

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

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 -

A handwritten signature in blue ink, appearing to be 'R. Combs', with a long horizontal flourish extending to the right.

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