



ENVIRONMENTAL LAW FOUNDATION

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December 24, 2003

VIA CERTIFIED MAIL

TO: Bill Lockyer, Esq., Attorney General, State of California
Steve Cooley, Esq., District Attorney for Los Angeles County
Rockard Delgadillo, Esq., City Attorney for the City of Los Angeles

RE: 60-Day Notice of Violations of Proposition 65, California Health and Safety
Code Section 25249.5.

NOTICE OF VIOLATION OF PROPOSITION 65

California Health and Safety Code sections 25249.5 et seq.

Dear Messrs. Lockyer, Cooley and Delgadillo:

This 60-day notice letter notifies you of violations of Health & Safety Code § 25249.5, the discharge provision of Proposition 65. The particulars are set forth below. You may bring an action to enforce the law under Health and Safety Code section 25249.7(c).

The noticing parties are as follows:

Environmental Law Foundation
1736 Franklin Street, 9th Floor
Oakland, CA 94612
(510) 208-4555

Environmentalism Through Inspiration and Non-violent Action (ETINA)
20110 Rockport Way
Malibu, CA 90265
(310) 456-2267

Grassroots Coalition
11924 W. Washington Blvd.
Los Angeles, CA 90066
(310) 397-5779

The Environmental Law Foundation (ELF) is a California non-profit environmental organization established to protect the public from exposures to toxic substances in their homes, workplace and environment.

Environmentalism Through Inspiration and Non-violent Action (ETINA) is a California non-profit that is dedicated to enforcing environmental laws and full public disclosure of public health issues.

Grassroots Coalition is a California non-profit organization established as an educational and watchdog group that works to enhance awareness of public health and safety issues.

The noticing parties referenced above are represented by ELF's in-house counsel in this matter. All communications should be addressed to: Philip Shakhnis, Environmental Law Foundation, 3250 Ocean Park Blvd., Suite 300, Santa Monica, CA 90405. Please contact Mr. Shakhnis at (310) 450-7226 should you have any questions.

STATEMENT OF PARTICULARS

Identity of Violator: Sempra Energy
101 Ash Street
San Diego, CA 92101-3017

Southern California Gas Company
8141 Gulana Avenue
Playa Del Rey, CA 90293

Identity of Chemicals: Benzene, Toluene

Sources of Drinking Water: Ballona Aquifer, Silverado Aquifer, Gage Aquifer and Ballona Creek

Identification of Discharge and/or Release: The Southern California Gas Company operates an underground natural gas storage reservoir located approximately 6,000 feet below its facility in Playa Del Rey, California. The reservoir is connected to the surface with a network of wells that are owned and/or operated by Sempra Energy and the Southern California Gas Company. These wells are located within Playa Del Rey and the Venice Peninsula which are both within the City of Los Angeles as well as within Marina Del Rey which is an unincorporated segment of Los Angeles County.

Some of these wells are operational and are used for purposes that include: injecting or withdrawing natural gas to and from the reservoir, withdrawing water from the reservoir, retrieving migrating gas that seeps out of the footprint of the reservoir and observation wells. Some of these wells are abandoned oil wells for which the Southern California Gas Company retains responsibility. Many, if not all, of these wells (both within the City of Los Angeles and within the unincorporated segments of Los Angeles

County) leak storage reservoir natural gas that has been enriched with benzene, toluene and other toxic chemicals. The leaks occur as a result of cracks and holes in well-associated equipment. The leaks also occur because of the unsealed annular space that exists between the well casing and the drilled well hole in all wells.

The wells referenced in this sixty-day notice intersect one or more of the aquifers referenced as sources of drinking water above. In addition, Ballona Creek is a surface body of water that overlies the gas storage reservoir. Because the gas stored in the reservoir is placed under high pressure, the storage gas is constantly forced towards the surface via cracks and holes in well-associated equipment (including the annular space surrounding well piping). Once the storage gas escapes out of the storage reservoir, it migrates towards the surface via wells or other natural points of least resistance in the rock surrounding the well such that the storage gas passes into or probably will pass into one or more of the sources of drinking water referenced above. In this manner the Ballona Aquifer, Silverado Aquifer, Gage Aquifer and Ballona Creek have been, and continue to be, contaminated with benzene and toluene and other toxic chemicals from the upwardly migrating storage reservoir natural gas. Moreover, these sources of drinking water are threatened daily by further contamination from storage gas that has escaped from the storage reservoir and is upwardly migrating towards these drinking water sources.

