



ADDENDUM to NOTICE OF VIOLATION 19-0016

July 1, 2019

V19-0016

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

FIELD: Cymric; LEASE: SEC. 1 T.30S R.21E
DATE OF SURFACE EXPRESSIONS: 06/08/2019 and 06/23/2019
INSPECTORS: Allan Koch / Angela Espinoza

Reference: Chevron Cymric 1Y Surface Expression 6-8-2019 and 6-23-2019

Dear Mr. Hosn:

On 6/8/2019, Chevron reported a surface expression at Cymric 1Y to both DOGGR and OES (OES #19-3668). On 6/23/2019, Chevron reported another surface expression event at Cymric 1Y approximately 100 feet south of the previous event. Upon review, the Division has concluded that these events do not meet all of the requirements of a "low-energy seep" and thus the occurrence of these surface expressions are in violation of the California Code of Regulation (CCR), Title 14, CCR 1724.11(a) which states "Underground injection projects shall not result in any surface expression".

The following actions should be performed to address the occurrence of the surface expression:

1. Per CCR 1724.11(d), immediately implement a minimum 600 feet steam restriction radius around the 6-8-2019 surface expression event (35.35185, -119.6667) as well as the 6-23-2019 surface expression event (35.35158, -119.6669)

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

Additionally, based upon this surface expression, other recent surface events, and increased flow at Gauge Setting 5 over the past twelve months, the Division requires Chevron to reduce reservoir drive energy to remediate these occurrences and prevent future surface expressions.

Failure to follow these requirements may result in an additional violation and/or enforcement action, including issuance of a civil penalty or a remedial work order pursuant to PRC Sections 3236.5 or 3224.

If you have any questions, please call the Senior Oil and Gas Engineer Matt Stikes at (661) 326-6034.

Sincerely,



Matt Stikes
Senior Oil and Gas Engineer for

Cameron D. Campbell
District Deputy, Inland District