be withdrawn from each well ranges from 3.0 to 7.5 MMcf.

Approval of this request allows SoCalGas to meet its mandatory CalGEM compliance obligations in a timely manner, supports injection efforts at the storage field during the current injection season, helps prepare for future withdrawal seasons, and enables the continued prudent and safe operations at Aliso Canyon.

Please let me know if you have any questions.

Sincerely,



Paul Goldstein
Vice President
Gas Transmission and Storage

cc: Edward Randolph, CPUC, Energy Division
Dorothy Duda, CPUC, Energy Division
Jean Spencer, CPUC, Energy Division

² https://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/News_Room/News_and_Updates/11-14-17_CPUC%20Ltr%20to%20R.%20Schwecke%20re.%20Perform%20Flow%20Testing_Aliso.doc.pdf; https://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/News_Room/News_and_Updates/auth%20flow%20testing%20aliso%20canyon%20storage%20facilities%2008012016.pdf.