



CERTIFIED MAIL
RETURN RECEIPT REQUESTED

January 25, 2008

Vintage Production California LLC
110 West 7th St Ste 1633
Tulsa, OK 74119

Occidental Petroleum Corporation
PO Box 300
Tulsa, OK 74102

Vintage Petroleum LLC
110 West 7th St
Tulsa, OK 74119

Occidental Petroleum Corporation
10889 Wilshire Boulevard
Los Angeles, California 90024-4201

C T Corporation System, Registered Agent
818 W Seventh St
Los Angeles, CA 90017

Occidental Oil and Gas Holding Corporation
110 West 7th St Ste 1633
Tulsa, OK 74119

RE: Notice of Intent to File Suit Against Vintage Production, Vintage Petroleum, and Occidental Petroleum for Violations of the Clean Water Act

To Whom It May Concern:

Pursuant to Section 505(b) of the federal Clean Water Act ("CWA"), 33 U.S.C. § 1365(b), Los Padres ForestWatch, Inc. ("ForestWatch") hereby gives notice of its intent to commence a legal action in United States District Court against Vintage Production California LLC and Vintage Petroleum LLC, wholly owned subsidiaries of Occidental Petroleum Corporation (collectively referred to as "Vintage"), for violations of the Clean Water Act, 33 U.S.C. §§ 1251 *et seq.* These violations are related to unlawful discharges of crude oil, waste water, and other pollutants into Sespe Creek and its tributaries within the boundary of the Los Padres National Forest in Ventura County. These incidents occurred in the Sespe Oil Field on or around January 30, 2007; April 1, 2006; January 19, 2005; and January 23, 2004.

ForestWatch is a local, community-based nonprofit organization dedicated to the protection and enhancement of the streams and rivers in the Los Padres National Forest, including Sespe Creek and its tributaries. ForestWatch is supported by more than seven hundred members, many of whom live, work, and recreate in the Sespe Creek watershed.

Protecting Our Public Lands Along California's Central Coast

Post Office Box 831 Santa Barbara CA 93102 (805) 617-4610 www.LPFW.org

The Sespe Oil Field

The Los Padres National Forest is the only forest in California with commercial quantities of oil and gas. Located north of the town of Fillmore in Ventura County, the Sespe Oil Field is a matrix of federal and private land surrounded on three sides by the Los Padres National Forest, and also shares a boundary with the Sespe Wilderness Area, the Sespe Condor Sanctuary, the Sespe Wild & Scenic River, and the Hopper Mountain National Wildlife Refuge. The Sespe Oil Field contains more than two hundred producing wells, about half of which are on federal land and half on private land, according to federal government records. In addition to oil wells, the Sespe Oil Field also contains several hundred miles of pipelines, various storage tanks and other infrastructure, power lines, and roads used to access these facilities.

Vintage is one of two primary companies operating in the Sespe Oil Field, and currently oversees approximately 163 completed wells there – more than any other entity in this field, according to state records. The Occidental Petroleum Corporation completed its acquisition of Vintage Production and Vintage Petroleum in January 2006, assuming complete control and operation of the Vintage operations in the Sespe Oil Field.

The January 30, 2007 Oil Spill

On January 30, 2007, Vintage reported a discharge of crude oil and waste water from a 2 7/8” waste water line due to possible internal corrosion. The waste water line flows from the Tar Creek Tank Battery (on private land) to the Hansen-White Star Produced Water Plant (on federal property). When the leak developed in the waste water line, water and then oil floating on the water drained from the water tank, resulting in the spill, according to official spill records. This spill was reported to the California Office of Emergency Services as 5 barrels of petroleum (210 gallons) and 80 barrels (3,360 gallons) of waste water. The actual spill amount was reportedly several times larger than initial reports.

The spilled oil and waste water entered Tar Creek and significantly oiled at least 3.21 miles of this waterway, according to official reports. The spill came within less than two miles of the confluence of Tar Creek and Sespe Creek, a federally protected Wild and Scenic River. An unspecified amount of crude oil and/or wastewater may have also entered Sespe Creek before the spill was contained. The weather on the day of the spill was rainy.

