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POWER RUN OIL, LLC
7

8 **BEFORE THE CALIFORNIA STATE WATER RESOURCES CONTROL BOARD**

9
10 **IN THE MATTER OF THE PETITION OF**
11 **POWER RUN OIL, LLC**
12 **FOR REVIEW OF LOS ANGELES**
13 **REGIONAL WATER QUALITY**
14 **CONTROL BOARD INVESTIGATIVE**
15 **ORDER NO. R4-2014-0166.**

SWRCB/OCC FILE:

**PETITION FOR REVIEW OF POWER
RUN OIL, LLC AND REQUEST FOR
STAY OF INVESTIGATIVE ORDER
NO. R4-2014-0166 [WATER CODE §
13320] AND PRELIMINARY
MEMORANDUM OF POINTS AND
AUTHORITIES;**

**REQUEST FOR EVIDENTIARY
HEARING; AND**

**REQUEST TO HOLD PETITION IN
ABEYANCE**

**[MEMORANDUM OF POINTS AND
AUTHORITIES AND DECLARATIONS
IN SUPPORT THEREOF TO BE FILED
UNDER SEPARATE COVER]**

[Water Code § 13320; 23 C.C.R. §§ 648, et
seq., and 2050, et seq.]

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Petitioner, Power Run Oil, LLC ("Power Run" or "Petitioner"), submits this Petition for Review and Request for Stay of Investigative Order No. R4-2014-0166 and Preliminary Memorandum of Points and Authorities (the "Petition") to the State Water Resources Control Board (the "State Board") in accordance with Water Code Section 13320 and Title 23, California Code of Regulations, Sections 2050 and 2053. Power Run seeks review of, and a stay of,

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1 Investigative Order No. R4-2014-0166 issued by the Los Angeles Regional Water Quality
2 Control Board (the "Regional Board").

3 Power Run further requests a formal adjudicative and evidentiary hearing on its Petition
4 pursuant to 23 C.C.R. § 2052(c), 23 C.C.R. §§ 648, et seq., Government Code §§11500, et seq.,
5 and 1 C.C.R. §§ 1000, et seq., so that the State Board can hear oral argument and hear and receive
6 evidence on this Petition.

7 Pursuant to 23 C.C.R. § 2050.5(d), Power Run requests that this Petition be held in
8 abeyance, pending attempts at resolution with the Regional Board. Power Run believes that the
9 Regional Board will stipulate to Power Run's request.

10 **PETITION FOR REVIEW**

11 Pursuant to California Code of Regulations Section 2050(a), Power Run provides the
12 following information

13 **(1) Name and Address of Petitioner**

14 Power Run Oil, LLC
15 Attn: Mr. Rodger Hunt
16 726-A N. Guadalupe Avenue
Redondo Beach, CA 90277

17 With copies to:

18 John J. Harris
19 Ernest J. Guadiana
Dentons US LLP
20 601 S. Figueroa Street, Suite 2500
Los Angeles, CA 90017
21 Telephone: (213) 623-9300
22 Facsimile: (213) 623-9924
23 Email: john.harris@dentons.com
ernest.guadiana@dentons.com

24 **(2) Specific Action State Board Is Requested to Review**

25 The State Board is requested to review "Investigative Order No. R4-2014-0166 to Provide
26 a Technical or Monitoring Report on Oil Spills, Storm Water Discharge Quality, and the Disposal
27 of Well Drilling Fluids, Well Completion Fluids, and Production Fluids at the Brownstein, Deist,
28

1 Howard, Hunter, and Moser Leases in Unincorporated Los Angeles County and Gardena, CA”
2 (the “Order”, attached hereto as Exhibit A), which imposes unreasonable requirements on Power
3 Run and its operations of the “Brownstein”, “Deist”, “Howard”, “Hunter”, and “Moser” Leases in
4 Unincorporated Los Angeles County and Gardena, CA.

