

THE TERMO COMPANY
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1/11/2016

Los Angeles Regional Water Quality Control Board Attn: Joshua Cwikla 320 West Fourth Street Suite 200 Los Angeles, CA 90013

Via email: joshua.cwikla@waterboards.ca.gov

DRNIA REGIONAL WAT

Re: Investigative Order No. R4-2015-0304

Report on Disposal of Fluids from Oil and Gas Operations for The Termo Company Operations in Los Angeles and Ventura County

Dear Mr. Cwikla -

The attached report details The Termo Company's (Termo) production and disposition of fluids from our oil and gas operations in California, specifically in Los Angeles and Ventura County as requested in the December 18th, 2015 letter from LARWQCB.

The letter demands a technical report detailing the location, use, status, properties, and other data for "sumps" used by Termo in the oil and gas drilling, completion and production process. If no sumps are used, the letter requests information about disposition of fluids from the drilling, completion, and production process.

Termo takes issue with the assumptions in the Order, specifically the statement that it is "a common oil and gas industry practice to discharge oil production fluids to land, typically into sumps or produced water ponds". In fact Termo has not operated a sump for disposal of produced water in LA or Ventura County nor used "drilling sumps" during any of our drilling operations in these counties at any time in the last 25 years. The use of sumps is far from being a "common oil and gas practice". During drilling and completion operations Termo utilizes a contained or closed loop fluid system, eliminating discharge to land. Fluids are then separated from the solids (drilling muds and cuttings) and disposed of in licensed and regulated waste disposal systems.

Produced water, a byproduct of oil production, is separated and treated onsite and is disposed of by several methods depending on the lease. The attached spreadsheet details the treatment and disposition of our produced water by field and lease in Ventura and Los Angeles County. This information is also available from the Division of Oil and Gas and Geothermal Resources, which has required the reporting of water disposition under SB 1281.

Termo has drilled two wells during the last five years in District 1 and District 2. Both wells were drilled in District 2 within the South Mountain Field. All drilling and completion fluids were contained on site in tanks until ready for disposal. Fluid was disposed of in two ways – subsurface injection into our existing Class II UIC wells or hauled off site and disposed of at a licensed facility. At no time was fluid discharged to land.

We appreciate the opportunity to provide this information to Regional Water Quality Control Board and hope it meets the requested informational needs. Please feel free to contact me at any time at via email ralphc@termoco.com or phone (562) 279-1955.

Sincerely -

Ralph Combs

Manager, Corporate Development

The Termo Company

Encl.

Statement of Certification

Pursuant to California Water Code section 13267, subdivision (b)(1)

I, Ralph E. Combs, certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of the those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

Ralph E. Combs

Manager, Corporate Development

The Termo Company

Date

Owner / Operator	County	DOGGR District	Field Name	Lease	Source of Water	Water Volume Annually (BBLS) (2014)	Treatment Method (1)	Disposition (1)	Other Notes
The Termo Company	Los Angeles 1 Seal Beach San Gabriel Pro		Produced water / Hydrocarbon formation	810,917	Disinfection / Other Treatment	Domestic sewer system			
The Termo Company	Los Angeles	1	Long Beach Airport	LB Fee	Produced water / Hydrocarbon formation	103,133	Disinfection / Other Treatment	Subsurface injection - Class II	
The Termo Company	Los Angeles	1	Long Beach	Blum	Produced water / Hydrocarbon formation	166,286	Other Treatment	Transfer to other operator or oil field	
The Termo Company	Los Angeles	1	Long Beach	Gallagher	Produced water / Hydrocarbon formation	40,185	Other Treatment	Domestic sewer system	
The Termo Company	Los Angeles	1	Long Beach	McKenzie	Produced water / Hydrocarbon formation	2,728	Other Treatment	Subsurface injection - Class II	
The Termo Company	Los Angeles	1	Long Beach	Olive Community	Produced water / Hydrocarbon formation	71,828	Other Treatment	Domestic sewer system	
The Termo Company	Los Angeles	1	Long Beach	Signal Unit	Produced water / Hydrocarbon formation	29,090	Other Treatment	Domestic sewer system	
The Termo Company	Los Angeles	1	Long Beach	Weber	Produced water / Hydrocarbon formation	27,080	Other Treatment	Domestic sewer system	
The Termo Company	Los Angeles	2	Aliso Canyon	Del Aliso	Produced water / Hydrocarbon formation	47	Other Treatment	Transfer to other operator or oil field	
The Termo Company	Los Angeles	2	Aliso Canyon	Del Aliso 1	Produced water / Hydrocarbon formation	28,410	Other Treatment	Transfer to other operator or oil field	
The Termo Company	Los Angeles	2	Aliso Canyon	Orcutt	Produced water / Hydrocarbon formation	48,713	Other Treatment	Transfer to other operator or oil field	
The Termo Company	Los Angeles	2	Aliso Canyon	Roosa	Produced water / Hydrocarbon formation	27,369	Other Treatment	Transfer to other operator or oil field	
The Termo Company	Los Angeles	2	Oak Canyon	Gilmour Fee	Produced water / Hydrocarbon formation	2,380	No Treatment	Subsurface injection - Class II	
The Termo Company	Los Angeles	2	Oak Canyon	USL - F	Produced water / Hydrocarbon formation	30,588	No Treatment	Subsurface injection - Class II	
The Termo Company	Los Angeles	2	Oak Canyon	USL - G	Produced water / Hydrocarbon formation	122,763	No Treatment	Subsurface injection - Class II	
The Termo Company	Los Angeles	2	Oak Canyon	USL- H	Produced water / Hydrocarbon formation	-	No Treatment	Subsurface injection - Class II	
The Termo Company	Los Angeles	2	Oat Mountain	Del Aliso	Produced water / Hydrocarbon formation	51,693	Other Treatment	Transfer to other operator or oil field	
The Termo Company	Los Angeles	2	Oat Mountain	Gardett	Produced water / Hydrocarbon formation	5,971	Other Treatment	Transfer to other operator or oil field	
The Termo Company	Los Angeles	2	Oat Mountain	Oat Mountain	Produced water / Hydrocarbon formation	56,218	Other Treatment	Transfer to other operator or oil field	
The Termo Company	Ventura	2	Ojai	Sulphur Crest	Produced water / Hydrocarbon formation	106,895	Other Treatment	Subsurface injection - Class II	
The Termo Company	Ventura	2	South Mountain	Sence	Produced water / Hydrocarbon formation	29,559	Other Treatment	Subsurface injection - Class II	
The Termo Company	Ventura	2	South Mountain	FB 1 Unit	Produced water / Hydrocarbon formation	4,709	Other Treatment	Subsurface injection - Class II	
The Termo Company	Ventura	2	South Mountain	FB 4 Unit	Produced water / Hydrocarbon formation	1,639	Other Treatment	Subsurface injection - Class II	

Owner / Operator	Field Name	County	Sump Name / Description	Sump Location Lat / Lon	Sump Volume	Sump First Excavated	Years in Use	Total Amount of Fluid Discharge Annually (BBLS)		Was Sump filled with material	When was sump filled		Solidified Waste	Composition of Solids
The Termo Company N	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A