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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:** July 24, 2008  
**Subject:** Weekly Report #10: July 13, 2008 – July 19, 2008

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

CPUC EM Jody Fessler was on site Friday, July 18<sup>th</sup>.

**WELL SITES:**

**Summary of Activity:**

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

On Monday, Ensign Drilling continued moving the drill rig and equipment to WS-21 and began to rig-up on WS21-5. On Tuesday, crews began drilling of WS21-5 and continued drilling throughout the week (see Figure 1).

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

On Monday, Ensign Drilling cleaned up and graded WS-22 (see Figure 2).

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

No work activities occurred at WS-23 during the subject week.

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

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

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

No work activities occurred at Well L7 during the subject week.

**PIPELINE:**

**Summary of Activity:**

Pipeline excavation began outside the northern compressor station fence to the end of the temporary work space/staging area (see Figure 3). Pipeline excavation will continue upon the approval of the pipeline alignment sheet.

**ACCESS ROADS:**

**Summary of Activity:**

No work activities occurred along the access roads during the subject period.



**STAGING AREAS:****Summary of Activity:**

On Tuesday, Rockford began pipeline excavation outside the northern compressor station fence to the end of the temporary work area/staging area. The temporary fence was extended to include the pipeline trench. Rockford has staged equipment and materials in this area as well (see Figure 4).

**COMPRESSOR STATION SITE:****Summary of Activity:**

On Monday, Rockford continued mobilizing construction equipment and supplies to the site. On Tuesday, crews began installation of the conduit for the temporary power and telephone lines for the construction trailer. On Wednesday, crews began uncovering the 8-inch vent line in preparation for relocation. Crews also began moving cover rock in the new compressor building area and saving it for future use. Welder fabrication areas were constructed and two welding procedure tests were performed and qualified. Survey work for the equipment location began. On Thursday, crews continued to uncover the 8-inch vent line and move cover rock from the areas where the new compressor building and equipment will be placed. The temporary power and phone lines to the construction trailer were completed. More welding procedure qualification testing occurred. On Friday, crews moved excess material from the 8-inch vent line excavation and continued moving and stockpiling the cover rock. Welder fabrication areas continued to be constructed. One welding procedure qualified and the welder branch test was performed and qualified.

**Environmental Compliance:**

The CPUC EM noted a couple of oil spots at WS-22 and discussed this with LGS's Environmental Inspector (EI). LGS's EI informed the CPUC EM that the oil spots would be cleaned up. The CPUC EM observed that all other work activities were in compliance with the approved Mitigated Negative Declaration and other permit requirements. The CPUC EM reviewed LGS' EI daily reports and survey reports. Environmental training of crew personnel by LGS's EI was on-going as new crew personnel came onto the site. Sensitive environmental areas were staked, flagged, and/or fenced. 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 (NTP):**

To date, six Notice to Proceed (NTPs) have been issued for the Kirby Hills Natural Gas Storage Facility Phase II Project (see Table 1). Additional NTPs are anticipated for the project.

**TABLE 1**  
**Notice to Proceed Requests**  
(Updated 7-24-08)

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 therefore NTP #5 is not necessary. Wetland areas within the work space will be totally avoided.
#6	6-9-08	6-13-08	Request to install compressor units on foundations at Compressor Station.

**VARIANCE REQUESTS:**

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

## PHOTOGRAPHS



**Figure 1** – Drilling rig drilling at WS-21-5 at well pad WS-21, July 18, 2008.



**Figure 2** – WS-22 pad cleaned up, July 18, 2008.



**Figure 3** – Trenching for pipeline began at the north end of the compressor station and temporary work space/staging area, July 18, 2008.



**Figure 4** – Rockford staging equipment and materials at the north end of the compressor station and temporary work space/staging area, July 18, 2008.