Regulators put limits on Aliso Canyon gas facility

Sacramento Bee 1-18-17
BY PAGE ST. JOHN Los Angeles Times

A tarp covers the well where the 2015 gas leak occurred at the Southern California Gas Co.’s Aliso Canyon storage facility near the Porter Ranch neighborhood of Los Angeles. The company has received limited permission to resume operations.

LOS ANGELES

The troubled Aliso Canyon underground storage field can reopen at a third of its original size, state regulators concluded Tuesday, even though the cause of a massive leak that forced thousands to flee their homes has not been determined.

The next step in the process will be two public hearings on reopening the Southern California Gas Co. facility, which are scheduled for Feb. 1 and Feb. 2 in Woodland Hills. After those hearings, the state will make a final decision on when the site can reopen.

The sandstone and shale formation had been used to store pressurized natural gas until an underground leak in October 2015 blew out a well and caused an ongoing release of a noxious plume of gas.

The leak took five months to stem, forcing residents of nearby Porter Ranch and other communities to evacuate their homes. California regulators say that 34 of the remaining 114 wells — most of them drilled decades ago for the purpose of extracting oil — have passed pressure tests and will be allowed to be put back into use. The gas utility has a year to either permanently plug or repair the remaining wells. Records submitted to the state show some of those wells indicated the presence of below-ground leaks.

Field operators are not required to report how much gas is lost in below-ground leaks.

Originally, the gas company said its inability to resume gas injections at Aliso Canyon jeopardized the utility’s ability to provide gas to consumers and power plants in the Los Angeles basin, warning of rolling blackouts in the summer.

A letter sent Tuesday by the state’s Division of Oil, Gas and Geothermal Resources says the field, with a capacity of 83 billion cubic feet, must be capped at 29 billion cubic feet and operate at surface pressures of no more than 2,476 pounds per square inch, nearly 20 percent less than what Southern California Gas requested.

A state agency memo dated Tuesday said the reduced operating pressure “provides an important margin for well control and safety at this point in the well evaluation regime.”

The gas utility also is required to stop its practice of increasing pumping capacity by using both the innermost tube as well as the outer steel casing of a well. The utility is also required to monitor wells for leaks, a practice now required statewide since the disaster.

The California Public Utilities Commission, which also regulates the field as a public utility, has not yet released its own decision on operations.

Southern California Gas in November requested to reopen the field, contending it was now safe.

Seismic testing to verify the gas field’s safety in the event of an earthquake is continuing. The Santa Susana Fault runs through the gas storage field.

Well safety and geology experts that California relied on to review the gas company’s operation plans in December warned state regulators the area has a “high probability of a significant earthquake in the next 50 years.”

The letter warns not only of ground shaking but shearing of wells and deformation of their outer cement casings and that seismic studies “should be planned and executed in a deliberate manner.”

The gas utility was allowed to present its case for why operations are safe without knowing the cause of the 2015 blowout or that seismic
Public Utility Commission engineers ruled that the gas company’s critical safety control devices met state requirements. Officials said they look forward to getting community input on the plan.

New injections “will not occur until the surrounding community have an opportunity to weigh in,” said Ken Harris, supervisor of the oil and gas regulatory agency. “Public input and transparency is an important part of our process.”

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