The cleanup of the spill spanned several weeks, and at one point more than eighty workers were involved in cleanup efforts. However, in the days immediately following the spill, the oil companies did not have a sufficient number of workers on site to adequately clean up the spill. In addition, a containment basin designed to trap oil spills was “non-functional,” according to government reports, allowing the oil slick to coat an additional 1.83 miles of streambed that otherwise would have been protected had the containment basin been functioning properly.

On February 6, 2007, one week after the initial spill, a second spill was reported in the same pipeline, above and in close proximity to the initial leak. This second spill discharged

approximately 20 gallons of crude oil and 80 gallons of waste water in a tributary of Tar Creek, according to the Hazardous Materials Spill Report filed with the California Office of Emergency Services.

During the cleanup of the spill, Vintage and/or its contractors discharged dredge and fill material into Tar Creek. This material included dirt used to create several earthen berms. In addition, four access roads had to be graded across the streambed to allow access for vacuum trucks. To the best of our knowledge, this fill material remains in place today.

Previous Oil Spills

Vintage has been responsible for at least nine major oil spills in the Sespe Oil Field since 2004. Several of these spills have entered waterways, including Tar Creek, Four Forks Creek, and Maple Creek, all in the ecologically sensitive Sespe Creek watershed.

On April 1, 2006, Vintage Production reported discharging 200 barrels of salt water and an unreported amount of crude oil into Four Forks Creek, another tributary of Sespe Creek, according to the official Incident Report filed with the National Response Center. The spill was reportedly caused by equipment failure at an injection pump. An unknown amount of crude oil and/or salt water may have entered Sespe Creek. It rained on the day the spill was reported, as well as the previous day.

On January 19, 2005, Vintage Petroleum reported discharging 15 barrels of crude oil and produced water into Maple Creek, another tributary of Sespe Creek, according to the official Hazardous Materials Spill Report filed with the California Office of Emergency Services. The spill was reportedly caused by a broken gathering pipeline. An unknown amount of crude oil and/or salt water may have entered Sespe Creek.

On January 23, 2004, Vintage Petroleum reported discharging 35 barrels of crude oil into Four Forks Creek, according to the official Hazardous Materials Spill Report filed with the California Office of Emergency Services. The spill was reportedly caused by a clogged valve. An unknown amount of crude oil and/or wastewater may have entered Sespe Creek.

The Alleged Violations

The CWA prohibits the discharge of any pollutant from a point source into the waters of the United States, except pursuant to and in compliance with a permit. See 33 U.S.C. § 1311(a); 33 U.S.C. § 1342(a). The CWA defines “pollutant” broadly to include “dredged spoil, solid waste, incinerator residue, sewage, garbage, sewage sludge, munitions, chemical wastes, biological materials, radioactive materials, heat, wrecked or discarded equipment, rock, sand, cellar dirt and industrial, municipal, and agricultural waste discharged into water.” 33 U.S.C. § 1362(6). The CWA defines a “point source” as “any discernible, confined and discrete conveyance, including but not limited to any pipe, ditch, channel, tunnel, conduit, well, discrete fissure, container, rolling stock, concentrated animal feeding operation, or vessel or other floating craft, from which

pollutants are or may be discharged.” 33 U.S.C. § 1362(14); *see also Concerned Area Residents for the Environment v. Southview Farm*, 34 F.3d 114, 118-19 (2d Cir. 1994) (holding that Act’s point source definition should be “broadly interpreted”). Sespe Creek is a navigable water of the United States, and its tributaries are relatively permanent in that they flow year-round or have continuous flow at least seasonally, and have a significant nexus with Sespe Creek. *See* 33 U.S.C. § 1362(7); *see also Rapanos v. United States*, 126 S.Ct. 2208 (2006) (defining “navigable waters” as used in the CWA).

