

Central Valley Regional Water Quality Control Board

21 May 2014

NOTICE OF VIOLATION

Martha L. Brock
BreitBurn Management Company, LLC
515 South Flower Street, 48th Floor
Los Angeles, CA 90071

CERTIFIED MAIL
7013 2250 0002 0464 3263

VIOLATION OF GENERAL WAIVER RESOLUTION R5-2008-0182 AND CALIFORNIA WATER CODE SECTION 13260, BREITBURN OPERATING L.P., DOW CHANSLOR LEASE, NORTH AND SOUTH BELTRIDGE OIL FIELDS, KERN COUNTY

On 15 November 2013, the Executive Officer of the Central Valley Regional Water Quality Control Board (Central Valley Water Board) issued a directive, pursuant to section 13267 of the California Water Code (Directive), to BreitBurn Operating L.P. (BreitBurn). The Directive required BreitBurn to submit information about the discharge of well drilling fluids to land and well completion and/or workover fluids (including stimulation treatment fluids) to land at any BreitBurn well drilled between 1 January 2012 and 15 November 2013.

On 7 February 2014, BreitBurn responded to the Directive with the required technical information provided on spreadsheets. The information in the spreadsheets state that during the reporting period BreitBurn: (1) drilled 24 wells on the 320-acre Dow Chanslor lease in the North Belridge and South Belridge Oil Fields; (2) discharged drilling, completion, and stimulation treatment fluids to an unlined sump at each of the 24 drilling locations; and, (3) completion activities at all 24 wells included stimulation treatment by hydraulic fracturing.

The discharge of drilling fluids to sumps during the drilling phase was conditionally waived by Resolution R5-2008-0182, *Waiver of Reports of Waste Discharge and Waste Discharge Requirements for Specific Types of Discharges within the Central Valley Region* (General Waiver), which expired on 4 December 2013. The reported discharge of initial completion fluid (typically potassium chloride water) and then stimulation treatment fluids to the listed sumps was not conditionally waived by the General Waiver. The General Waiver states that the discharge to sumps shall consist only of "drilling muds/boring wastes" (drilling fluids and cuttings).

The discharge of completion fluids and stimulation treatment fluids to the 24 unlined sumps is an apparent violation of the General Waiver. BreitBurn is in violation of California Water Code (Water Code) section 13250(a) which states: *A person who...[is] (2) in violation of a waste discharge requirement, waiver condition, certification, or other order or prohibition issued, reissued, or amended by a regional board or the state board, discharges waste, or causes or permits waste to be deposited where it is discharged, into the waters of the state, ...except in accordance with waste discharge requirements or other actions or provisions of this division, shall be liable civilly, and remedies may be proposed, in accordance with subdivision (d) or (e).*

Additionally, the discharges could have water quality impacts or may threaten waters of the State. Water Code section 13260(a)(1) states: *"Each of the following persons shall file with the appropriate regional board a report of the discharge, containing the information that may be required by the regional board: (1) A person discharging waste, or proposing to discharge waste, within any region that could affect the quality of the waters of the state..."* BreitBurn is in violation of Water Code section 13260 for failure to submit a Report of Waste Discharge for each discharge.

On 12 March 2014, the Executive Officer issued to BreitBurn the Notice of Applicability Water Quality Order 2003-0003-DWQ-0091 (NOA), which regulates the discharge of drilling mud and boring waste (drill cuttings) to drilling sumps at the Dow Chanslor lease. Please be aware that the NOA does not authorize the discharge of completion fluids or stimulation treatment fluids to sumps.

The attached Water Code directive pursuant to section 13267 (Order) seeks information about BreitBurn's completion and stimulation treatment activities at the 24 wells on the Dow Chanslor lease and wells drilled subsequent to 15 November 2013. BreitBurn is legally obligated to respond to the Order by the specified response date.

By 15 July 2014, please submit the information required by the accompanying Order.

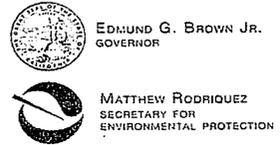
If you have any questions, I can be contacted by e-mail at Dane.Johnson@waterboards.ca.gov or by phone at (559) 445-5525.



DANE S. JOHNSON
Senior Engineering Geologist
PG No. 4239

Attachment: California Water Code Directive Pursuant to Section 13267

cc: Julie Macedo, Office of Enforcement, State Water Resources Control Board, Sacramento
John Borkovich, State Water Resources Control Board, Sacramento
Dan Wermiel, California Division of Oil, Gas, and Geothermal Resources, Bakersfield
Kern County Environmental Health Services Department, Bakersfield



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CALIFORNIA WATER CODE DIRECTIVE PURSUANT TO SECTION 13267. You are legally obligated to respond to this Order. Please read this Order carefully.

On 15 November 2013, the Executive Officer of the Central Valley Regional Water Quality Control Board (Central Valley Water Board) issued a directive, pursuant to section 13267 of the California Water Code (Directive), to BreitBurn Operating L.P. (BreitBurn). The Directive required BreitBurn to submit information about the discharge of well drilling fluids to land and well completion and/or workover fluids (including stimulation treatment fluids) to land at any BreitBurn well drilled between 1 January 2012 and 15 November 2013 (the reporting period).

On 7 February 2014, BreitBurn responded to the Directive. The information provided indicates that during the reporting period BreitBurn: (1) drilled 24 wells on the 320-acre Dow Chanslor lease in the North Belridge and South Belridge Oil Fields; (2) discharged drilling, completion, and stimulation treatment fluids to an unlined sump at each of the 24 drilling locations; and, (3) conducted completion activities at all 24 wells included stimulation treatment by hydraulic fracturing.

