



**NOTICE OF VIOLATION**

October 1, 2019

**NOV: V19-0037**

**WellSTAR Compliance ID: 11183059**

**CERTIFIED MAIL**

Mr. Thomas Cruise  
Sentinel Peak Resources California  
1200 Discovery Drive, Suite 500  
Bakersfield, CA 93309

**VIOLATION: SURFACE EXPRESSION**

**FIELD:** Midway Sunset; Reardon Lease; SEC. 3 T.31S R.22E MD

**DATE OF SURFACE EXPRESSION:** May 16, 2019

**INSPECTOR:** Grant Obenshain

**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. Cruise:

On May 16, 2019, Sentinel Peak Resources California (SPR) reported a surface expression that occurred on the "Reardon" lease at 35.26644516, -119.598754 (overflow of approximately 15 barrels drilling mud/oil at Well 334L 030-33773) within Section 3 T31S/R22E in the Midway Sunset Oilfield to the Division of Oil, Gas, and Geothermal Resources (DOGGR). **This surface expression is a violation of, at least, CCR section 1724.11, subdivision (a).**

On May 16, 2019, DOGGR staff visited the site (Exhibit A). **The surface expression at 35.26644516, -119.598754 within Section 3 T31S/R22E in the Midway Sunset Oilfield is a violation and needs to be stopped.**

**All surface expressions are violations and SPR 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 SPR to perform the following required actions to**

**begin to address the occurrence of the surface expressions at the "Reardon" lease at 35.26644516, -119.598754 within Section 3 T31S/R22E in the Midway Sunset 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.
2. Per CCR section 1724.11 subdivision (d), immediately implement a minimum 150 feet steam restriction radius around the May 16, 2019 surface expression. If the surface expression continues to flow for more than five days, then the operator shall immediately implement a minimum 600 feet steam restriction radius around the 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 "Reardon" lease (35.26644516, -119.598754) event within a Surface Expression Monitoring & Prevention Plan, for review and approval by DOGGR by December 23, 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 4405

Exhibit A

Location of the Surface Expression

