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**PROJECT MEMORANDUM  
KIRBY HILLS NATURAL GAS STORAGE FACILITY PROJECT, PHASE 2**

**To:** Junaid Rahman, CPUC  
**From:** Vida Strong, Aspen Project Manager  
**Date:** June 5, 2008  
**Subject:** Weekly Report #4: May 25, 2008 – May 31, 2008

**CPUC ENVIRONMENTAL MONITOR (EM):** Jody Fessler

CPUC EM Jody Fessler was on site Thursday, May 29<sup>th</sup>.

**WELL SITES:**

**Summary of Activity:**

No well site work or workover drilling operations were conducted on Monday due to the Memorial Day holiday.

**Well Site 21 (WS-21)**

Grading permits were received from Solano County and Asta Construction began clearing and grading work at WS-21 on Thursday (see Figures 1 and 2). Grading work continued on Friday.

**Well Site 22 (WS-22)**

Ensign Drilling continued drilling of WS22-9 at WS-22. They are drilling 24 hours a day, 7 days a week. On Thursday, crews completed drilling of WS22-9 and began preparing the drill rig to be moved to the next location. On Friday, crews moved the drill rig to begin drilling WS22-8 at WS-22 and on Saturday, drilling began.

**Well Site 23 (WS-23)**

On Tuesday, Asta Construction continued grading work at WS-23. On Wednesday, crews completed grading at WS-23. Crews continued to work on the access road to WS-23 (see Figure 3). Rock installation will begin at a later date.

**Observation Well Lambie 6 (Well L6)**

No work activities occurred at Well L6 during the subject week.

**Observation Well Lambie 7 (Well L7)**

On Tuesday, KDY Drilling continued workover drilling operations at Well L7. On Wednesday, crews completed workover drilling operations and began clean-up activities. On Thursday, crews completed clean-up activities at Well L7 and demobilized from the site (see Figure 4).

**PIPELINE:**

**Summary of Activity:**

No work activities were conducted during the subject week.



**ACCESS ROADS:**

**Summary of Activity:**

At this time, crews are using existing access roads except for the access road that was built between WS-22 and WS-23, and the one being cleared between WS-21 and WS-22. The access roads were continuously watered throughout the day for dust control.

**STAGING AREAS:**

**Summary of Activity:**

The staging areas have been staked, but were not cleared at the time of the CPUC EM site visit.

**COMPRESSOR STATION SITE:**

**Summary of Activity:**

NTP #4 was issued on May 7, 2008 for crews to commence with the civil, mechanical, electrical, and instrumentation work at the Compressor Station site. No work was started during the subject week.

**Environmental Compliance:**

The CPUC EM observed that all work activities were in compliance with the approved Mitigated Negative Declaration and other permit requirements. The CPUC EM reviewed PG&E EI daily reports and survey reports. Environmental training of crew personnel by LGS's Environmental Inspector (EI) was on-going as new crew personnel came onto the site. Sensitive environmental areas were staked, flagged, and/or fenced. Pre-construction bird surveys were completed prior to areas being cleared and graded. The wetland area near WS-23 was fenced-off and had silt fencing installed on the upslope side so potential erosion from WS-23 would not enter the wetland area. The CPUC EM observed water trucks continuously watering the work areas.

**NOTICES TO PROCEED (NTPs):**

To date, four Notices to Proceed (NTPs) have been issued for the Kirby Hills Natural Gas Storage Facility Phase II Project. Additional NTPs are anticipated for the project.

**TABLE 1**  
**Notice to Proceed Requests**  
(Updated 6-5-08)

NTP #	Date Requested	Date Issued	Description
#1	4-11-08	4-21-08	Request authorization from the CPUC to commence with construction activities associated with three new wells (Well Sites 21, 22, and 23), a 2,700-foot-long pipeline (flow line), and access roads and staging areas for Phase II of the Kirby Hills Natural Gas Storage Facility Project.
#2	4-11-08	4-20-08	Request authorization from the CPUC to commence with reentry and conversion of Wells Lambie 6 and Lambie 7 to observation wells for Phase II of the Kirby Hills Natural Gas Storage Facility Project.
#3	5-2-08	5-6-08	Request a NTP from the CPUC for PG&E's hot tapping work at the Kirby Hills Natural Gas Storage Facility meter station, located west of Birds Landing Road in Solano County.
#4	4-29-08	5-7-08	Request authorization from the CPUC to commence with the civil, mechanical, electrical, and instrumentation work at the compressor station facility of the Kirby Hills for Phase II of the Kirby Hills Natural Gas Storage Facility Project.
#5	5-23-08	N/A	Request authorization from the CPUC for extra work space at the corner of Shiloh Road and the access road to Kirby Hills. This work space was already approved under NTP #1 and NTP #5 is not necessary. Wetland areas within the work space will be totally avoided.

**VARIANCE REQUESTS:**

No Variance Requests have been submitted to the CPUC to date.

## PHOTOGRAPHS



**Figure 1** – Clearing and grading of Well Site 21, May 29, 2008.



**Figure 2** – Crews watering WS-21 pad. Drill rig at WS-22 in the background, May 29, 2008.



**Figure 3** – Crews working on access road to WS-23, May 29, 2008.



**Figure 4** – Workover drilling completed at Well L7, May 29, 2008.