

IMPORTANCE OF ALISO CANYON

The Aliso Canyon storage facility (Aliso Canyon) is critical to regional energy reliability during the summer and winter months. In addition to serving residential and commercial customers, it also fuels gas-fired power plants that are needed to meet regional electric demand during peak periods. Without Aliso Canyon, SoCalGas' ability to meet energy demand during peak periods is reduced, increasing the risk of natural gas curtailments for an entire region, potentially affecting electric generators, hospitals, large manufacturers, refineries, and other large users. In preparation for the winter, SoCalGas® is providing



technical support to a Joint Agency Team, similar to the summer technical assessment group, to determine potential issues in meeting winter gas demands.

SoCalGas is also working diligently to restore operations at Aliso Canyon, in compliance with the Division of Oil, Gas, and Geothermal Resources' (DOGGR) Order 1109 and as required by SB 380, by late summer and using several safety enhancements and tools to monitor field operations, including, daily and weekly safety and equipment checks, daily infrared video scanning, and continuous pressure monitoring. In compliance with DOGGR regulations, gas will only flow through the inner tubing of the wells when operations resume, creating an additional layer of protection within the wells. Additionally, SoCalGas has implemented an Air Quality Notification Plan (PLAN) that allows members of the community to sign-up to receive real-time notifications in the event of a reportable release of air contaminants at Aliso Canyon.

ALISO CANYON WELL INSPECTIONS EFFORT

SoCalGas provides a well inspection report on the first and third Friday of every month to the Division of Oil, Gas, and Geothermal Resources (DOGGR).



In compliance with DOGGRs 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 are temporarily idled in a safe condition will have a maximum of 12 months to complete the second phase of testing. This is a step required by DOGGR and does not mean the wells are unsafe or will not pass future inspections.



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 wells at the Aliso Canyon Storage Facility are tested for:

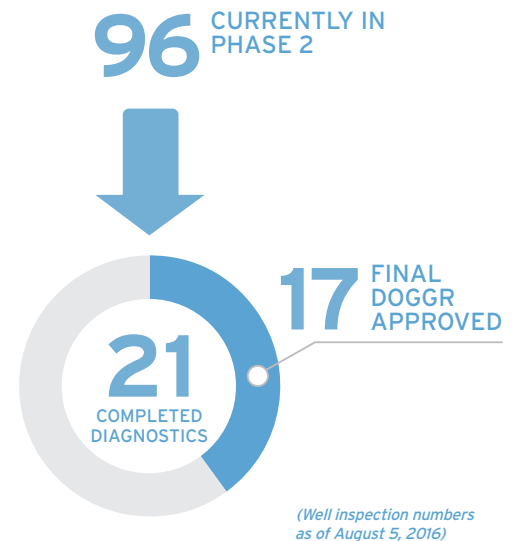
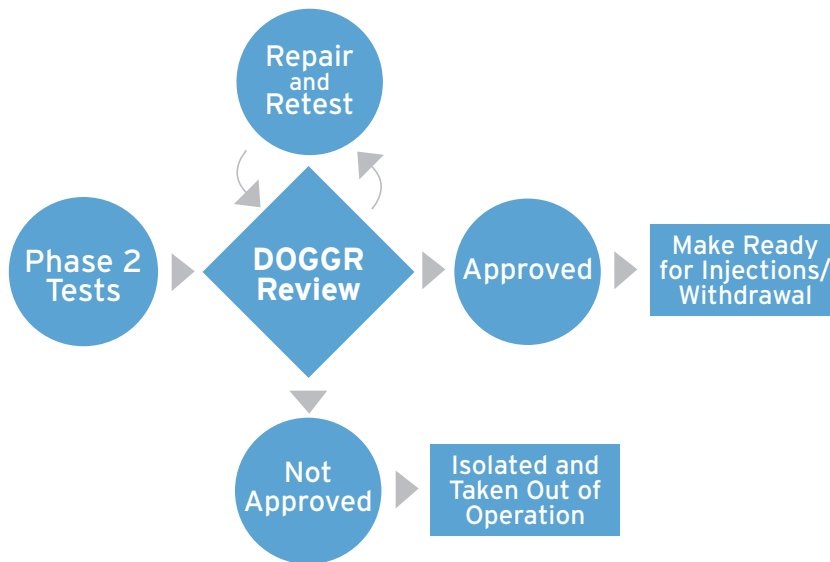
- ✓ **Temperature:**
A thermometer is lowered down the well on a weighted wire through the tubing to test for temperature variations. A temperature drop could indicate a leak.
- ✓ **Noise:**
The noise test is conducted as the wire is pulled back to the surface using a sensitive microphone to record and 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. This is a step required by DOGGR and does not mean the wells are unsafe or will not pass future inspections.



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.

For more information about the Aliso Canyon Storage Facility, please visit socalgas.com (search "ALISO CANYON").