



NOTICE OF VIOLATION

June 20, 2019

V19-0024

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

FIELD: Midway Sunset; LEASE: Keene; SEC. 22 T.32S R.23E
DATE OF SURFACE EXPRESSION: 6/5/2019
INSPECTOR: Allan Koch

Reference: Sentinel Peak Midway Sunset Keene Surface Expression 6-5-2019

Dear Mr. Cruise:

On 6/5/2019, Sentinel Peak reported a surface expression at Midway Sunset Keene Section 22 to DOGGR. Upon review, the Division has concluded that it does not meet all of the requirements of a "low-energy seep" and thus the occurrence of this surface expression is in violation of the California Code of Regulation, 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. Meet with the Division within 30 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. Prepare a Surface Expression Monitoring & Prevention Plan for review and approval by the Division by December 20, 2019. At a minimum, per CCR 1724.11(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.

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.

Sentinel Peak Resources California
June 20, 2019
Page 2 of 2

If you have any questions, please call the Associate Oil and Gas Engineer, Allan Koch at (661) 334-3658.

Sincerely,



Rohit Sharma
Senior Oil and Gas Engineer for

Cameron D. Campbell
District Deputy, Inland District

CERTIFIED MAIL #: 7018 0360 0000 1418 3215