5 **(3) Date on Which the Regional Board Acted**

6 The Executive Officer of the Regional Board signed and issued the Order on September 5,
7 2014.

8 **(4) Statement of Reasons the Action or Failure to Act Is Inappropriate or**
9 **Improper**

- 10 1. Power Run is a small, family owned operator of oil and gas wells in Los Angeles
11 County.
- 12 2. Power Run is the operator of oil wells on five oil and gas leases, commonly
13 designated as the “Brownstein”, “Deist”, “Howard”, “Hunter” and “Moser” Leases (“the Leases”)
14 in Los Angeles County.
- 15 3. Each of the wells on the Power Run Leases was drilled in the 1940’s and 1950’s,
16 long before Power Run became the operator in the late 1990’s. Power Run has not conducted any
17 drilling operations on the Leases since becoming operator.
- 18 4. On or about September 5, 2014, Samuel Unger, the Executive Officer of the Los
19 Angeles Regional Water Quality Control Board issued Investigative Order No. R4-2014-0166,
20 dated September 5, 2014, which was directed Power Run to provide technical and monitoring
21 reports on oil spills, storm water discharge quality and the disposal of well drilling fluids, well
22 completion fluids and production fluids at the Leases by October 3, 2014.
- 23 5. Prior the issuance of the Order, the Regional Board made no effort to
24 communicate with Power Run regarding its operation of the Power Run Leases or any suspected
25 discharge of waste. Power Run is informed and believes that the Regional Board did not conduct
26 any inquiries or investigation of Power Run’s operations prior to issuing the Order. Accordingly,
27
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1 there was no factual basis for the Order or any findings therein.

2
3 6. Water Code § 13267(b)(1), the statutory basis for the Order, provides that the
4 “regional board may require that *any person who has discharged, discharges, or is suspected of*
5 *having discharged or discharging, or who proposes to discharge waste within its region,* or any
6 citizen or domiciliary, or political agency or entity of this state who has discharged, discharges, or
7 is suspected of having discharged or discharging, or who proposes to discharge, waste outside of
8 its region that could affect the quality of waters within its region shall furnish, under penalty of
9 perjury, technical or monitoring program reports which the regional board requires.” (Emphasis
10 added.) In issuing the Order, the Regional Board had no valid factual basis for determining that
11 Power Run either discharged or was suspected of discharging a waste from the Leases that could
12 affect the quality of waters within the region.

13 7. Water Code § 13267(b)(1) further provides: “The burden, including costs, of these
14 reports *shall bear a reasonable relationship to the need for the report and the benefits to be*
15 *obtained from the reports*” (Emphasis added.) In this case, considering the lack of evidence of
16 a discharge of waste and the potential expense of providing the requested technical and
17 monitoring report, it is clear that the burden of providing the reports demanded by the Order bear
18 no reasonable relationship to the need for the requested report and the benefits to be obtained
19 from the report.

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21 8. Water Code § 13267(b)(1) further provides: “In requiring those reports, the
22 regional board shall provide the person with a written explanation with regard to the need for the
23 reports, and shall identify the evidence that supports requiring that person to provide the reports.”
24 In this case, the Regional Board has never provided Power Run with any evidence whatsoever
25 explaining the need for the reports, nor has the Regional Board ever identified the evidence that
26 supports requiring Power Run to provide the report.

27 9. Accordingly, the Order fails to meet the statutory requirements of Water Code §
28

1 13267.

2
3 10. This Petition is filed pursuant to Section 13320 of the Water Code which
4 authorizes any aggrieved person to petition the State Board to review an action by a Regional
5 Board. Power Run is aggrieved by the Regional Board's action because it will be subjected to an
6 improper and overbroad investigative order requiring costly technical and monitoring reports and
7 will be at significant risk of noncompliance and exposed to substantial liability for fines and
8 penalties.

9 11. On October 2, 2014, by letter to Hugh Marley of the Regional Board's
10 Enforcement Section, Power Run requested that the Regional Board extend the current October 3,
11 2014 date for responding to the Order for at least 90 days, or to such other date as to which the
12 parties may agree. As of the date this Petition is being filed, Power Run has not received a
13 response to its request.

14 12. The Regional Board arbitrarily imposed in the Order requirements that are
15 fundamentally inconsistent with Section 402(1)(2) of the Clean Water Act (42 U.S.C. §
16 1342(1)(2)), which specifically exempts oil and gas operations, such as Power Run's Leases, from
17 any requirement to obtain a National Pollutant Discharge Elimination System ("NPDES") permit.
18 Further, the Order imposes these requirements without any factual finding to determine whether
19 any of the operations deemed to be investigated are actually occurring on the Leases.
20

21 13. Specifically, the Order lists the following "findings and issues" that have
22 absolutely no relevance to Power Run's operation of the Leases:

23 "2. There are fluids associated with oil and gas well drilling and completion.
24 These fluids are often discharged to land, typically in an unlined sump. Also, oil
25 spills may occur during extraction of oil and can commingle with storm water and
26 be discharged from the facility. Additionally, there is produced water associated
27 with production of oil and gas that may be injected back into the ground."

