



DEPARTMENT OF CONSERVATION

DIVISION OF OIL, GAS AND GEOTHERMAL RESOURCES

5816 CORPORATE AVE., SUITE 200 • CYPRESS, CALIFORNIA 90630-4731

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March 4, 2008

Mrs. Leona R. Pannell, Agent
P & M Oil Co.
2109 Gundry Ave.
Signal Hill, CA 90755

Subject: "A.S. Johnston," "Kirkpatrick," and "Taylor" Leases
Long Beach Field
Lease & Tank Facility Inspection

Dear Mrs. Pannell:

A recent environmental inspection has been conducted on the subject leases. Deficiencies found during this inspection are on the attached list. These deficiencies must be corrected within 30 days from the date of this notice. Furthermore, a reasonable effort should be made to prevent recurrences of these deficiencies.

When the corrections are completed, please contact Stacy Sor at (714) 816-6847, for a follow-up inspection of the leases.

Sincerely,



Paul Frost
Associate Oil and Gas Engineer
Division of Oil, Gas, and Geothermal Resources

SS:PF:ss

Attachments

CALIFORNIA DIVISION OF OIL, GAS, AND GEOTHERMAL RESOURCES
2008 Annual Lease & Tank Facilities Inspection

Authority cited: State of California
Public Resources Code, Section 3106

Operator: P & M Oil Co.
Field: Long Beach
Inspected By: Stacy Sor

Well / Lease Name	Date	Deficiencies to be Corrected	CCR/PRC
"A. S. Johnston" A-2 (037-10598)	02/14/08	Barbed wire missing and/or sagging on top of lease fence. At least three strands of barbed wire shall be installed and maintained on top of lease fence.	1774(d) 1778
		Cellar full of fluids. Must be pumped out and kept drained. Cellars should be protected from as much runoff water as practical.	1774(a)
"A. S. Johnston" Tank Farm	02/14/08	Sump full of oily fluids. Must be cleaned and free from produced fluids. Contingency catch basins may be permitted, but they shall be evacuated and cleaned after any spill.	1770(a)
		Unremediated spill within tank farm dike. Production facilities, including but not limited to, tanks, pipelines, flow-lines, wellheads, and separators shall be properly maintained to prevent leakage and protect life, health, property, and natural resources. Oilfield wastes, including but not limited to oil, water, chemicals, mud, and cement, shall be disposed of in such a manner as not to cause damage to life, health, property, freshwater aquifers or surface waters, or natural resources, or be a menace to public safety. Disposal sites for oilfield wastes shall also conform to State Water Resources Control Board and appropriate California Regional Water Quality Control Board regulations.	1724.2 1774(b),(c) 1775(a)
		All operations shall be conducted in accordance with good oilfield practice.	1722(a)
"Kirkpatrick" Lease	02/14/08	Barbed wire missing and/or sagging on top of lease fence (South side of perimeter fence). At least three strands of barbed wire shall be installed and maintained with sufficient tension to preclude sagging on top of lease fence.	1774(d) 1778
"Kirkpatrick" 27 (037-09670)	02/14/08	Cellar full of fluids. Must be pumped out and kept drained. Cellars should be protected from as much runoff water as practical.	1774(a)