The information submitted in response to the Directive indicates BreitBurn discharged fluids to land that could have water quality impacts or may threaten waters of the State. The discharge of completion and/or stimulation treatment fluids to sumps is an apparent violation of General Waiver Resolution R5-2008-0182. Therefore, the Central Valley Water Board is seeking additional specific information in this Order about BreitBurn's completion and stimulation treatment fluid discharge activities on the Dow Chanslor lease at each of the 24 drilling locations during the reporting period and any additional drilling locations after the reporting period.

The Central Valley Water Board's authority to require technical reports derives from Section 13267 of the California Water Code, which specifies, in part, that:

(a) A regional board...in connection with any action relating to any plan or requirement authorized by this division, may investigate the quality of any waters of the state within its region.

(b)(1) In conducting an investigation specified in subdivision (a), the regional board may require that any person who has discharged, discharges, or is suspected of having discharged or discharging, or who proposes to discharge waste within its region...that could affect the quality of waters within its region shall furnish, under penalty of perjury, technical or monitoring program reports which the regional board requires. The burden, including costs, of these reports shall bear a reasonable relationship to the need for the report and the benefits to be obtained from the reports. In requiring those reports, the regional board shall provide the person with a written explanation with regard to the need for the reports, and shall identify the evidence that supports requiring that person to provide the reports.

Groundwater beneath the Dow Chanslor lease has beneficial uses of Municipal and Domestic (MUN), Agricultural (AGR), and Industrial Service Supply (IND) as identified in the *Water Quality Control Plan for the Tulare Lake Basin, Second Edition (Revised 2004)*. The discharge of wastes to an unlined sump could have water quality impacts, or may threaten waters of the State. Technical reports required by this Order are necessary to assure compliance with the California Water Code and are based on the information that you have already provided regarding Breitburn's activities. BreitBurn owns and operates facilities that are subject to this Order.

Under the prescribed authority of California Water Code section 13267, the Central Valley Water Board directs you to submit, **by 15 July 2014**, a technical report that describes all activities at each of the 24 wells and any additional wells drilled after 15 November 2013. Include in the report all activities beginning on the day drilling mud was displaced from a new well with completion fluid and ending on the day the backfilling of each sump with soil was completed. At a minimum, the report needs to address the following items:

- A map showing the locations of the 24 wells listed in the submitted spreadsheet and any additional wells;
- The date and time drilling mud was displaced with completion fluid in each well;
- The date, volume, and chemical characteristics of all fluids discharged to each sump from a well, tank, or flow line after drilling mud was displaced with completion fluid in each well;
- Volume and chemical characteristics of each water source used for the hydraulic fracturing process;
- Volume and trade name of each chemical additive (and Material Safety Data sheets) used for the hydraulic fracturing process;
- A detailed description of the sump closure process and the date the closure process began with the removal of free liquid from each sump;
- Discussion of how BreitBurn managed hydraulic fracturing fluids and flowback fluids at each well location;
- Discussion of how the flow lines are pressure tested prior to and flushed after each fracturing stage;
- Discussion of how BreitBurn manages the ultimate disposal of flowback fluids and any fracturing fluid that, because of a delay, cannot be used during the hydraulic fracturing process; and,
- Description of fluids removed from each drilling sump during closure and documentation of waste characterization and disposal, including all agency applications, permits, and bills of lading for Banker tanks or vacuum trucks.

The Central Valley Water Board reserves the right to pursue enforcement for BreitBurn's activities after reviewing the documentation provided in response to this Order.

In accordance with California Water Code section 13260, for each well drilling site where BreitBurn proposes to excavate a sump to contain discharges of completion fluid, well stimulation treatment fluid, and production fluid with or without hydraulic fracturing flowback fluid, a Report of Waste Discharge shall be submitted with the appropriate filing fee at least 140 days prior to discharge.

Technical report(s) are to be signed and stamped by a California Professional Engineer (Registered as a Civil Engineer) or a registered California Professional Geologist. Any laboratory analyses are to be performed by an analytical laboratory certified by the State of California for the analyses performed.

Submissions pursuant to this Order shall include a "Certification" statement by BreitBurn, or an authorized representative of BreitBurn, to the Central Valley Water Board certifying, under penalty of perjury in conformance with the laws of the State of California, that the information submitted is true, complete, and accurate. The signed "Certification" statement shall include the following:

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations. Pursuant to Water Code section 13350, any person who intentionally or negligently violates an order may be liable civilly in an amount which shall not exceed five thousand dollars (\$5,000), but shall not be less than five hundred dollars (\$500), for each day in which the order is violated.

Failure to furnish the required report or the submission of a substantially incomplete report may result in additional enforcement actions being taken against BreitBurn, including issuance of an Administrative Civil Liability Complaint pursuant to California Water Code section 13268.

Any person aggrieved by this action of the Central Valley Water Board may petition the State Water Resources Control Board (State Water Board) to review the action in accordance with California Water Code section 13320 and California Code of Regulations, title 23, sections 2050 and following. The State Water Board must receive the petition by 5:00 p.m., within 30 days after the date of this directive, except that if the thirtieth day following the date of this directive falls on a Saturday, Sunday, or state holiday, the petition must be received by the State Water Board by 5:00 p.m. on the next business day. Copies of the law and regulations applicable to filing petitions may be found on the Internet at: www.waterboards.ca.gov/public_notices/petitions/water_quality or will be provided upon request.

Any questions regarding this matter should be directed to Doug Patteson of this office at (559) 445-5116 or at Doug.Patteson@waterboards.ca.gov


FOR Pamela C. Creedon
Executive Officer