



2nd ADDENDUM to NOTICE OF VIOLATION V19-0017

October 3, 2019

NOV: V19-0017
WellSTAR Compliance ID: 11183144

CERTIFIED MAIL

Mr. Nadim Hosn
Chevron USA Inc.
9525 Camino Media
Bakersfield, CA 93311

VIOLATION: SURFACE EXPRESSION

FIELD: Cymric; McPhee Lease; SEC. 36 T.29S R.21E MD

DATE OF SURFACE EXPRESSION: October 3, 2019

INSPECTOR: Angela Espinoza

Reference: Public Resources Code (PRC) section 3106, subdivision (a); California Code of Regulations (CCR), title 14, sections 1724.11, 1724.6, 1724.7, and 1724.10

Dear Mr. Hosn:

On October 3, 2019, Chevron U.S.A Inc. (Chevron) reported a surface expression that occurred on the "McPhee" lease at 35.3585906, -119.6763622 within Section 36 T29S/R21E in the Cymric Oilfield to both the Division of Oil, Gas, and Geothermal Resources (DOGGR) and California Governor's Office of Emergency Services (CalOES) OES # 19-6386 (Exhibit A). **This surface expression is a violation of, at least, CCR section 1724.11, subdivision (a).**

On October 3, 2019, DOGGR staff visited the site (Exhibit B). **The surface expression at 35.3585906, -119.6763622 within Section 36 T29S/R21E in the Cymric Oilfield is a violation and needs to be stopped.**

On October 5, 2019, DOGGR staff re-visited the site after reactivation of the site on 1710hrs on October 4, 2019 (Exhibit C). **The surface expression at 35.3585906, -119.6763622 within Section 36 T29S/R21E in the Cymric Oilfield is a violation and needs to be stopped.**

All surface expressions are violations and Chevron must stop the continued flow of all expressions and work to ensure the absence of reoccurrences. As such, the Acting State Oil and Gas Supervisor requires Chevron to perform the following required actions to begin to address the occurrence of the surface expressions at the "McPhee" lease at 35.3585906, -119.6763622 within Section 36 T29S/R21E in the Cymric Oilfield:

1. Meet with DOGGR within 10 days of the date of this letter to present a root cause analysis of the surface expression, diagnostic testing performed, and corrective actions taken to prevent future surface expressions. This analysis is to include differences from June 5, 2019, surface expression, OES report# 19-5263.
2. Per CCR section 1724.11 subdivision (d), **immediately implement a 900' foot steam restriction radius** around the June 5, 2019 surface expression, such that the October 3, 2019 event located at 35.358237, -119.676516) is encapsulated, thus preventing further expressions at the site within and around the June 5, and Sep 26, and more recent October 3, 2019 site

Furthermore, per CCR section 1724.11 subdivision (d), if the surface expression(s) continue to flow for more than 10 days, then DOGGR has the authority to expand the radius around the surface expression within which injection shall cease. DOGGR will determine the expanded radius based on consideration of the flow rate of the surface expression, geologic factors, and operational parameters.

3. Place prominent "Danger" or "Warnings" near (as safety dictates) the surface expression and restrict access to the area until the surface expression has stopped flowing and the area deemed safe for reentry by a professional engineer licensed under Chapter 7 of Division 3 of the California Business and Professions Code, as per CCR section 1724.11 subdivision (i).
4. Incorporate the "McPhee" lease (35.3585906, -119.6763622) event with the previously requested Surface Expression Monitoring & Prevention Plan required under NOV V19-0017, for review and approval by DOGGR by December 13, 2019 as stated in the Notice of Violation (V19-0017) dated June 13, 2019. At a minimum, per CCR section 1724.11 subdivision (b)(1), the plan shall include the following:

(A) A subsurface injection-production mass balancing surveillance system utilizing a continuous tilt meter array or other ground monitoring system approved by DOGGR; or implementation of a real-time pressure/flow monitoring system that will give adequate warning to prevent surface expressions.