28 14. Power Run does not drill or complete oil or gas wells on any of the Leases, and
therefore does not have any sumps. No spills have occurred on the Leases within at least the past

1 five years. Power Run does not inject water produced from the Leases back into the ground.
2 Accordingly, the finding listed in Paragraph 2 of the Order is not relevant to Power Run's
3 operations of the Leases.

4
5 15. Finding No. 3 of the Order asserts:

6 "3. Drilling fluids are those fluids used during drilling activities to carry cuttings
7 to the surface and cool the drill bit. Drilling fluids include a mixture of fresh
8 and/or saline water, formation fluids (i.e., connate water Mixed with
9 hydrocarbons), added minerals and solids, and smaller volumes of chemical
10 additives to improve the performance of the drilling fluid. Added minerals
11 typically include bentonite clay to increase the viscosity and stabilize the borehole
12 and barite to help control the flow of pressurized formation fluids into the
13 borehole. Added solids are typically inert materials to control and seal lost
14 circulation zones."

15 16. Power Run does not drill oil and gas wells on the Leases and therefore does not
16 utilize drilling fluids on the Leases. Accordingly, the finding listed in Paragraph 3 of the Order is
17 not relevant to Power Run's operations of the Leases.

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19 17. Finding No. 4 of the Order asserts:

20 "4. Completion fluids include saline water (typically potassium chloride water),
21 residual drilling fluid, formation fluids, and stimulation and flowback fluids from
22 wells that are treated."

23 18. Power Run does not drill or complete oil and gas wells on the Leases and therefore
24 does not utilize drilling fluids on the Leases. Accordingly, the finding listed in Paragraph 4 of the
25 Order is not relevant to Power Run's operations of the Leases.

26
27 19. Finding No. 5 of the Order asserts:

28 "5. Stimulation fluids include acid stimulation treatment fluid and hydraulic
fracturing treatment fluid. Acid treatment of wells can be at pressures sufficient to
fracture the formation and may be combined with hydraulic fracturing treatments
(acid fracturing). Other acid treatments are at pressures lower than necessary to
fracture the formation, but high enough to increase formation permeability (acid
matrix)."

20. Power Run does not drill or complete oil and gas wells on the Leases and therefore
Run does not utilize stimulation fluids on the Leases. Accordingly, the finding listed in

1 Paragraph 5 of the Order is not relevant to Power Run's operations of the Leases.

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3 21. Finding No. 6 of the Order asserts:

4 "6. Hydraulic fracturing treatment fluids are injected at pressures which are
5 increased in steps to control the amount of fracturing in the target formation.
6 Flowback fluids are hydraulic fracturing fluids that flow to the surface from a well
after stimulation treatment and before the start of production. Flowback fluids are
a mixture of stimulation fluid and formation fluids."

7 22. Power Run does not hydraulically fracture any oil and gas wells on the Leases and
8 therefore does not utilize hydraulic fracturing treatment fluids. Accordingly, the finding listed in
9 Paragraph 6 of the Order is not relevant to Power Run's operations of the Leases.

10 23. Finding No. 9 of the Order asserts:

11 "9. The Regional Board is investigating the potential threat and potential impacts
12 to water quality posed by the discharge of wastes to land during the drilling and
13 completion of oil and gas wells. Discharge to land includes the use of lined and
unlined sumps."

14 24. Power Run does not drill or complete oil and gas wells on the Leases and therefore
15 there is no possibility of "the potential threat and potential impacts to water quality posed by the
16 discharge of wastes to land during the drilling and completion of oil and gas wells." Accordingly,
17 the finding listed in Paragraph 9 of the Order is not relevant to Power Run's operations of the
18 Leases.

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20 25. Finding No. 12 of the Order asserts:

21 "12. Based on information from CDOGGR, this order identifies Power Run Oil,
22 LLC as the responsible party for the discharges of fluids or suspected discharges of
23 fluids identified in Paragraph 2, because Power Run Oil, LLC operates the
activities that result in the discharges or suspected discharges."

