



3rd ADDENDUM to NOTICE OF VIOLATION V19-0017

October 14, 2019

NOV: V19-0017
WellSTAR Compliance ID: 11183519

CERTIFIED MAIL

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

VIOLATION: SURFACE EXPRESSIONS

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

DATE OF SURFACE EXPRESSIONS: October 12, 2019 and October 13, 2019

INSPECTOR: Allan Koch and Marvelous Egboro

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 12, 2019**, Chevron U.S.A Inc. (Chevron) reported a surface expression that occurred on the "McPhee" lease at 35.35865, -119.67543 within Section 36 T29S/R21E in the Cymric Oilfield (Exhibit A) to both the Division of Oil, Gas, and Geothermal Resources (DOGGR) and California Governor's Office of Emergency Services (CalOES) OES # 19-6568 (Exhibit B).

On **October 13, 2019**, Chevron U.S.A Inc. (Chevron) reported another surface expression that occurred on the "McPhee" lease at 35.35915, -119.67449 within Section 36 T29S/R21E in the Cymric Oilfield (Exhibit C) to both the Division of Oil, Gas, and Geothermal Resources (DOGGR) and California Governor's Office of Emergency Services (CalOES) OES # 19-6580 (Exhibit D). **These surface expressions are a violation of, at least, CCR section 1724.11, subdivision (a).**

On October 12 and October 13, 2019, DOGGR staff visited the site (Exhibit A, C). **These surface expressions near coordinates 35.35865, -119.67543 and 35.35915, -119.67449 respectively within Section 36 T29S/R21E in the Cymric Oilfield are a violation and need 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 35.35865, -119.67543 and 35.35915, -119.67449 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 2nd Addendum to NOV V19-0017, dated October 3, 2019, Chevron shall continue to maintain a minimum 900 feet steam restriction radius around the June 5, 2019 surface expression.

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 (35.35865, -119.67543 and 35.35915, -119.67449) events 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). 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 Inland District Deputy, Cameron Campbell at (661) 322-4031.

Sincerely,



Cameron D. Campbell
District Deputy, Inland District

Enclosure(s)

cc: Jason Marshall

CERTIFIED MAIL #: 7018 0360 0000 1418 0221

Exhibit A
Location of October 12, 2019 Surface Expression



Exhibit B
Cal OES Report 19-6568

Governor's Office Emergency Services Hazardous Materials Spill Report			
RECEIVED BY:		CONTROL #: Cal OES: 19-6568 NRC:	
DATE: 10/12/2019 TIME: 1156			
1a. PERSON NOTIFYING Cal OES:			
1. NAME:	2. AGENCY: Chevron	3. PHONE#:	5. PAG/CELL:
1b. PERSON REPORTING SPILL (if different from above):			
1. NAME:	2. AGENCY:	3. PHONE#:	5. PAG/CELL:
2. SUBSTANCE TYPE:			
2. a. SUBSTANCE:	b. QTY: >=	c. TYPE:	e. PIPELINE
1. Water - Produced type	= 5.88	OTHER	No
2. Oil - Crude Type	= 0.8	PETROLEUM	No
3.			Unknown
f. VESSEL >= 300 Tons			
g. DESCRIPTION: Ground seep was discovered pooled on the soil, material flowed from underground then went into a dry stream bed, contractor is handling the containment and clean up			
h. STOPPAGE/CONTAINMENT: Stopped, Contained			
i. WATER INVOLVED: Unknown Stream			
j. WATERWAY:			
k. DRINKING WATER IMPACTED			
l. KNOWN IMPACT			
3. a. INCIDENT LOCATION: Cymric Oilfield, Section 36W, 35.358777 N 119.675328 W			
b. CITY:	d. ZIP:	SAN JOAQUIN VALLEY UNIFIED APCD	
McKinnick	93251		
4. INCIDENT DESCRIPTION:			
a. DATE:	b. TIME (Military):	d. REPORTED CAUSE	
10/12/2019	0930	Unknown	
e. INJURIES	f. FATALITY	h. CLEANUP BY:	
No	No	Contractor	
6. NOTIFICATION INFORMATION:			
a. ON SCENE:	b. OTHER ON SCENE:	c. OTHER NOTIFIED:	
Other	DOG		
d. ADMIN. AGENCY: Kern Co. Environmental Health Services Department	e. SEC. AGENCY:		
f. ADDITIONAL COUNTY:	g. ADMIN. AGENCY:		
h. NOTIFICATION LIST:	i. RWQCB Unit:		
DOG Unit: 3	SC		
AA: CUPA, DTSC, RWQCB, US EPA, USFWS, DFG-OSPR, DOG, LANDS, PARKS & REC, SFPL, CO, TTP, CO, HHA, CO-E-HHA			
Photo Attachment			
***** Control No: 19-6568 *****			
Created by: Warning Center on: 10/12/2019 11:36:55 AM Last Modified by: Warning Center on: 10/12/2019 12:00:12 PM			