The natural gas storage reservoir is situated within an abandoned underground oil field. This oil field contains crude oil as well as native oil field gases that contain toxic chemicals that include benzene and toluene. The crude oil and native oil field gases commingle with the injected natural gas and thereby enrich the natural gas with benzene, toluene and other toxic chemicals. As a result of the high pressure under which the storage reservoir gas is stored, the native oil field gases are constantly being forced out of the oil field towards the surface. As with the storage reservoir gas, the native oil field gases are forced towards the surface via cracks and holes in well-associated equipment (including the annular space surrounding well piping). Once the native oil field gas escapes out of the storage reservoir, it migrates towards the surface via wells or other natural points of least resistance in the rock surrounding the well such that the oil field gas passes into or probably will pass into one or more of the sources of drinking water referenced above. In this manner the Ballona Aquifer, Silverado Aquifer, Gage Aquifer and Ballona Creek have been, and continue to be, contaminated with benzene and toluene and other toxic chemicals from the upwardly migrating native oil field gas. Moreover, these sources of drinking water are threatened daily by further contamination from native oil field gas that has escaped from the storage reservoir and is upwardly migrating towards these drinking water sources.

As a result of being placed under high pressure, the storage natural gas as well as

native oil field gas are constantly forced to migrate laterally outside of the designated boundaries of the storage reservoir. These gases then escape to the surface via wells (or other natural points of least resistance in the soils surrounding the wells) that are not owned or operated by the noticed parties. As such, the Ballona Aquifer, Silverado Aquifer, Gage Aquifer and Ballona Creek have been, and continue to be, contaminated with benzene and toluene and other toxic chemicals from the gases that laterally migrate out of the noticed parties' storage reservoir. Moreover, these sources of drinking water are threatened daily by further contamination from these gases that have escaped from the storage reservoir and are upwardly migrating towards these drinking water sources. These gases upwardly migrate via wells that are located within the City of Los Angeles and via wells that are located within the unincorporated segments of Los Angeles County (i.e., Marina Del Rey).

Duration of Violations: Unlawful discharges and releases of natural gas into the Silverado, Ballona and/or Gage Aquifers and/or Ballona Creek have been occurring since at least 1986 when Proposition 65 was enacted. Violations have occurred every day and are ongoing. Under Proposition 65, each discharge or release constitutes a separate violation. Health and Safety Code § 25249.7(b). The maximum penalty for each such violation is \$2,500. Id. These same facts constitute a violation of Business and Professions Code § 17200 et seq.

Please advise us as soon as possible of your plans for initiating action under Health and Safety Code § 25249.7(c) in this matter. Please also provide us with copies of any pleadings you file in this matter and any communications you initiate with any of the parties named in the notice. If we do not hear from you within 60 days of the date of this notice, we will be legally entitled to file an action pursuant to Health and Safety Code § 25249.7(d).

Respectfully submitted,
ENVIRONMENTAL LAW
FOUNDATION

Enclosures

CERTIFICATE OF SERVICE

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to this action. My business address is: Environmental Law Foundation, 3250 Ocean Park Boulevard, Suite 300, Santa Monica, CA 90405.

On December 24, 2003, I served the following documents:

NOTICE OF VIOLATION OF PROPOSITION 65

on the interested parties below by enclosing a copy in a sealed envelope addressed as follows:

SEE ATTACHED SERVICE LIST

/ X / (MAIL) I placed the envelope for collection and mailing on the date shown above, at this office, in Santa Monica, California, following our ordinary business practices.

I am readily familiar with this office's practice of collecting and processing correspondence for mailing. On the same day that the correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the U.S. Postal Service in a sealed envelope with postage fully prepaid.

/ / (BY PERSONAL SERVICE) I delivered such envelope by hand to offices of addressee(s).

/ X / (STATE) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

/ / (FEDERAL) I declare under penalty of perjury that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Executed on December 24, 2003, at Santa Monica, California.

SERVICE LIST

Hon. Bill Lockyer
Attorney General of the State of California
Office of the Attorney General
1300 I Street, 11th Floor
Sacramento, CA 95814

Office of the Attorney General
State of California, Department of Justice
Attention: Prop 65 Coordinator
1515 Clay Street, Suite 2000
Post Office Box 70550
Oakland, California 94612-0550

Stephen Cooley
District Attorney's Office
County of Los Angeles
210 West Temple Street, Suite 18000
Los Angeles, CA 90012-3210

Rockard Delgadillo
City Attorney's Office
800 City Hall East
200 North Main Street
Los Angeles, CA 90012

Southern California Gas Company
8141 Gulana Avenue
Playa Del Rey, CA 90293

Southern California Gas Company
Attn: Thomas C. Sanger
101 Ash Street
San Diego, CA 92101-3017

Sempra Energy
Attn: Thomas C. Sanger
101 Ash Street
San Diego, CA 92101-3017