(B) A map of the project area with all surface expressions, including

cracks, fissures, and sink holes related to underground injection, and containment measures prominently marked. A current map of these features shall be provided to DOGGR and shall be updated as these features are discovered, installed, or changed.

(C) Protocols for restriction of access to areas where there are surface expressions or surface expression containment measures.

(D) Training, including safety measures and identification of possible hazards, for field personnel working in areas where there are surface expressions or where surface expressions may occur.

As indicated above, the occurrence of a surface expression is a violation of CCR section 1724.11, subdivision (a). In addition to any civil penalties that may issue for the occurrences of surface expressions since this prohibition went into effect on April 1, 2019, failure to follow the above requirements, and remedy the current ongoing violations, may result in an additional Notice of Violation and/or enforcement actions. Such enforcement actions could include the issuance of a civil penalty and/or a remedial work order pursuant to PRC sections 3236.5 and/or 3224, respectively.

If you have any questions, please call the District Deputy, Cameron Campbell at (661) 322-4031.

Sincerely,



Cameron D. Campbell
District Deputy, Inland District

Enclosure(s)

cc: Jason Marshall
Nikki Joslin

CERTIFIED MAIL #: 7018 1830 0001 8941 5006

Exhibit A
 Cal OES Report 19-6386

NOTIFY DATE/TIME: 10/03/2019 / 1050		RECEIVED BY: OCCURRENCE DATE/TIME: 10/03/2019/0930		CITY/OP. AREA: McKittrick/Kern County	
CONTROL#: 19-6386 NRC#					
SAN JOAQUIN VALLEY UNIFIED APCD					
1.a. PERSON NOTIFYING Cal OES:					
AGENCY: Chevron					
1.b. PERSON REPORTING SPILL (if different from above):					
AGENCY:					
SUBSTANCE TYPE:		b. QTY: Amount		Measure	
a. SUBSTANCE:		c. TYPE:		d. OTHER:	
1. Water	5.5	Bbl(s)	OTHER	Water	e. PIPELINE
2. Crude Oil	0.9	Bbl(s)	PETROLEUM		>= 300 Tons
3.					No
					No
					No
Original Description: RP states: A seep was located at 36W. Clean up is in progress through a contractor. No waterways or storm drains are impacted. Currently this does not meet the reportable quantity threshold, this is a courtesy call.					
PERSON NOTIFYING Cal OES OF SPILL UPDATE:		AGENCY:		PHONE#:	
NAME:		Chevron		Ext:	
UPDATE QUANTITY		Measure		PAG/CELL:	
Amount					
1. 8.46		Bbl(s)			
2. 1.152		Bbl(s)			
3.					
4.					
UPDATE KNOWN IMPACT:					
UPDATE CAUSE:					
SITUATION UPDATE:					
Updated amounts: Water 8.46 Bbl(s), Crude Oil 1.152 Bbl(s), total of 9.612 Bbl(s). Per caller this made its way to a dry creek bed. Contractor is conducting clean up. Spill is stopped and contained. No drinking water impacted.					
FAX NOTIFICATION LIST:					
AA: CDEA, DFG-OSER, DTSC, RWQCB, US EPA, USEFWS, DOG, LANDS, Co W/P, Co HRB, Co E-HRB					
ADMINISTERING AGENCY:					
Kern Co. Environmental Health Services Department					
SECONDARY AGENCY:					
ADDITIONAL COUNTRIES:					
ADDITIONAL ADMIN. AGENCY:					
OTHER NOTIFIED:					
RWQCB Unit: 5C					
CONFIRMATION REQUEST:					
FAX NOTIFICATION LIST:					
ADMINISTERING AGENCY:					
ADDITIONAL ADMIN. AGENCY:					
SECONDARY AGENCY:					
ADDITIONAL COUNTRIES:					
DOG Unit:					
RWQCB Unit:					
Created by: Warning Center on: 10/04/2019 07:15:13 PM Last Modified by: Warning Center on: 10/04/2019 07:22:39 PM					

Exhibit B
Location of the Surface Expression



Exhibit C
Location of the Surface Expression

10/05/2019 08:38
+35.357954,-119.677292
Mc Kittrick, CA 93251