<p>"Kirkpatrick" Tank Farm</p>	<p>02/14/08</p>	<p>Unremediated spill within tank farm dike. Production facilities, including but not limited to, tanks, pipelines, flow-lines, wellheads, and separators shall be properly maintained to prevent leakage and protect life, health, property, and natural resources. Oilfield wastes, including but not limited to oil, water, chemicals, mud, and cement, shall be disposed of in such a manner as not to cause damage to life, health, property, freshwater aquifers or surface waters, or natural resources, or be a menace to public safety. Disposal sites for oilfield wastes shall also conform to State Water Resources Control Board and appropriate California Regional Water Quality Control Board regulations.</p> <p>Possible leak in storage tank shell indicated. Production facilities including tanks shall be maintained properly to prevent leakage and kept in good condition at all times to safeguard life, health, property, and natural resources.</p> <p>Bottoms of tanks and gravel beds need to be exposed. Tank settings in areas where damage to life, health, property, or natural resources might occur as a result of leakage, shall have a method for control of the spilled fluid and detection of tank-bottom leaks. This may be accomplished by employing a combination of the following containment and detection methods: For leak detection: 1) A tank installation that allows the exterior surface, including the bottom of the tank and connection piping to be monitored by direct viewing. 2) A tank foundation of concrete or gravel. 3) A tank bottom leak detection system.</p> <p>No secondary containment for chemical drums. All chemical drums shall be stored in secondary containment capable of holding the contents of the full container.</p>	<p>1724.2 1774(b),(c) 1775(a)</p> <p>1724.2 1774(b),(c)</p> <p>1773(b)</p> <p>1774 1779</p>
<p>"Taylor" Tank Farm</p>	<p>02/14/08</p>	<p>Sump full of oily fluids. Must be cleaned and free from produced fluids. Contingency catch basins may be permitted, but they shall be evacuated and cleaned after any spill.</p> <p>Possible leak in storage tank shell indicated (Crude tank #0101). Production facilities including tanks shall be maintained properly to prevent leakage and kept in good condition at all times to safeguard life, health, property, and natural resources.</p> <p>All operations shall be conducted in accordance with good oilfield practice.</p>	<p>1770(a)</p> <p>1724.2 1774(b),(c)</p> <p>1722(a)</p>

DEPARTMENT OF CONSERVATION
STATE OF CALIFORNIA



DIVISION OF OIL,
GAS, & GEOTHERMAL
RESOURCES

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GRAY DAVIS
GOVERNOR

April 11, 2002

Ms. Leona R. Pannell, Agent
P & M OIL CO.
2109 Gundry Avenue
SIGNAL HILL, CA 90806

Subject: "A. S. Johnston", "Kirkpatrick", and "Taylor" Leases
Long Beach Field
Lease & Tank Facility Inspection

Dear Ms. Pannell:

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When the corrections are completed, please contact Stacy Sor at (714) 816-6847, for a follow-up inspection of the leases.

Sincerely,

David E. Curtis
Environmental Engineer
Division of Oil, Gas, and Geothermal Resources

SS: DEC:ss

Attachments

CALIFORNIA DIVISION OF OIL, GAS, AND GEOTHERMAL RESOURCES
2001 Annual Lease & Tank Facilities Inspection

Authority cited: State of California
Public Resources Code, Section 3106

Operator: P & M OIL CO.
Field: Long Beach
Inspected By: Stacy Sor

Well / Lease Name	Date	Deficiencies to be Corrected	CCR/PRC
"A. S. Johnston" A-2 (037-10598)	03/20/02	<p>Well identification sign not posted. Each well location shall have posted in a conspicuous place a clearly visible, legible, permanently affixed sign with the name of the operator, name of the lease, and number of the well.</p> <p>Belt guard missing. A covering shall be installed around the belt unit.</p>	1722.1.1(a) 1774(c) 1724.2
"A. S. Johnston" Tank Facility	03/20/02	<p>Oil is spilled within tank berm. Production facilities, including but not limited to, tanks, pipelines, flow-lines, wellheads, and separators shall be properly maintained to prevent leakage and protect life, health, property, and natural resources. Oilfield wastes, including but not limited to oil, water, chemicals, mud, and cement, shall be disposed of in such a manner as not to cause damage to life, health, property, freshwater aquifers or surface waters, or natural resources, or be a menace to public safety. Disposal sites for oilfield wastes shall also conform to State Water Resources Control Board and appropriate California Regional Water Quality Control Board regulations.</p>	1724.2 1774(b),(c) 1775(a)
"Kirkpatrick" 26 (037-09669)	03/20/02	<p>Well site not properly fenced. (East side of lease) All equipment and facilities shall be enclosed individually or with perimeter fencing in accordance with section 1778(b) where necessary to protect life and property.</p>	1774(d) 1778(b)
"Kirkpatrick" Tank Facility	03/20/02	<p>Sump not properly covered. Any sump, which contains oil or a mixture of oil and water, shall be covered with screening to restrain entry of wildlife.</p>	1778(d)
"Taylor" 1 (037-00870)	03/20/02	<p>Cellar full of fluids. Must be pumped out and kept drained.</p>	1774

