

# Underground gas fields revived near Mendota

**Tim Sheehan, Fresno Bee, 10-6-10**

Compressors began injecting natural gas into tapped-out gas fields near Mendota over the weekend, commencing operations at a new storage facility more than a mile underground.

Gill Ranch Storage LLC, a subsidiary of Oregon's Northwest Natural Gas Co., is using an ancient layer of sandstone capped by solid rock -- depleted pockets of the 5,000-acre Gill Ranch natural-gas field discovered in the 1940s-- as a sort of subterranean fuel tank.

By the time it reaches its full capacity, the Gill Ranch storage facility will hold about 20 billion cubic feet of gas. That's equal to about 75% of the natural gas consumed by residents, businesses and industries in Fresno County all last year, according to the California Energy Commission.

Gill Ranch Storage President Rick Daniel described Sunday's start of commercial operations as "a key milestone" for the company.

The storage layer is about 6,000 feet beneath farmland in Madera and Fresno counties. Because the storage is so far underground, experts say, the site will have little effect on agriculture or the San Joaquin River, which meanders across the surface.

Construction for the facility began in January and included building a 27-mile line of 30-inch pipe to deliver natural gas from a Pacific Gas & Electric Co. main supply line near Interstate 5 in western Fresno County; a 9.5-mile power line for electrical service; drilling new injection/withdrawal wells into the depleted gas-bearing layers; and a central compressor station and pipelines connecting it to the wells. Daniel said construction of the project created about 500 jobs, many of which were filled by local workers. It will employ about nine people now that it's operational. The site provides what industry experts call "flexible storage capacity" for natural-gas customers. It will be competing for business with other gas-storage sites.

Customers may include utility companies, including gas and electricity providers, power plants that burn natural gas to produce electricity, and other buyers and sellers of natural gas. Gas rights owned by customers would be banked at the site and withdrawn when needed by customers. The gas would be delivered by PG&E pipelines. Gill Ranch Storage owns 75% of the operation. PG&E owns the remaining 25%. Together, the companies spent an estimated \$200 million to \$225 million to develop the project, according to information filed with the California Public Utilities Commission.