24 26. The California Division of Oil, Gas, and Geothermal Resources ("DOGGR") does
25 not list Power Run as having drilled or completed any oil and gas wells anywhere, let alone the
26 wells on the Leases. Furthermore, DOGGR does not list Power Run as applying to drill or
27 complete any oil and gas wells on the Leases. This statement was clearly never verified by the
28 Regional Board and is completely inaccurate. Accordingly, the finding listed in Paragraph 12 of

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1 the Order is not relevant to Power Run's operations of the Leases nor supported by evidence.

2 27. Finding No. 13 of the Order asserts:

3 "13. This Order requires the persons named herein to prepare and submit technical
4 and/or monitoring reports to provide information with details about the nature of
5 the discharges described in Paragraph 2 through 6 above directly or indirectly to a
6 water of the State of California or the United States."

7 28. As shown above, Power Run does not have any discharges described in Paragraphs
8 2 through 6 of the Order as these paragraphs are not applicable to Power Run's operations on the
9 Leases. Accordingly, the finding listed in Paragraph 13 of the Order is not relevant to Power
10 Run's operations of the Leases.

11 29. Finding No. 14 of the Order asserts:

12 "14. The Regional Board requires this information to assess the potential threat
13 and potential impacts to water quality and what wastes are being, or have been,
14 discharged to land during well drilling and completion activities, as well as the
15 volume of oil spilled during extraction activities. The need to understand the
16 potential threat and potential impacts to water quality justifies the need for the
17 information required by this Order. The required information is also necessary to
18 evaluate the waste discharge practices currently being implemented at hydrocarbon
19 well drilling and completion sites in the Los Angeles Region. Based on the nature
20 and possible consequences of the discharges, the burden of providing the required
21 information, including the costs of producing the required report, the information
22 requested bears a reasonable relationship to the need for the report, and the
23 benefits to be obtained from the report."

24 30. Power Run does not drill or complete oil and gas wells on the Leases and therefore
25 "the potential threat and potential impacts to water quality and what wastes are being, or have
26 been, discharged to land during well drilling and completion activities" is non-existent.
27 Accordingly, the finding listed in Paragraph 14 of the Order is not relevant to Power Run's
28 operations of the Leases.

(5) The Manner in Which the Petitioner Is Aggrieved

The order fails to comply with Water Code §13267. As adopted, the Order threatens the
viability of Power Run's operations as the Order places costly requirements, including the
preparation of a technical report, to investigate instances and operations that do not occur on the

1 Leases. Specifically, the Order requires Power Run to submit a technical report for each one of
2 the Leases exhibiting the following data:

3 "1) The description of procedures to close any unlined drilling sumps at new wells
4 and also to close smaller temporary operational sumps next to existing wells. If
5 waste is solidified during closure of sump(s), then describe that solidification
6 process in the report.

7 2) The location of all sumps with any plans or diagrams.

8 3) A report of all spills at each lease for the past five (5) years. At a minimum,
9 the report must include each spill's date and time, location, composition, volume,
10 cause, and remediation details.

11 4) The Spill Contingency Plan for each lease, as required per section 1722,
12 Chapter 4, Title 14 of the California Code of Regulations.

13 5) A stormwater monitoring program that includes:

14 i. A visual observation of the stormwater discharged from each lease,
15 recording presence or absence of floating and suspended materials, oil and grease,
16 discolorations, turbidity, odors, trash/debris, any source(s) of any discharged
17 pollutants.

18 ii. Collection of stormwater discharge samples and analysis for pH, total
19 suspended solids, oil and grease, and total petroleum hydrocarbons. Samples are to
20 be collected from a qualifying rain event. A qualifying rain event is any rain event
21 that produces a discharge from the lease. Qualifying rain events are separated by a
22 period of 48 hours with no discharge. A minimum of two qualifying rain events
23 between July 1st through December 31st, and two qualifying rain events between
24 January 1st through June 30th have to be sampled.

25 6) Description of procedures for disposal of well drilling and completion fluids,
26 including supporting documents.

27 7) Description of procedures for spill-control and maintenance of any above
28 ground storage tanks at the facilities.

8) Description of procedures for disposal, injection, or reinjection of produced
water, including supporting documents."

