

NOTICE OF VIOLATION OF PROPOSITION 65

60-Day Notice of Intent to Sue Under Proposition 65
for Discharge of Chemicals Into Sources of Drinking Water, in violation of Health and
Safety Code Section 25249.5 *et. seq.* (California Safe Drinking Water and Toxic
Enforcement Act)

May 11, 2011

This Notice of Violation constitutes notice that Southern California Gas Company and Sempra Energy (collectively, "Violators") have violated and continue to violate California's Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code §§ 25249.5, *et. seq.* (commonly referred to as "Proposition 65"). Specifically, the Environmental Law Foundation ("ELF") alleges that the Violators have been and continue to discharge or release chemicals known to the State of California to cause cancer and/or reproductive toxicity from Wells Riegle-1, Covington-1, Stewart-1, So Cal-8, Harlan-1 and Fast-1 (hereinafter "These Wells") and their well-associated equipment into sources of drinking water, in violation of Health and Safety Code § 25249.5.

This Notice of Violation is provided to you pursuant to and in compliance with California Health and Safety Code Section 25249.7(d). Proposition 65 requires that notice of intent to sue be given to a violator 60 days before the suit is filed. This Notice of Violation has been served on the Violators and the appropriate governmental authorities.

For general information regarding the California Safe Drinking Water and Toxic Enforcement Act, please see the attached Appendix A, entitled "The Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65): A Summary", which was prepared by the Office of Environmental Health Hazard Assessment of the California Environmental Protection Agency. (A copy of said Summary is not provided to the public enforcement agencies which receive this notice.)

Identity of Noticing Party:

This Notice of Violation is provided by ELF, a California non-profit organization dedicated to the preservation and enhancement of human health and the environment. ELF has a long-standing interest in reducing health hazards to the public posed by toxic chemicals and for protecting the public from harmful substances. Any inquiries regarding this Notice of Violation may be directed to James Wheaton, President of Environmental Law Foundation, 1736 Franklin Street, 9th Floor, Oakland, CA 94612, (510) 208-4555. Inquiries may also be directed to David A. Rosen, Rose, Klein & Marias LLP, 801 South Grand Avenue, Eleventh Floor, Los Angeles, CA 90017-4645, (213) 626-0571.

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Identity of Violators:

Southern California Gas Company
101 Ash Street
San Diego, CA 92101
and
555 West 5th Street
ML 14H1
Los Angeles, CA 90013

Sempra Energy
101 Ash Street
San Diego, CA 92101

Identity of Chemicals:

The violations of Proposition 65 alleged in this Notice of Violation are past and ongoing discharges or releases of Benzene, Toluene and Ethylbenzene. Benzene was listed in February 1987 as a chemical known to the State of California to cause cancer. *See* 22 California Code of Regulations (“CCR”) § 12000. Benzene was listed in December 1997 as a chemical known to the State of California to cause reproductive toxicity. *Id.* Toluene was listed in January 1991 as a chemical known to the State of California to cause reproductive toxicity. *Id.* Ethylbenzene was listed in June 2004 as a chemical known to the State of California to cause cancer. *Id.* Benzene, Toluene and Ethylbenzene became subject to the provisions of Health and Safety Code § 25249.5 twenty (20) months after the date that each were listed. Health & Safety Code § 25249.9(a).

Sources of Drinking Water:

The Violators have and continue to knowingly discharge or release Benzene, Toluene and Ethylbenzene into water or onto or into land where each chemical passed, passes or probably will pass into groundwater that is a source of drinking water pursuant to the Los Angeles Basin Plan. Said groundwater is a “source of drinking water,” as that term is defined in Health and Safety Code § 25249.11(d).

A “source of drinking water” is either a present source of drinking water or water that is identified in a water quality control plan as being suitable for domestic or municipal uses. Health and Safety Code § 25249.11(d). Moreover, “water” is defined to include both surface and groundwater, pursuant to 22 CCR § 12102(w). The State Water Resources Control Board Resolution No. 88-63 states that “[a]ll surface and ground waters of the State are considered to be suitable, or potentially suitable, for municipal or domestic water supply and should be so designated by the Regional Boards.” In accordance with this policy, the Los Angeles Regional Water Quality Control Board has designated the area into which These Wells are discharging Benzene,

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Toluene and Ethylbenzene as a source of drinking water pursuant to the Los Angeles Basin Plan.

Identity of Discharge or Release:

This Notice of Violation alleges that the Violators have and continue to knowingly discharge or release Benzene, Toluene and Ethylbenzene from These Wells and their well-associated equipment and that such releases or discharges have passed, currently are passing, or probably will pass into the source of drinking water described hereinabove.

The Violators operate an underground natural gas storage reservoir located approximately 6,000 feet below the Southern California Gas Company's facility in Playa Del Rey, California. The reservoir is connected to the surface by wells that are owned and/or operated by the Violators. Historically, the wells were used for oil production and then were later used as part of the natural gas storage operations. Since the reservoir has been used for storage of natural gas, the wells have been primarily used to inject and remove the natural gas, to monitor the reservoir and its pressure, to remove oil and water from the storage reservoir, to monitor for leakage outside of the reservoir area and to retrieve gas that migrates beyond the delineated reservoir boundary.

This Notice of Violation is for discharges or releases from These Wells and their well-associated equipment. These Wells are located in Playa Del Rey, which is within the City and County of Los Angeles. These Wells were drilled between 1991 and 2008 to various depths and they intersect at least two aquifers and groundwater. These Wells are active wells.

Benzene, Toluene and Ethylbenzene have been and continue to be discharged or released from These Wells and their well-associated equipment. The leaks occur as a result of cracks and holes in These Wells and their well-associated equipment. Once Benzene, Toluene and Ethylbenzene are discharged or released from These Wells and their well-associated equipment, these chemicals migrate towards the surface via the wells or through natural points of least resistance in the rock surrounding the wells. As these chemicals migrate upward, they pass or probably will pass into the groundwater and/or one or more aquifers.

Approximate Time Period of Violations:

The Violators have been and continue to discharge or release Benzene, Toluene and Ethylbenzene from These Wells and their well-associated equipment into the groundwater and/or one or more aquifers. Such discharges or releases have been occurring since at least 2006. Violations have occurred every day and are ongoing.

CERTIFICATE OF SERVICE BY MAIL

I, Shirley M. Walker, declare that:

I am employed in Los Angeles County, California. I am over the age of 18 years and not a party to the within cause; my business address is 801 South Grand Avenue, 11th Floor, Los Angeles, CA 90017-4645.

I am readily familiar with my firm's practice for collection and processing of correspondence for mailing with the United States Postal Service, to wit, that correspondence is deposited with the United States Postal Service the same day in the ordinary course of business.

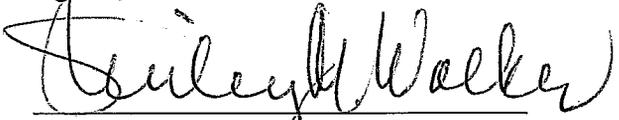
On May 11, 2011, I served true copies of the following documents on the parties and governmental authorities listed in the attached service list by placing true and correct copies of the same in sealed envelopes with first class postage fully prepaid thereon and deposited in the United States Mail at Los Angeles, California:

NOTICE OF VIOLATION OF CALIFORNIA SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT;

APPENDIX A - THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (PROPOSITION 65): A SUMMARY
[only sent to those on service list marked with an asterisk]

I certify under penalty of perjury that the foregoing is true and correct, and that this certification was executed on May 11, 2011 at Los Angeles, California.

Signed:


Shirley M. Walker

SERVICE LIST

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Company and Sempra Energy