Well / Lease Name	Date	Deficiencies to be Corrected	CCR/PRC
"Taylor" 1 (037-00870)	03/20/02	<p>Weeds in and around well site. Must be removed or trimmed down in such a manner as not to create a fire hazard.</p>	1775 1779
"Taylor" 1 Tank Facility	03/20/02	<p>Oil is spilled within tank berm. Production facilities, including but not limited to, tanks, pipelines, flow-lines, wellheads, and separators shall be properly maintained to prevent leakage and protect life, health, property, and natural resources. Oilfield wastes, including but not limited to oil, water, chemicals, mud, and cement, shall be disposed of in such a manner as not to cause damage to life, health, property, freshwater aquifers or surface waters, or natural resources, or be a menace to public safety. Disposal sites for oilfield wastes shall also conform to State Water Resources Control Board and appropriate California Regional Water Quality Control Board regulations.</p> <p>Unlined and uncovered sump. Sumps shall be designed, constructed and maintained so as to not be a hazard to people, livestock, or wildlife including birdlife. Construction of sumps shall also conform to California Regional Water Quality Control Board regulations. Any sump, which contains oil or a mixture of oil and water, shall be covered with screening to restrain entry of wildlife.</p>	<p>1724.2 1774(b),(c) 1775(a)</p> <p>1770(b) 1778(d)</p>

CALIFORNIA DIVISION OF OIL AND GAS

Annual Lease Inspection

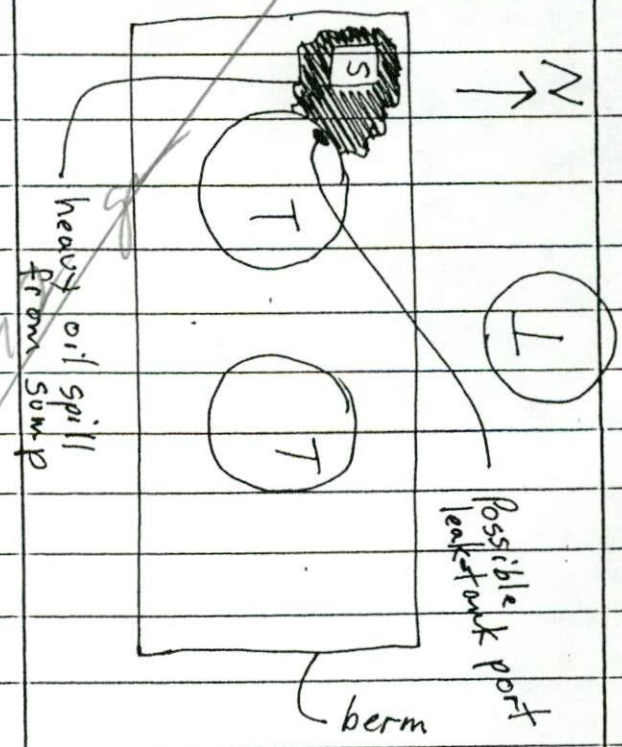
Authority cited from State of California
Public Resources Code, Section 3106.

OPERATOR: El Cam Oil

FIELD: Long Beach

INSPECTED BY: J. Hebein

LEASE AND/OR WELL NAME	DATE	SEC	T.	R.	DEFICIENCIES TO BE CORRECTED	CAC OR PRC
Tank battery - Kirpatrick lease	3-4-92	19	45	12W	Oil overflow from sump. Oil spill around sump within berm. Possible leak from tank port. Clean-up all oil spills. Inspect all Tanks, sumps, and pipes for obvious leakage. Repair any leaks. See diagram below:	C. C. R. 1775a, 1774b



DK
3-11-92