

WELL INSPECTION FACT SHEET

IMPORTANCE OF ALISO CANYON:

All customers in the Los Angeles Basin and surrounding areas are typically served by Aliso Canyon Storage Facility and the electric grid reliability is supported by Aliso Canyon. This includes a large concentration of residential customers and small businesses, schools, hospitals, hotels, aerospace, technology, and other large industries such as numerous electric generation facilities.



The inability to use Aliso Canyon Storage Facility could have a direct effect on both natural gas service and electric grid reliability. The electric generators currently served by Aliso Canyon Storage Facility are subject to possible natural gas curtailments in the event of insufficient natural gas supplies. In addition, Aliso Canyon Storage Facility is a direct source of natural gas supply for a number of large natural gas powered plants, particularly when demand is high or pipeline supplies are limited. Even with the increased availability of renewables, a large portion of the electricity consumed by Southern Californians is still produced by power plants fueled by natural gas.

ALISO CANYON WELL INSPECTIONS EFFORT:

SoCalGas® provides a bi-weekly report to The Division of Oil, Gas, and Geothermal Resources (DOGGR) on inspections of wells at its Aliso Canyon Storage Facility. As of Friday, June 3, 2016:



In compliance with DOGGR's Order 1109, all 114 wells at the Aliso Canyon Storage Facility will undergo diagnostic tests during the inspection process. This is a two-phased framework to safely bring the Aliso Canyon Storage Facility back online. DOGGR will review the phase one test results and approved wells will either move directly to phase two testing or be temporarily sealed and isolated from the reservoir until repaired or abandoned.



Wells that have been temporarily sealed and isolated from the reservoir will have a maximum of 12 months to complete phase two testing and be brought back into service or permanently abandoned.



During phase two, each well will go through the series of enhanced testing to fully determine the safety and integrity of the well and whether it can be put back in service, repaired or abandoned.



If repairs are required, those will be made and the well will be retested under the phase two testing regime to determine that the well is safe to operate.



Only wells that pass the full battery of six DOGGR required tests will be considered for storage operations.

ALISO CANYON WELL INSPECTION PROCESS:

The well inspection process is divided into three distinct phases:

PHASE 1
INITIAL TESTING

PHASE 2
DIAGNOSTIC TESTS

CONFIRMATION

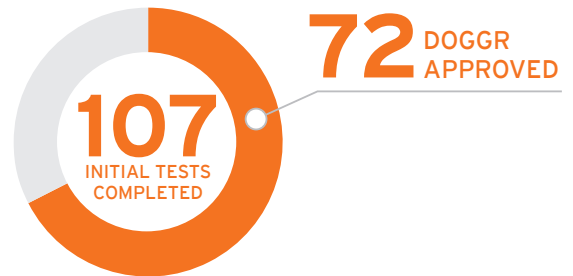
1

INITIAL TESTING

All 114 well at the Aliso Canyon Storage Facility are tested for:

- ✓ **Temperature:**
A thermometer is lowered down the well on a weighted wire through the tubing to test for temperature variations. A temperature drop could indicate a leak.
- ✓ **Noise:**
The noise test is conducted as the wire is pulled back to the surface using a sensitive microphone to record and listen for sound frequency changes that might indicate a leak.

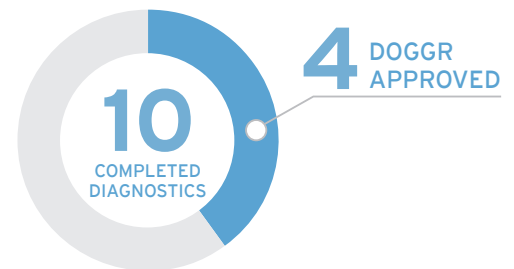
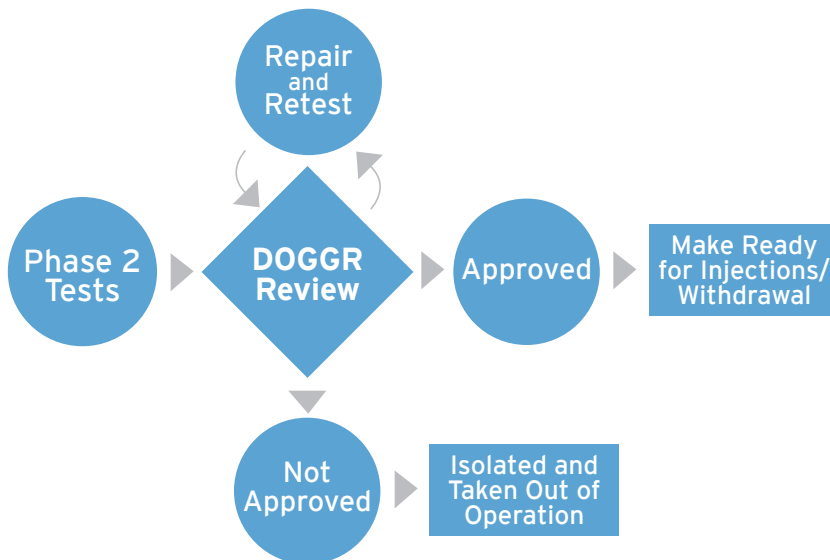
Phase 1 approved wells will either move directly to phase 2 testing or be temporarily sealed and isolated from the reservoir until phase 2 can take place. Phase 1 non-approved wells will be temporarily sealed and isolated from the reservoir and scheduled for repairs or permanent abandonment.



Temporarily sealed and isolated from the reservoir wells have a maximum of 12 months to complete phase 2 testing and be brought back in service or permanently abandoned.

2

DIAGNOSTIC TESTS



3

CONFIRMATION



The Division of Oil, Gas, and Geothermal Resources (DOGGR) must confirm in writing that all wells in the storage field have either completed and passed the full battery of tests required in the safety review, been taken out of service and isolated from the underground gas reservoir, or been properly plugged and abandoned.

FIND OUT MORE: For more information about the Aliso Canyon Storage Facility please visit socalgas.com (search "Aliso Canyon").