Vintage’s unpermitted discharges from its pipelines, gathering lines, tanks, and associated infrastructure in the Sespe Oil Field constitute significant violations of the CWA that have inflicted great harm upon the environment and visitors to the Los Padres National Forest. The pollutants illegally discharged to date by Vintage – various kinds of petroleum, petroleum compounds and constituents, and waste water, among others – pose a significant threat to the wildlife in and near the affected creeks, as well as to the health of residents and ForestWatch members who rely on these waterways as a municipal water source and for recreational activities; and have helped to create an offensive nuisance that interferes with the enjoyment of the national forest environment. These affected creeks are in plain view of Squaw Flat Road, a major access route to Sespe Creek, Dough Flat, and the Sespe Wilderness. Tar Creek is also a popular access route to Sespe Creek, and contains spectacular waterfalls near the confluence with Sespe Creek.

Crude oil often contain asphaltenes, aromatics, polycyclic aromatic hydrocarbons (PAHs), and resins. The aromatics and PAHs are among the most toxic components in crude oils and some are known carcinogens such as benzene. These compounds pose significant environmental risk because they are persistent in the environment and have high toxicity. Produced water (also referred to as waste water, injection water, and production water) may be comprised of biocides, anti-corrosives, clarifiers, heavy metals (including barium, cadmium, chromium, lead, copper, and nickel), petroleum hydrocarbons, and brine (salt water), all of which can be harmful to wildlife, aquatic species, and downstream water users. Waste water is often not contained or recovered during oil spill response strategies.

The violations as set forth in this Notice of Intent to File Suit affect the health and enjoyment of members of ForestWatch who reside and recreate in the Sespe Creek watershed. The members of ForestWatch use this watershed for domestic water supply, agricultural water supply, recreation, sports, fishing, swimming, hiking, photography, nature walks, and scientific study. Their health, use, and enjoyment of this natural resource are specifically impaired by these violations of the CWA.

The natural resources of the Los Padres National Forest also continue to suffer because of the ongoing illegal discharges. The pollution of Sespe Creek and connected surface waters contributes to the degradation of water quality. Sespe Creek serves as officially-protected “critical habitat” for the endangered southern steelhead, and is designated a Wild & Scenic River under the federal Wild & Scenic Rivers Act. Sespe Creek is also classified as an “Area of High Ecological Significance” by the U.S. Forest Service due to the presence of a high number of rare animals and relatively undisturbed aquatic and riparian habitat. Vintage’s and Occidental’s pollution poses a serious threat to all of the wildlife in this watershed, including any birds, fish, amphibians, reptiles,

or benthic organisms that live in, or near, the affected waterways, or that frequent it for food or water.

The past frequency of spills caused by Vintage suggests that these illegal discharges are likely to occur again in the future. In addition to the spills outlined above, spills attributed to Vintage have also occurred in the Sespe Oil Field on August 20, 2006; January 23, 2006; November 12, 2005; August 23, 2004; and June 30, 2004. Vintage does not have sufficient safeguards in place to ensure the prevention of future spills, including infrequent or irregular inspections and maintenance of containment structures and other facilities, an inadequate oil spill contingency plan, inadequate policies to ensure repair and/or replacement or removal of lines in and near creeks and other environmentally sensitive areas, and inadequate and/or absent pipeline management plans for lines located in environmentally sensitive areas.

As noted in 33 U.S.C. § 1319(d) and 40 C.F.R. § 19.4, violations are subject to a civil penalty not to exceed \$32,500 for each such violation. At the close of the 60-day notice period, ForestWatch intends to file a citizen suit under section 505(a) of the CWA, 33 U.S.C. § 1365(a), against Vintage Production, Vintage Petroleum, and Occidental Petroleum. ForestWatch intends to seek penalties, injunctive relief, legal fees, and costs for these violations of the CWA.

During the 60-day CWA notice period, ForestWatch remains willing to discuss effective remedies for the violations noted in this letter. If you wish to pursue discussions in the absence of litigation, please initiate such discussions within ten days of receiving this Notice. At the close of the 60-day period, unless significant progress is made in remedying these violations, ForestWatch will file a citizen suit against Vintage under CWA Section 505(a), 33 U.S.C. § 1365(a). If you wish to discuss these matters further, please do not hesitate to contact the undersigned.

Sincerely,

Jeff Kuyper
Executive Director

cc:

Stephen L. Johnson, Administrator
U.S. Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Governor Arnold Schwarzenegger
State Capitol Building
Sacramento, CA 95814