

August 22, 2016

Via Federal Express and

E-mail: DOGGR_GasStorageReqs@conservation.ca.gov

Department of Conservation
Attn: Gas Storage Facility Regulations
801 K. Street, MS 24-02
Sacramento, Ca 95814

**Re: *Regulations Currently Under OAL Review
Regarding Proposed Rulemaking for Underground Gas Storage***

To Whom It May Concern:

Save Porter Ranch and the residents of Porter Ranch submit the following comments to the proposal by the Division of Oil, Gas & Geothermal Resources (“DOGGR”) to modify the regulations for underground gas storage facilities.

The proposed regulations remove some of the previous requirements for casing diagrams. Why is DOGGR protecting gas companies in the wake of the blowout in Aliso Canyon?

For instance, DOGGR’s current regulations require SoCalGas to provide casing diagrams including cement plugs of **all** idle, plugged and abandoned or deeper zone producing wells within the area affected by the project.

The proposed regulations would drop this requirement – DOGGR would now only require casing diagrams for wells that are in the same or deeper zone.

The blowout of SS-25 demonstrates why this change in regulations is not a good idea. Gas certainly migrates from areas outside of the injection zone if there is a blowout. In the case of SS-25, the blowout did not happen near the injection zone but instead much closer to the surface. The blowout surely sent gas through the geologic and hydrological layers below ground (estimated at 800 feet given the location of the blowout). Indeed, if the reports are correct that there was ice around the area of the blowout, the damage underground could be dramatic, and gas could easily enter idle wells that are much shallower. DOGGR should keep its existing regulations that require all idle, plugged and abandoned or deeper zone producing wells within the area affected by the project.

DOGGR should require notice of all gas injection permit changes to neighbors potentially impacted by the blowout. For example, all residents of Porter Ranch.

LAWYERS **PROTECTING** YOU

R. Rex Parris | Robert A. Parris | Alexander R. Wheeler | Jason P. Fowler | Kitty K. Szeto | Patricia K. Oliver
Bruce L. Schechter | Ryan K. Kahl | Breanna L. Kenyon | John M. Bickford | Naomi C. Pontious | Jonathan W. Douglass
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The proposed regulations mention data that must be submitted about the cap rock, but nowhere is there any requirement that the geological location be of a type that prevents any escape of the gases to the surface. For instance, petroleum reservoirs developed in a manner very different from natural gas reservoirs. Thus, storage of natural gas in former natural gas reservoirs adds a degree of public safety that does not exist when storing natural gas in old petroleum reservoirs. In addition, the geological studies should be prepared in such a way as to determine the migration of gas underground both in the reservoir and in aquifers. There should be explicit standards that set for the evidence of what is needed to confirm that the reservoir's geological characteristics are safe.

The proposed regulations do not expressly state that subsurface safety valves be included in all wells. This should expressly state subsurface safety valves are included, and further, there should be remedial measures allowing the public to challenge the failure to install subsurface safety valves. The proposed regulations should likewise state that misreporting the presence of a functional subsurface safety valve will result in treble damages for any blowouts.

The proposed regulations do not appear to prohibit injections that exceed the fracture gradient. On the contrary, there is an implicit suggestion that historic pressures can be maintained even when exceeding the fracture gradient. See, paragraph (b)(2). The regulations should prohibit injections that exceed the fracture gradient to prevent the type of blowout that happened. Indeed, without such a limit, there is the risk of future blowouts and damage to the community because every day, injections will happen at a magnitude that can fracture rock. This is unacceptable.

This regulation requires mechanical integrity tests and includes provisions for self-reporting by the operator. Self-policing of these injection wells is not safe for the public. Provisions should be added to require policing and monitoring by outside agencies in the same manner as when the fire department inspects businesses.

This regulation requires testing but again is self-policing. In particular, the district is not required to witness the testing of operations. Further, there should not be a 90 day time period to fix a well that has an inoperable safety valve. Allowing the time delay is like allowing a school bus to operate without an emergency brake. All tests should be witnessed by DOGGR, and the valve should be fixed upon notice.

These proposed regulations require submission of a leak detection protocol and risk management plan that are to be reviewed and approved by DOGGR. Such review is subject to the California Environmental Quality Act as currently drafted because DOGGR has not proposed express guidelines of what must be done before DOGGR approves the leak detection or risk management plan. This provision requires review before adoption.

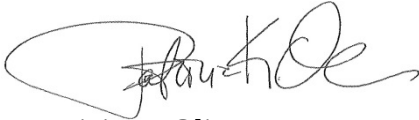
The Regulations should seek greater compatibility with the aims of the Safe Drinking Water Act with explicit studies of the underlying geological areas. DOGGR needs to examine further characteristics of geological areas near all gas storage facilities. The current approach creates the illusion that safety is being considered while allowing injection activity to continue, but the distinctions are far too gross to provide any real reassurance. Because protection of the public cannot be assured without more particularized study, approval of these regulations should not be done until the studies are complete.

In order to have a deterrent effect, DOGGR should include civil penalties that are significant enough so that there may be no short term or long term calculation in which an operator may decide to pay the maximum civil penalty as a cost of doing business. The regulations should also expressly incentivize enforcement by private attorneys general.

Thank you for your attention to this letter. We look forward to the response to our comments.

Sincerely,

R. Rex Paris Law Firm

A handwritten signature in black ink, appearing to read 'Patricia K. Oliver', enclosed within a large, loopy oval shape.

Patricia K. Oliver