



ADDENDUM to NOTICE OF VIOLATION

August 6, 2019

Compliance ID: 11182500

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: 8/1/2019
INSPECTOR: Yvan Mendoza

Reference: Sentinel Peak Midway Sunset Keene Surface Expression 8-1-2019

Dear Mr. Cruise:

On 8/1/2019, Sentinel Peak Resources (SPR) reported a surface expression that occurred on the "Keene" lease within Section 22 T32S/R23E in the Midway Sunset Oilfield. 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. Per CCR 1724.11(d), immediately implement a minimum 600 feet steam restriction radius around the 8-1-2019 surface expression event

Furthermore, per CCR 1724.11(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.

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.

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If you have any questions, please call the Senior Oil and Gas Engineer, Charles O'Brien at (661) 326-6033.

Sincerely,



Charles O'Brien
Senior Oil and Gas Engineer for

Cameron D. Campbell
District Deputy, Inland District

CERTIFIED MAIL #: 7018 0360 0000 1418 0153