



ADDENDUM to NOTICE OF VIOLATION V19-0017

October 1, 2019

NOV: V19-0017
WellSTAR Compliance ID: 11183093

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: September 26, 2019 and October 1, 2019

INSPECTOR: Ernesto Hipolito / Angela Espinoza

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 September 26, 2019 and October 1, 2019, Chevron U.S.A Inc. (Chevron) reported a surface expression that occurred on the "McPhee" lease at 35.357917, -119.675674 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 # 19-6221 (Exhibit A). **This surface expression is a violation of, at least, CCR section 1724.11, subdivision (a).**

On September 26, 2019 and October 1, 2019, DOGGR staff visited the site (Exhibit B). **The surface expression at 35.357917, -119.675674 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 35.357917, -119.675674 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. This analysis is to include differences from June 5, 2019, surface expression, OES report# 19-5263.
2. Per CCR section 1724.11 subdivision (d), continue to maintain a minimum 600 feet steam restriction radius around the June 5, 2019 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 "McPhee" lease (35.357917, -119.675674) event with the previously requested Surface Expression Monitoring & Prevention Plan required under NOV V19-0017, for review and approval by DOGGR by December 13, 2019 as stated in the Notice of Violation (V19-0017) 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 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 4399

Exhibit A
 Cal OES Report 19-6221

Governor's Office Emergency Services
 Hazardous Materials Spill Report

DATE: 09/26/2019 TIME: 0953		RECEIVED BY:	CONTROL#: Cal OES - 19-6221 NRC -			
1.a. PERSON NOTIFYING Cal OES: 1. NAME: Chevron		2. AGENCY: Chevron	3. PHONE#:	4. Ext:	5. PAG/CELL:	
1.b. PERSON REPORTING SPILL (if different from above): 1. NAME: 2. AGENCY TYPE: 2.a. SUBSTANCE:		2. AGENCY: Chevron	3. PHONE#:	4. Ext:	5. PAG/CELL:	
b.QTY>=< Amount Measure		c. TYPE:		d. OTHER:	e. PIPELINE	f. VESSEL => 300 Tons
1. Crude Oil and Water Mixture = 0.01 Bbl(s)		PETROLEUM			No	No
2. =					No	No
3. =					No	No
g. DESCRIPTION: h. STOPPAGE/CONTAINMENT: Stopped, Contained		i. WATER INVOLVED: None		j. WATERWAY: No		
k. DRINKING WATER IMPACTED: No		RP advised that the operation people noticed a leak around 0900 this morning. The release was onto soil, no waterways were affected. It unknown what caused the release.				
1. KNOWN IMPACT		3. a. INCIDENT LOCATION: Cymric Oil Field, Lat/Long: 35 21.20N 119 40.33W		d. ZIP: 93251		
b. CITY: McKittrick		c. COUNTY: Kern County		SAN JOAQUIN VALLEY UNIFIED APCD		
4. INCIDENT DESCRIPTION: a. DATE: 09/26/2019		b. TIME (Military): 0900		d. REPORTED CAUSE: Unknown		
e. INJURIES: No		f. FATALITY: No		b. CLEANUP BY: Responsible Party		
6. NOTIFICATION INFORMATION: a. ON SCENE:		b. OTHER ON SCENE:		c. OTHER NOTIFIED: CUPA		
d. ADMIN. AGENCY: Kern Co. Environmental Health Services Department		e. SEC. AGENCY:		g. ADMIN. AGENCY:		
f. ADDITIONAL COUNTY:		i. RWQCB Unit: 5C		AA CUPA, DTSC, RWQCB, US EPA, USFWS, DOG		
h. NOTIFICATION LIST: DOG Unit: ?						
Photo Attachment:		***** Control No: 19-6221 *****				

Exhibit B
Location of the Surface Expression

