



DEPARTMENT OF CONSERVATION

Managing California's Working Lands

Division of Oil, Gas, & Geothermal Resources

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ORDER NO. 1008

by

Elena M. Miller

STATE OIL AND GAS SUPERVISOR

DATED

March 4, 2011

Southern California Gas Company (S4700)

Playa Del Rey field

Los Angeles County

On February 24, 2011, water and storage gas was found to be leaking into the surface/production casing annulus of the "Riegle" 1 well (API: 03726998, S27, T2S, 15W). Southern California Gas Company immediately directed a service company to pump water down the annulus to stop the well from flowing. Water and gas samples were collected and tested. Preliminary gas sample analyses indicate the gas is from the gas storage zone. Pressure continues to buildup in several wells surrounding the "Riegle" 1 well.

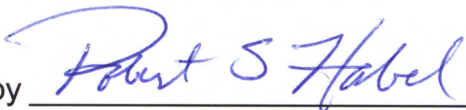
The State Oil and Gas Supervisor (Supervisor) has determined that there is a connection between Southern California Gas Company's injection operations in the Playa Del Rey field and the water and gas leak from several wells in the vicinity of, and including the "Riegle" 1 well. Section 3106 of the Public Resources Code (PRC) states: "The supervisor shall so supervise the drilling, operations, maintenance, and abandonment of wells and the operation, maintenance, and removal or abandonment of tanks and facilities attendant to oil and gas production, including pipelines not subject to regulation pursuant to Chapter 5.5 of Part 1 of Division 1 of Title 5 of the Government Code that are within an oil and gas field, so as to prevent, as far as possible, damage to life, health, property, and natural resources; damage to underground oil and gas deposits from infiltrating water and other causes; loss of oil, gas, or reservoir energy, and damage to underground and surface waters suitable for irrigation or domestic purposes by the infiltration of, or the addition of, detrimental substances." In addition, in reference to underground injection projects, Title 14, Section 1724.10 (h) of the California Code of Regulations states: "Data shall be maintained to show performance of the project and to establish that no damage to life, health, property, or natural resources is occurring by reason of the project. Injection shall be stopped if there is evidence of such damage, or loss of hydrocarbons, or upon written notices from the Division. Project data shall be available for periodic inspection by Division personnel."

Therefore, to protect health and safety and in furtherance of the authorities cited above, and acting pursuant to Section 3224 and 3226, the Supervisor orders that all injection associated with Southern California Gas Company's gas storage project in the Playa Del Rey field immediately cease until the time that the Supervisor is satisfied that the situation has been remediated and that the storage gas and zone water is confined to the intended zone.

With permission from the Division, injection may be conducted for the limited purpose of conducting testing while this order is in effect.

This order may be appealed by filing a written statement with the Supervisor or district deputy that the order is not acceptable within ten (10) days of receipt of the order. Upon receipt of an appeal, the Director will schedule a public hearing pursuant to Section 3351 of the PRC.

Elena M. Miller
State Oil and Gas Supervisor

by 
Robert S. Habel
Chief Deputy State Oil and Gas Supervisor

cc: DOGGR-HQ
Cindy Traxler, Counsel
L. Pearlman, Deputy Atty. Gen.

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