

M & J Operator
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Laguna Hills, CA 92653

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CALIFORNIA REGIONAL WATER
QUALITY CONTROL BOARD
LOS ANGELES REGION

January 14, 2016

Joshua Cwikla
Los Angeles Regional Water Quality Control Board
320 W. Fourth Street, Suite 200
Los Angeles, CA 90013

RE: M & J Operator Submittal of Statement
LARWQB Investigative Order No. R4-2015-0298
The Disposal of Well Drilling Fluids, Well Completion Fluids, and
Production Fluids to Land

This statement is being submitted to the Los Angeles Regional Water Quality Control Board (LARWQB) pursuant to Investigative Order No. R4-2015-0298 dated 12/18/2015. M & J Operator has not discharged well drilling fluids, well completion fluids, and/or oil production fluids ("Fluids") to land since M & J Operator has owned/operated their lease in DOGGR District One. M & J Operator has not created nor operated historic, active, temporary or long-term sumps (i.e., an open pit, pond, excavation, natural depression) since they have owned/operated their lease. Furthermore, M & J Operator does not use or discharge Fluids to any "sump" as referenced by the Los Angeles Regional Water Quality Control Board.

Additionally, the following information and methodology for obtaining this information, is being submitted as part of this statement:

Description of Disposal Methods and Destinations: Well drilling fluids, well completion fluids and production fluids from one redrill were sent to a permitted third party disposal facility, Southern California Waste Water (Santa Paula California), where fluids are separated from solids and treated for final disposal. Produced water generated as a part of lease oil production is transferred via pipeline to operators in the Wilmington Oil Field for their use in DOGGR permitted waterflood projects or transferred via pipeline to a POTW (Publically Owned Treatment Works). Produced oil is transferred via truck to Plains Marketing for sale.

Volumes of Fluids: The volumes of disposed materials and fluids is approximately 382 tons and 746 barrels for the one redrill performed on the lease. The average annual oil and water production for the lease since 1985 is approximately 9,619 barrels of oil and 104,135 barrels of water.

Lastly, I, Michael Hannah, 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.

Yours truly,

A handwritten signature in cursive script that reads "Michael Hannah".

Michael Hannah
Partner
M & J Operator