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KEVIN LANEY, PRESIDENT

DOUGLAS WILLIAMS, SECRETARY, TREASURER

March 7, 2016

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

**RE: Oil Operators, Inc., Submittal of Statement
LARWQB Investigative Order No. R4-2015-0406
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. R4-2015-0406 dated 12/18/2015.

Oil Operators, Inc. (OOI) is a not-for-profit California Corporation that treats and manages oil production brine water this is generated within the Long Beach Oil Field. OOI is not in the business of well drilling and/or well completion and therefore, we have no records of drilling fluids and/or well completion fluids discharged to land since OOI has owned/operated within the LARWQB's operational area.

The following information is being submitted per the Investigative Order.

- 1) OOI had operated historic sumps at its facility located at 712 Baker Street in Long Beach, California for the purposes of treatment of oil production brine water. Data available indicates that sumps were lined with a clay material. Reports on clay permeability tests are available. All sumps are no longer in operation.

Clean-up of the Baker St. site is currently ongoing under the oversight of the Long Beach Environmental Health Department and the LARWQCB (SL2044M1596). The clean-up actions have involved bioremediation and/or haul off of impacted soils. Additionally an area impacted with petroleum hydrocarbons has been identified as present along the eastern portion of the property. This eastern portion area is currently undergoing remediation via Soil Vapor Extraction under a LARWQCB Clean-up and Abatement Order issued to Tesoro, et. al.

OOI has been working with the LARWQCB (Rebecca Orr and Jeffrey Hu) on the additional assessment of the property and is anticipating the submittal of a comprehensive Remedial Action Plan for the property within the next 90 days which will establish the proposed cleanup levels.

- 2) The procedures used to close or abandon sumps are described in the action plan provided to and approved by the Long Beach Environmental Health Department (see GeoTracker).
- 3) The estimated total annual volume of water managed at the facility, while it was in Operation, was approximately 10,000,000 barrels of water per year (although actual volumes could vary widely based upon changing oil price economics. The breakdown of actual volume into each of the sumps is not available, however, the full volume would have passed thru Basin 1 (inlet) and Basin 2 (outlet). The facility is no longer active, therefore there is no going forward volume to report.
- 4) The chemical composition of inlet water can be found on the GeoTracker website.
- 5) The chemical composition of any remaining sump material can be found in reports available on the GeoTracker website.
- 6) There are no domestic, municipal and/or commercial water wells within in ½ mile radius of the property. The GeoTracker GAMA site was utilized to investigate the location of water wells.
- 7) The discussion of water quality data within a ½ mile radius of the property is not applicable as no wells are located within ½ mile.
- 8) The discussion of results of sampling any wells within a half-mile radius is not applicable as no wells are located within ½ mile of the property.
- 9) Locations, well construction, and survey data for the monitoring wells in the vicinity of the sumps, and water quality data associated with these wells can be found on the GeoTracker website.

The identification of the GeoTracker website as the location of documents and information has been provided within this document in place of forwarding items directly to you. Per your conversation with Mr. George Paspalof on 2/29/16 you indicated that identifying the GeoTracker Site and LARWQCB SL# would be an acceptable method of providing you the data required under this Order. We understand that you may have further questions that may require clarification in writing at a later date.

Additionally, as part of your phone conversation with Mr. George Paspalof you indicated that you would like OOI to forward a breakdown of the current water volumes that are being managed by OOI and the disposition of that water. OOI currently processes approximately 13,115,500 barrels of water per year. Of that volume approximately 8,030,000 barrels of water per year are injected into Wilmington Oil Field reservoir under

permit of the California Department of Conservation, Division of Oil Gas and Geothermal Resources. The remaining approximately 5,085,500 barrels of water per year are discharge under permit to a Publicly Owned Treatment Works (POTW). A list of the POTW permit numbers follows: F75820, F75867, F75932, F75933, F75934, F75953, F75982, F75990, F756019, F77249, F84044, F84045, and F84092.

Lastly, I, Kevin Laney 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 blue ink that reads "Kevin Laney". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Kevin Laney
President
Oil Operators, Inc.