Providing such a technical report is an unduly burdensome and costly requirement for
Power Run to perform, especially since most of the requested data is not relevant to Power Run's
operations on the Leases.

(6) The Specific Action Requested by the Petitioner

Petitioner requests the State Board withdraw the Order as the requirements ordered by the
Order are not factually supported or allowed under Section 402(1)(2) of the Clean Water Act.

In the alternative, Petitioner requests that the State Board direct the Regional Board to
revise and modify the Order to delete sections 1, 2, 3, 5, 6, 7 and 8 of the technical report to be

1 provided to the Regional Board under the Order.

2
3 Petitioner further requests the State Board stay the Order until a decision on this Petition is
4 made by the State Board.

5 **(7) A Statement of Points and Authorities in Support of Legal Issues Raised in**
6 **this Petition**

7 As noted below, Power Run has requested that this petition be held in abeyance to allow
8 Power Run and the Regional Board an opportunity to resolve any questions regarding the Order.
9 In the event that those efforts are not successful, Power Run will ask that the Petition be taken out
10 of abeyance and will file a detailed supplementary memorandum of points and authorities, and
11 declarations in support of its Petition.

12 **(8) A Statement that this Petition Was Sent to the Regional Board**

13 In accordance with Title 23, Section 2050(a)(8) of the California Code of Regulations,
14 Petitioner provided true and correct copies of this Petition by facsimile and First Class mail, and
15 e-mail on October 3, 2014, to the Regional Board at the following address:

16 Sam Unger, P.E.
17 Executive Officer
18 Los Angeles Regional Water Quality Control Board
19 320 W. Fourth Street, Suite 200
20 Los Angeles, CA 90013
21 Facsimile: (213) 576-6640

22 **(9) A Statement As to Whether the Petitioner Raised the Substantive Issues or**
23 **Objections in the Petition to the Regional Board**

24 The Order failed to provide Power Run with an opportunity to raise the substantive issues
25 or objections listed in this Petition with the Regional Board. Nevertheless, Power Run timely
26 raised the substantive issues and objections in the Petition before the State Board in a phone
27 conversation held on September 30, 2014, between counsel for Petitioner, John J. Harris, and
28 counsel for the State Board, Mayumi Okamoto, as well as through a letter from John J. Harris to
29 Mayumi Okamoto, emailed on October 2, 2014.

1 **(10) Request to Supplement the Record**

2 The Regional Board issues the Order without any notice and opportunity to comment on
3 the Order. Accordingly, Power Run requests the opportunity to supplement the record for this
4 petition with additional evidence.

5 **(11) Amendment of Petition**

6 Power Run reserves the right to amend this Petition and to file supplementary memoranda
7 and declarations and other evidence once this petition is no longer held in abeyance.

8
9 **REQUEST FOR STAY**

10 Pursuant to Water Code §13321 and Section 2053 of Title 23 of the California Code of
11 Regulations, a stay should be granted if the petitioner alleges facts and produces proof of: (1)
12 substantial harm to petitioner or to the public interest if a stay is not granted; (2) a lack of
13 substantial harm to other interested persons or to the public interest if a stay is granted; and (3)
14 substantial questions of fact or law regarding the disputed action.

15 The Order requires Power Run to comply with the terms of the Order by October 3, 2013,
16 three days prior to Power Run's period to file this Petition. Power Run has requested by letter
17 dated October 2, 2014 that the Regional Board extend the time for responding to the Petition for
18 at least 90 days.

19 The requirements under the Order are unduly burdensome and costly to Power Run.
20 Accordingly, Power Run will be substantially harmed if a stay is not granted. Furthermore, the
21 Order is purely an investigative order with no purpose of immediately protecting other interested
22 persons and the public, and therefore the issuance of a stay will not cause any substantial harm.
23 Finally, as detailed above, significant and substantial questions of law and fact exist in the
24 findings and issues presented by the Order are not relevant to Power Run's operations on the
25 Leases.

26 As a result of the above, Power Run requests the State Board stay the Order pursuant to
27 Section 2053 of Title 23 of the California Code of Regulations and Water Code §13321.