Exhibit C
Location of October 13, 2019 Surface Expression



Exhibit D
Cal OES Report 19-6580

<p align="center">Governor's Office of Emergency Services Hazardous Material Spill Update</p> <p align="center">CONTROL#: 19-6580 NRC#</p>									
NOTIFY DATE/TIME: 10/13/2019 /0615			RECEIVED BY: OCCURRENCE DATE/TIME: 10/13/2019 0450			CITY/OP. AREA: McKittrick Kern County 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:									
a. SUBSTANCE:		b. QTY: Amount		c. TYPE:		d. OTHER:		e. PIPELINE	
1. Crude Oil and Water Mixture		Unknown		PETROLEUM				f. VESSEL >= 300 Tons No No No Yes	
Original Description: RP advised that there is a seep coming from the ground causing a release of Crude Oil and Water Mixture into a dry stream bed. The release is actively releasing. They will up date us when they have an estimate of the amount of oil being released. They are damming the stream bed so that the release does not continue downstream. RP advised that they do not believe there is a pipeline involved in this release. No injury to or affected wildlife at time. Mailing address for the oil field is 3640 Reward Rd, McKittrick, CA 93251.									
PERSON NOTIFYING Cal OES OF SPILL UPDATE: NAME:									
UPDATE QUANTITY Amount		Measure Barrels		PHONE#:		Ext:		PAG/CELL:	
1. 1,100.8									
2.									
3.									
4.									
UPDATE KNOWN IMPACT:									
UPDATE CAUSE:									
Other Reason for Other: Quantity update									
SITUATION UPDATE: The total amount of fluid released during this event was estimated to be 1,100.8 barrels. Two areas were impacted by this release. Area number one was described as a soil area outside of the stream bed. The material released to the land was estimated to be 1080 barrels of produced water and 129.6 barrels of oil. The material was recovered by a contractor. Area number two is the stream bed. An estimated 20.8 barrels of fluid (18.3 barrels of produced water and 2.5 barrels of oil) was released to the waterway. A cleanup is in progress. The release is intermittent and no public lands have been impacted. The cause of the release is under investigation.									
FAX NOTIFICATION LIST: FAX: 805-431-2772 ADMINISTERING AGENCY: CALIFORNIA DEPT. OF WATER RESOURCES ADDITIONAL AGENCIES: KERN COUNTY ENVIRONMENTAL HEALTH SERVICES DEPARTMENT ADDITIONAL ADMIN. AGENCY: KERN COUNTY ENVIRONMENTAL HEALTH SERVICES DEPARTMENT OTHER NOTIFIED: DOGR RWQCB Unit: 5C									
CONFIRMATION REQUEST: Please confirm receipt via email or call 916.845.8011.									
FAX NOTIFICATION LIST: ADMINISTERING AGENCY:									
ADDITIONAL ADMIN. AGENCY:									
SECONDARY AGENCY:									
ADDITIONAL COUNTIES:									
DOG Unit:									
RWQCB Unit:									
Created by: Warning Center on: 10/13/2019 05:45:39 PM / Last Modified by: Warning Center on: 10/13/2019 06:35:04 PM									
*****End of Form*****									

Exhibit E
Map Showing Location Recent Surface Expressions

