

PERMIT TO OPERATE

Number 00676

Valid July 1, 2015 to June 30, 2016

This Permit Has Been Issued To The Following:

Company Name / Address:

Vaca Energy, LLC
100 North Crescent Drive, Suite
300
Beverly Hills, CA 90210

Facility Name / Address:

West Montalvo Lease
4100 W. Gonzales Road
Oxnard, CA 93030

Permission Is Hereby Granted To Operate The Following:

- 4 - Oil Wells (J. D. McGrath No. 1; Bailard Kraemer No. 1; Montalvo Unit 1; West Montalvo)
- 3 - 1000 Barrel Crude Oil Storage Tanks (117196, 117197, 117198)
- 1 - 1500 Barrel Wash Tank (10094)
- 1 - 750 Barrel Wash Tank (10091), Heated, "Heavy Oil"
- 1 - 1000 Barrel Produced Water Tank
- 1 - Oil Loading Facility
- 2 - 28.27 Sqft-Surface Pits, exempt from cover, emergency service only

This Permit Has Been Issued Subject To The Following Conditions:

- | | | | |
|----|---------------------|-----------|-------------|
| 1. | Permitted Emissions | Tons/Year | Pounds/Hour |
| | Reactive Organics | 2.07 | 2.72 |
- 2. Annual crude oil throughput shall not exceed 51,100 barrels per year at the crude oil storage tanks. In order to comply with this condition, the permittee shall maintain monthly records of crude oil throughputs. The monthly records shall be summed for the previous 12 months. Crude oil throughput totals for any of these 12 month periods in excess of the specified limit shall be considered a violation of this condition. Prior to exceeding these limits, the permittee shall apply for, and receive, a permit modification.
 - 3. Crude oil throughput shall not exceed 51,100 barrels per year at the crude oil loading facility. In order to comply with this condition, the permittee shall maintain monthly records of crude oil throughputs. The monthly records shall be summed for the previous 12 months. Crude oil throughput totals for any of these 12 month periods in excess of the specified limit shall be considered a violation of this condition. Prior to exceeding these limits, the permittee shall apply for, and receive, a permit modification.