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REQUEST FOR EVIDENTIARY HEARING


Power Run further requests a formal adjudicative hearing on its petition pursuant to Government Code §§11500, et seq., and 1 C.C.R. §§ 1000, et seq. so that the State Board can hear oral argument and hear and receive evidence on this Petition and so that Power Run can address the contentions set forth in the Order and to present additional evidence.

REQUEST TO HOLD PETITION IN ABEYANCE

Pursuant to 23 C.C.R. § 2050.5(d), Power Run requests that this Petition be held in abeyance, pending attempts at resolution with the Regional Board. Power Run believes that Regional Board will stipulate to Power Run's request.

Dated: October 3, 2014

DENTONS US LLP
JOHN J. HARRIS
ERNEST J. GUADIANA

By: 

JOHN J. HARRIS
ATTORNEYS FOR PETITIONER,
POWER RUN OIL, LLC

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Exhibit A



Los Angeles Regional Water Quality Control Board

September 5, 2014

Mr. Rodger Hunt
Power Run Oil, LLC
726-A N. Guadalupe Avenue
Redondo Beach, CA 90277

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED
CLAIM NO. 7010 3090 0000 2924 3822

CALIFORNIA WATER CODE DIRECTIVE PURSUANT TO SECTION 13267 – ORDER TO SUBMIT INFORMATION – POWER RUN OIL, LLC, BROWNSTEIN, DEIST, HOWARD, HUNTER, AND MOSER LEASES IN LOS ANGELES, CA

Dear Mr. Hunt:

The California Regional Water Quality Control Board, Los Angeles Region (Regional Board), is the public agency with primary responsibility for the protection of ground and surface water quality within the major portions of Los Angeles and Ventura Counties, including the referenced site.

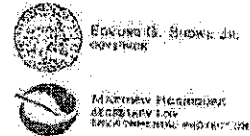
It has come to the Regional Board's attention that your company operates the oil and gas facilities at the Brownstein, Deist, Howard, Hunter, and Moser leases at the Howard Townsite and Rosecrans South Oil Fields within an unincorporated area of the County of Los Angeles and the City of Gardena. These types of facilities may be a source of pollutants to surface and ground waters of the region from onsite activities that generate spent drilling fluids, well completion fluids, produced water, and oil spills. As part of our effort to protect water quality and pursuant to California Water Code section 13267, the Regional Board requests information about the mechanisms your facilities use to dispose of spent drilling fluids, well completion fluids, produced water, and the protocols and supporting information to address oil spills onsite for the past 5 years.

The Regional Board requires this information as set forth in the attached Order No R4-2014-0166 (Order) no later than 30 days from the issuance of the Order. If you have any questions regarding this matter, please contact Ali Rahmani of my staff at (213) 620-2122.

Sincerely,

Samuel Unger
Samuel Unger, P.E.
Executive Officer

Enclosure: Order No. R4-2014-0166
cc: Mr. Patrick Lei, County of Los Angeles (via e-mail)



Los Angeles Regional Water Quality Control Board

INVESTIGATIVE ORDER NO. R4-2014-0166 TO PROVIDE A TECHNICAL OR MONITORING REPORT ON

OIL SPILLS, STORM WATER DISCHARGE QUALITY, AND THE DISPOSAL OF WELL DRILLING FLUIDS, WELL COMPLETION FLUIDS, AND PRODUCTION FLUIDS AT THE BROWNSTEIN, DEIST, HOWARD, HUNTER, AND MOSER LEASES IN UNINCORPORATED LOS ANGELES COUNTY AND GARDENA, CA

CALIFORNIA WATER CODE SECTION 13267

DIRECTED TO POWER RUN OIL, LLC

The Regional Water Quality Control Board, Los Angeles Region (Regional Board) makes the following findings and issues this Order pursuant to California Water Code section 13267:

