



March 12, 2026

Central Valley Gas Storage, LLC
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Robert T. Burrough - Director, Eastern Region
Department of Transportation
Pipeline and Hazardous Materials Safety Administration ("PHMSA")
840 Bear Tavern Road
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West Trenton, NJ 08628

RE: Central Valley Natural Gas Storage, LLC ("CVGS") Response to
PHMSA Notice of Amendment dated February 13, 2026 – **CPF 1-2026-025-NOA**
PHMSA Warning Letter dated February 13, 2026 – **CPF 1-2026-026-WL**

Caliche Development Partners, LLC ("Caliche") and CVGS hereby formally respond to the Notice of Amendment, dated February 13, 2026 ("NOA") and the Warning Letter, dated February 13, 2026 ("Warning Letter"), in connection with the March 10 to 21, 2025 inspection conducted by California Geological Energy Management ("CalGem"). Original responses following the inspection exit brief were provided to PHMSA on March 27, 2025.

Please find below the written responses noted in the NOA and Warning Letter for your review and consideration.

NOA Item Number 1

- § 192.12 Underground natural gas storage facilities.
...(c) Procedural manuals. Each operator of a UNGSF must prepare and follow for each facility one or more manuals of written procedures for conducting operations, maintenance, and emergency preparedness and response activities under paragraphs (a) and (b) of this section. Each operator must keep records necessary to administer such procedures and review and update these manuals at intervals not exceeding 15 months, but at least once each calendar year. Each operator must keep the appropriate parts of these manuals accessible at locations where UNGSF work is being performed. Each operator must have written procedures in place before commencing operations or beginning an activity not yet implemented.

PHMSA Issue Summary: The CVGS’s Integrity and Risk Management Plan (12/30/24) (“I&R Plan”) failed to include a requirement to review and update its operations and maintenance procedures (manuals) at intervals not exceeding 15 months, but at least once each calendar year, in accordance with section 192.12(c); instead, the I&R Plan required annual reviews in Section 5.1.2.

CVGS Response: CVGS has revised Section 5.1.2, “Review of Procedure Content” on page 81 of the I&R Plan to read: “CVGS procedures are reviewed and updated at intervals not exceeding 15 months but at least once each calendar year.” This was completed by CVGS on May 15, 2025, and the next review of the procedures is scheduled for July 1, 2026.

Warning Letter Item Number 1

- § 192.12 Underground natural gas storage facilities.
 - (a) ...(c) Procedural manuals. Each operator of a UNGSF must prepare and follow for each facility one or more manuals of written procedures for conducting operations, maintenance, and emergency preparedness and response activities under paragraphs (a) and (b) of this section. Each operator must keep records necessary to administer such procedures and review and update these manuals at intervals not exceeding 15 months, but at least once each calendar year. Each operator must keep the appropriate parts of these manuals accessible at locations where UNGSF work is being performed. Each operator must have written procedures in place before commencing operations or beginning an activity not yet implemented.

PHMSA Issue Summary: CVGS failed to review and update its manuals of written procedures for conducting operations, maintenance, and emergency preparedness and response activities at intervals not exceeding 15 months, but at least once each calendar year in accordance with section 192.12(c). Specifically, CVGS failed to review and update its procedure Management of Change (05/10/2021) (MOC Procedure) in 2022, 2023, and 2024.

CVGS Response: Caliche acquired CVGS in late 2023. Following the acquisition of CVGS from Southern Company, CVGS worked with leadership and third-party consultants to update all previously adopted CVGS procedures following the asset transition.

During the 2024 calendar year, all facility manuals were brought up to date on the annual review cycle previously maintained by CVGS, including the MOC.

Caliche and CVGS have taken steps to ensure that the manuals of written procedures, including the MOC Procedure, are reviewed and updated according to the applicable PHMSA regulations. As stated above, the I&R Plan has been updated to require review

and update on the required schedule. Further refinements to the CVGS MOC procedure were implemented in April 2025, and in addition to the general review of procedures scheduled for July 2026, CVGS plans to conduct a review of its MOC Procedure in April 2026.

Warning Letter Item Number 2

- § 192.12 Underground natural gas storage facilities.
 - (a) ... (b) *Depleted hydrocarbon and aquifer reservoir UNGSFs.*
 - (1) Each UNGSF that uses a depleted hydrocarbon reservoir or an aquifer reservoir for natural gas storage and was constructed after July 18, 2017, must meet all provisions of API RP 1171 (incorporated by reference, see § 192.7), and paragraphs (c) and (d) of this section, prior to commencing operations.

PHMSA Issue Summary: CVGS failed to meet all provisions of API RP 1171 in accordance with section 192.12(b)(1). Specifically, CVGS failed to revise its program documentation, framework, and procedures before changes were implemented and failed to notify and train operating personnel before operating wells and reservoirs in accordance with sections 11.11.1 and 11.12.2, respectively.

CVGS Response: An updated CVGS Management of Change (“MOC”) documentation form was developed to replace the existing Southern Company form in April 2025. CVGS continues to review and improve all procedures in accordance with PHMSA regulations, including the MOC implementation procedures. Following the inspection, and in response to PHMSA Exit Briefing Findings dated March 21, 2025, revisions included:

1. Additional definition on the types of changes that meet the “significant” threshold from API RP 1171;
2. Clarification of the requirements in ASME/ANSI B31.8S-2004 for compliance with 49 CFR 192.13(d) to match that required for the CVGS gas transmission pipelines;
3. Updating of action items that must be completed prior to MOC closure;
4. Updating of the reviewer checklists;
5. Logo/title/corporate name updates from Southern to CVGS;
6. Revised Pre-Startup Safety Review (“PSSR”) checklist;
7. Alternate reference for PHAs; and
8. Removal of the reference to the Control Room Management plan.

Additionally, CVGS reinforced amongst all personnel and contractors that work associated with changes requiring MOCs cannot commence until all operating personnel are notified and trained according to enacted MOCs. Furthermore, in July of 2025, CVGS implemented an electronic MOC (e-MOC) process that will improve tracking of notifications and trainings of personnel with regards to changes.



The CVGS Response for Warning Letter Item Number 2, above, also covers CVGS's efforts to correct PHMSA's comments in the warning letter relating to the sequence of approvals, training, and documentation, related to the Well Plugging and Abandonment Procedure and Snubbing Workover Procedure for well 1L, dated August 22, 2024.

CVGS places public safety as its highest priority and thus will ensure that it operates the storage facility safely and in compliance with PHMSA's regulations and related guidance.

Please feel free to contact me directly if PHMSA requires any further information from the above findings.

Kind Regards,

Afton Sterling

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