



2ND ADDENDUM to NOTICE OF VIOLATION 19-0016

July 17, 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: Yvan Mendoza (Field) / Allan Koch (Office Coordinator)

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 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".

On 7/01/2019, DOGGR issued the first addendum to NOV V19-0016, to immediately implement an increased steam restriction radius of 600-foot around the 6/08/2019 surface expression (35.35185, -119.6667), as well as the 6/23/2019 surface expression site (35.35158, -119.6669). Subsequent visits by DOGGR inspectors on 7/2, 7/7, 7/8, and 7/9 noted no drop in energy from the expression.

On 7/12/2019 DOGGR issued Order No.1159. Under Section V (1), the Operator was to perform Required Remedial Actions, which states: "Immediately take all measures to stop flow from surface expressions and prevent any new surface expressions near the subject well (1Y-1405S [API: 029-80898])".

On 7/17/2019, DOGGR Inspector Yvan Mendoza visited the site, and at 10:24A.M. witnessed and obtained new photos (Exhibit A) and video demonstrating that the 6/23 expression site has reactivated since the last site visit that was conducted on Monday 7-15-19. In the observations, it was noted that the vent was leaking / overflowing from the surface expression that appeared on 6/23. This observation was confirmed based on field witnessing along with photography and video comparison of the site visits conducted on 7-15-19 (Exhibit B).

The 5/10 and 6/08 surface expression areas within the canyon appeared dormant during the site visit,

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

1. Per CCR 1724.11(d), immediately implement a minimum 1,200 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)

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 Inland District Deputy Cameron Campbell at (661) 322-4031

Sincerely,



Cameron Campbell
District Deputy, Inland District

EXHIBIT A



EXHIBIT A



EXHIBIT B