1. Information from the California Division of Oil, Gas, and Geothermal Resources (CDOGGR) identifies Power Run Oil, LLC as the operator of oil wells ("facilities" collectively or "facility" singularly) at the Howard Townsite and Rosecrans south Oil Fields. Your facilities and their locations are identified in Attachment A.
2. There are fluids associated with oil and gas well drilling and completion. These fluids are often discharged to land, typically in an unlined sump. Also, oil spills may occur during extraction of oil and can commingle with storm water and be discharged from the facility. Additionally, there is produced water associated with production of oil and gas that may be injected back into the ground.
3. Drilling fluids are those fluids used during drilling activities to carry cuttings to the surface and cool the drill bit. Drilling fluids include a mixture of fresh and/or saline water, formation fluids (i.e., connate water mixed with hydrocarbons), added minerals and solids, and smaller volumes of chemical additives to improve the performance of the drilling fluid. Added minerals typically include bentonite clay to increase the viscosity and stabilize the borehole and barite to help control the flow of pressurized formation fluids into the borehole. Added solids are typically inert materials to control and seal lost circulation zones.
4. Completion fluids include saline water (typically potassium chloride water), residual drilling fluid, formation fluids, and stimulation and flowback fluids from wells that are treated.
5. Stimulation fluids include acid stimulation treatment fluid and hydraulic fracturing treatment fluid. Acid treatment of wells can be at pressures sufficient to fracture.

CHARLES STUNGER, OWNER | SAMUEL UNGER, EXECUTIVE DIRECTOR

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Mr. Rodger Hunt
Power Run Oil, LLC

- 2 -

September 5, 2014

- the formation and may be combined with hydraulic fracturing treatments (acid fracturing). Other acid treatments are at pressures lower than necessary to fracture the formation, but high enough to increase formation permeability (acid matrix).
6. Hydraulic fracturing treatment fluids are injected at pressures which are increased in steps to control the amount of fracturing in the target formation. Flowback fluids are hydraulic fracturing fluids that flow to the surface from a well after stimulation treatment and before the start of production. Flowback fluids are a mixture of stimulation fluid and formation fluids.
 7. Produced water is water that is produced as a byproduct of oil and gas production. It is water that is comingled with the oil and gas extracted from the ground.
 8. California Water Code section 13267 states, in part:
 - (a) *A regional board...in connection with any action relating to any plan or requirement authorized by this division, may investigate the quality of any waters of the state within its region.*
 - (b)(1) *In conducting an investigation specified in subdivision (a), the regional board may require that any person who has discharged, discharges, or is suspected of having discharged or discharging, or who proposes to discharge waste within its region...that could affect the quality of waters within its region shall furnish, under penalty of perjury, technical or monitoring program reports which the regional board requires. The burden, including costs, of these reports shall bear a reasonable relationship to the need for the report and the benefits to be obtained from the reports. In requiring those reports, the regional board shall provide the person with a written explanation with regard to the need for the reports, and shall identify the evidence that supports requiring that person to provide the reports.*
 9. The Regional Board is investigating the potential threat and potential impacts to water quality posed by the discharge of wastes to land during the drilling and completion of oil and gas wells. Discharge to land includes the use of lined and unlined sumps.
 10. The Regional Board is investigating the potential threat and potential impacts to water quality posed by the discharge of stormwater exposed to crude oil.
 11. The Regional Board is investigating the potential threat and potential impacts to water quality posed by the discharge of water produced during oil and gas production.

Mr. Rodger Hunt
Power Run Oil, LLC

- 3 -

September 5, 2014

12. Based on information from CDOGGR, this order identifies Power Run Oil, LLC as the responsible party for the discharges of fluids or suspected discharges of fluids identified in Paragraph 2, because Power Run Oil, LLC operates the activities that result in the discharges or suspected discharges.
13. This Order requires the persons named herein to prepare and submit technical and/or monitoring reports to provide information with details about the nature of the discharges described in Paragraph 2 through 6 above directly or indirectly to a water of the State of California or the United States.
14. The Regional Board requires this information to assess the potential threat and potential impacts to water quality and what wastes are being, or have been, discharged to land during well drilling and completion activities, as well as the volume of oil spilled during extraction activities. The need to understand the potential threat and potential impacts to water quality justifies the need for the information required by this Order. The required information is also necessary to evaluate the waste discharge practices currently being implemented at hydrocarbon well drilling and completion sites in the Los Angeles Region. Based on the nature and possible consequences of the discharges, the burden of providing the required information, including the costs of producing the required report, the information requested bears a reasonable relationship to the need for the report, and the benefits to be obtained from the report.
15. The issuance of this Order is an enforcement action by a regulatory agency and is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to section 15321(a)(2), Chapter 3, Title 14 of the California Code of Regulations. This Order requires submittal of technical and/or monitoring reports and work plans. The proposed activities under the work plans are not yet known. It is unlikely that implementation of work plans associated with this order could result in anything more than minor physical changes to the environment. If the implementation may result in significant impacts on the environment, the appropriate lead agency will address the CEQA requirements prior to implementing any work plan.
16. Any person aggrieved by this action of the Regional Board may petition the State Water Resources Control Board (State Board) to review the action in accordance with Water Code section 13320 and California Code of Regulations, title 23, sections 2050 and following. The State Board must receive the petition by 5:00 p.m., 30 days after the date of this Order, except that if the thirtieth day following the date of this Order falls on a Saturday, Sunday, or state holiday, the petition must be received by the State Water Board by 5:00 p.m. on the next business day. Copies of the law and regulations applicable to filing petitions may be provided upon request or found on the internet at:

