



NOTICE OF VIOLATION

AUGUST 24, 2019

NOV: V19-0033
Compliance ID: 11182651

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 E

DATE OF SURFACE EXPRESSION: AUGUST 21, 2019

INSPECTOR: Allan Koch

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

Dear Mr. Hosn:

On August 21, 2019, Chevron U.S.A. Inc. (Chevron) reported a surface expression that occurred on the "McPhee" lease at 35.355741, -119.671249 within Section 36 T29S/R21E in the Cymric Oilfield to both DOGGR and California Governor's Office of Emergency Services (CalOES) OES #19- 5407 (Exhibit A). **This surface expressions is a violation of, at least, CCR section 1724.11, subdivision (a).**

On August 22, 2019, Division of Oil, Gas, and Geothermal Resources (DOGGR) staff visited the site (Exhibit B) and noted the initial volume of fluid appeared to be less than 5 barrels of oil/water, with most of the fluid being water. **The surface expression at 35.355741, -119.671249 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 35.355741, -119.671249 within Section 36 T29S/R21E in the Cymric Oilfield:

1. Meet with the Division 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 300 feet steam restriction radius around the August 21, 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 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.

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 (35.355741, -119.671249) event with the previously requested Surface Expression Monitoring & Prevention Plan required under NOV's V19-0008 and V19-0016, for review and approval by the Division by December 13, 2019 as stated in the Notice of Violation (V19-0016) 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 the Division; 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 the Division 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) 334-3643.

Sincerely,



Cameron D. Campbell
District Deputy, Inland District

Exhibit A
 CAL-OES Report 19-5407

DATE: 08/21/2019 TIME: 2302		RECEIVED BY:		CONTROL#: Cal OES -19-5407 NRC.	
Govemort's Office Emergency Services Hazardous Materials Spill Report					
<p>1.a. PERSON NOTIFYING CAL OES:</p> <p>1. NAME: 2. AGENCY: Chevron</p>					
<p>1.b. PERSON REPORTING SPILL (if different from above):</p> <p>1. NAME: 2. AGENCY:</p>					
<p>2. SUBSTANCE TYPE:</p> <p>2.a. SUBSTANCE: b. QTY: >= < Amount</p> <p>1. Crude and produced water = 5 Measure</p> <p>2. = = Bbl(s)</p> <p>3. = =</p>					
<p>3. DESCRIPTION: RP states that less than 5 bbls of crude oil and produced water mixture in Synchronic oil field at 36W area, due to possible seep. The RP personnel currently investigating at this time.</p> <p>3. STOPPAGE/CONTAINMENT: i. WATER INVOLVED: No</p> <p>Stopped, Contained</p> <p>1. KNOWN IMPACT: None</p> <p>3. a. INCIDENT LOCATION: 36W area, Synchronic Oil Field</p> <p>b. CITY: McKinrick c. COUNTY: Kern County</p> <p>4. INCIDENT DESCRIPTION:</p> <p>a. DATE: 08/21/2019 b. TIME (Military): 2200</p> <p>e. INJURIES: f. FATALITY: No</p>					
<p>6. NOTIFICATION INFORMATION:</p> <p>a. ON SCENE: b. OTHER ON SCENE:</p> <p>d. ADMIN. AGENCY: Kern Co. Environmental Health Services Department e. SEC. AGENCY:</p> <p>f. ADDITIONAL COUNTY: g. ADMIN. AGENCY:</p> <p>h. NOTIFICATION LIST: i. RWQCE Unit: 5C AA-CUPA, DTSC, RWQCE, US EPA, USFWS, DOG, SFM, Co-Hlth, Co-E-Hlth</p>					
<p>3. PHONE#:</p> <p>3. PHONE#:</p> <p>c. TYPE: PETROLEUM</p> <p>d. OTHER: e. PIPELINE: No No No</p> <p>4. Ext: 4. Ext:</p> <p>d. OTHER: No e. PIPELINE: No No No</p> <p>f. VESSEL >= 300 Tons No No No</p>					
<p>d. ZIP: SAN JOAQUIN VALLEY UNIFIED APCD</p> <p>c. SITE: Oil Field d. REPORTED CAUSE: Unknown</p> <p>g. EVACUATION: No h. CLEANUP BY: Unknown</p> <p>c. OTHER NOTIFIED:</p>					
<p>Photo Attachment:</p> <p>***** Control No: 19-5407 *****</p> <p>Created by: Warning Center on: 08/21/2019 11:02:06 PM Last Modified by: Warning Center on: 08/21/2019 11:24:30 PM</p>					

Exhibit B
Location of the Surface Expression

