NOTICE OF VIOLATION

December 14, 2021

Violation I.D. 12242781

VIA EMAIL

Mr. Philip Brown, Agent Pacific Coast Energy Company LP (B6127) 1555 Orcutt Hill Road Orcutt, CA 93455 philip.brown@pceclp.com

Dear Mr. Brown:

SPILL/INCIDENT, PACIFIC COAST ENERGY COMPANY LEASE, BEVERLY HILLS FIELD

On December 11, 2021, California Geologic Energy Management Division (CalGEM) received notification from the Office of Emergency Services (Cal OES #21-7076) regarding a spill from a Pacific Coast Energy Company LP pipeline in the Beverly Hills field. This letter itemizes violation(s) of the California Code of Regulations, title 14 (CCR).

Maintenance of Production Facilities and Equipment: CCR section 1777 (a) states, "Operators shall maintain production facilities in good condition and in a manner to prevent leakage or corrosion and to safeguard life, health, property, and natural resources."

Out-of-Service Production Facility Requirements: CCR section 1773.5 (a) states in part that within "six months after the determination that a production facility is Out-of-Service, the following shall be required:

- (1) Out-of-Service production facilities shall have fluids, sludge, hydrocarbons, and solids removed and shall be disconnected from any pipelines and other in-service equipment.
- (6) Pipelines associated with Out-of-Service tanks and pressure vessels shall be removed or flushed, filled with an inert fluid, and blinded."

Well Site and Lease Restoration: CCR section 1776 (f) states that "Lease restoration shall include the removal of all tanks, above-ground pipelines, debris, and other facilities and equipment. Remaining buried pipelines shall be purged of oil and filled with an inert fluid. Toxic or hazardous materials shall be removed and disposed of in accordance with Department of Toxic Substances Control requirements".

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The subject violation is summarized in the table below:

Pipeline Description	Violation Description	Violation Number
WellSTAR Pipeline ID# 90324914	Pipeline leak	12242781

Spilled fluid and all impacted media, including surface and subsurface, must be cleaned-up. The pipeline must be abandoned to the standards specified in CCR section 1776(f). Additionally, a root cause analysis and action taken to prevent future occurrence must also be provided to CalGEM by January 11, 2022.

Pacific Coast Energy Company LP shall notify CalGEM during normal working hours (8:00 am to 5:00 pm) once the violations have been corrected for a re-inspection.

Failure to comply with the laws of California and CalGEM may result in enforcement action including, but not limited to, issuance of a civil penalty and/or order pursuant to Public Resources Code Sections 3106, 3224, 3235, 3236, and 3236.5.

If you have any questions, please contact Neda Tafi at (562) 637-4400 or neda.tafi@conservation.ca.gov.

Sincerely,

Grace P. Brandt Digitally signed by Grace P. Brandt Date: 2021.12.14 13:04:12-08'00'

Grace Brandt
Environmental and Facilities Unit Supervisor

cc: Los Angeles City Fire Department- lafdcupa@lacity.org

Pipeline and Facilities Program File