

NOTICE OF VIOLATION

November 18, 2019

NOV: V19-0059 WellSTAR Compliance ID: 12181947

CERTIFIED MAIL

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 MD DATE OF SURFACE EXPRESSION: November 13, 2019 INSPECTOR: Yvan Mendoza / Mario Ortiz

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. Hosn:

On November 13, 2019, Chevron U.S.A Inc. (Chevron) reported a surface expression that occurred on the "McPhee" lease at 35.355104, -119.670093 within Section 36 T29S/R21E in the Cymric Oilfield to both the Division of Oil, Gas, and Geothermal Resources (DOGGR) and California Governor's Office of Emergency Services (CalOES) OES # 19-7291 (Exhibit A). This surface expression is a violation of, at least, CCR section 1724.11, subdivision (a).

On November 13 and 14, 2019, DOGGR staff visited the site (Exhibit B). The surface expression at 35.355104, -119.670093 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

Chevron USA Inc. November 18, 2019 Page 2 of 4

35.355104, -119.670093 within Section 36 T29S/R21E in the Cymric 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), maintain the current 1200 foot steam block, as outlined on the original Notice of Violation V19-0032 sent August 23, 2019.
- 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. Continue to adhere to the technical reports required letter pursuant to PRC section 3357, subdivision (b)(1) issued on September 10, 2019.

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,

Cenar Candle

Cameron D. Campbell District Deputy, Inland District

Enclosure(s)

cc: Jason Marshall Nikki Joslin

CERTIFIED MAIL #: 7018 1830 0001 8941 4191

RP states: The release was discovered pulling on the soil, with a slow seep from an unknown underground source. The release is contained and has no environmental impact. Clean up is in progress through a contractor. Its unknown if the release is stopped. i. WATER RNVOLVED: i. WATER RNVOLVED: j. WATER RNVOLVED: f. VESSEL >= 300 Tons % % % 5. PAG/CELL: 5. PAG/CELL: e. PIPELINE SAN JOAQUIN VALLEY UNIFIED APCD Unknown k. DRINKING WATER IMPACTED No 22 c. OTHER NOTIFIED: DOG d. REPORTED CAUSE Unknown h. CLEANUP BY: Contractor CONTROL#: Cal OES - 19-7291 NRC -4. Ext: 4. Ext: d. OTHER: Water SC AA CUPA, DTSC, RWQCB, US EPA, USFWS, CDPH-D O, DOG, PARKS & REC, CoWP, CoHM, CoE-HIM e. SEC. AGENCY: g. ADMIN. AGENCY: Governor's Office Emergency Services Hazardous Materials Spill Report OTHER PETROLEUM ******** Control No: 19-7291 ******* i. RWQCB Unit: c. TYPE: 3. PHONE#: 3. PHONE#: c. SITE: Oil Field g. EVACUATION No d. ZIP: 93251 b. OTHER ON SCENE: Measure Bbl(s) Bbl(s) RECEIVED BY: b. TIME (Military): 2. AGENCY: Cherton 1.b. PERSON REPORTING SPILL (If different from above): 1. NAME: 2. SUBSTANCE TYPE: 2. a SUBSTANCE: 2. a SUBSTANCE: 1515 f. FATALITY No Unknown if stopped No LKNOWN IMPACT Note A. INCIDENT LOCATION: Cymrick Lease Oil Field, scrion 56W 6. CITN: 6. COUNTY: 5.8 Kern County ental Health Services Department 6. NOTIFICATION INFORMATION: a. ON SCENE: 1.a. PERSON NOTIFYING Cal OES: 1. NAME: DFG 05PR d. ADMIN, AGENCY, Ken Co. Environm d. ADMIN, AGENCY, Ken Co. Environm d. ADDITIONAL COUNTY: h. NOTHFICATION LIST: DOG Unit: 3 h. STOPPAGE/CONTAINMENT: McKinnick 4. INCIDENT DESCRIPTION: a. DATE: g. DESCRIPTION: DATE: 11/13/2019 TIME: 1536 1/13/2019 . INJURIES Photo Attachment: 1. Water 2. Oil

Created by: Warning Center on: 11/13/2019 03:36:04 PML ast Modified by: Warning Center on: 11/13/2019 03:47:49 PM

Exhibit A Cal OES Report 19-7291

Chevron USA Inc. November 18, 2019 Page 3 of 4 Chevron USA Inc. November 18, 2019 Page 4 of 4

Exhibit B Location of the Surface Expression