http://www.waterboards.ca.gov/public_notices/petitions/water_quality

Mr. Rodger Hunt
Power Run Oil, LLC

- 4 -

September 5, 2014

THEREFORE, IT IS HEREBY ORDERED that Power Run Oil, LLC, pursuant to section 13267(b) of the California Water Code, is required to submit the following:

By October 3, 2014, the Regional Board requires the submission of a technical report for each lease that includes:

- 1) The description of procedures to close any unlined drilling sumps at new wells and also to close smaller temporary operational sumps next to existing wells. If waste is solidified during closure of sump(s), then describe that solidification process in the report.
- 2) The location of all sumps with any plans or diagrams.
- 3) A report of all spills at each lease for the past five (5) years. At a minimum, the report must include each spill's date and time, location, composition, volume, cause, and remediation details.
- 4) The Spill Contingency Plan for each lease, as required per section 1722, Chapter 4, Title 14 of the California Code of Regulations.
- 5) A stormwater monitoring program that includes:
 - i. A visual observation of the stormwater discharged from each lease, recording presence or absence of floating and suspended materials, oil and grease, discolorations, turbidity, odors, trash/debris, and source(s) of any discharged pollutants.
 - ii. Collection of stormwater discharge samples and analysis for pH, total suspended solids, oil and grease, and total petroleum hydrocarbons. Samples are to be collected from a qualifying rain event. A qualifying rain event is any rain event that produces a discharge from the lease. Qualifying rain events are separated by a period of 48 hours with no discharge. A minimum of two qualifying rain events between July 1st through December 31st and two qualifying rain events between January 1st through June 30th have to be sampled.
- 6) Description of procedures for disposal of well drilling and completion fluids, including supporting documents.
- 7) Description of procedures for spill-control and maintenance of any above ground storage tanks at the facilities.

Mr. Rodger Hunt
Power Run Oil, LLC

September 5, 2014

- 8) Description of procedures for disposal, injection, or reinjection of produced water, including supporting documents.

Each of the above items shall be submitted as a pdf via e-mail or disk (CD-ROM or CD) to:


Los Angeles Regional Water Quality Control Board
 320 W. Fourth Street, Suite 200
 Los Angeles, CA 90013
 Attn: Ali Rahmani
 (213) 620-2122
 Allreza.rahmani@waterboards.ca.gov

The technical report is required to be submitted under the California Water Code section 13267. Pursuant to California Water Code section 13267(a), any person who fails to submit reports in accordance with the Order is guilty of a misdemeanor. Pursuant to section 13268(b)(1) of the California Water Code, failure to submit the required technical report described above by the specified due date(s) may result in the imposition of administrative civil liability by the Regional Board in an amount up to one thousand dollars (\$1,000) per day for each day the technical report is not received after the above due date. These civil liabilities may be assessed by the Regional Board for failure to comply, beginning with the date that the violations first occurred, and without further warning.

The Regional Board, under the authority given by California Water Code section 13267, subdivision (b)(1), requires you to include a perjury statement in all reports submitted under the 13267 Order. The perjury statement shall be signed by a senior authorized Company Name representative (not by a consultant). The perjury statement shall be in the following format:

I, [NAME], certify under penalty of law that this document and all attachments were prepared by me, or under my direction or supervision, in accordance with a system designed to assure that qualified personnel properly gathered and evaluated the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

SO ORDERED


 Samuel Unger, P.E.
 Executive Officer

9-5-2014
 DATE

Enclosure: Attachment A

Attachment A

Power Run Oil, LLC Facilities at the Howard Townsite and Rosecrans South Oil Fields

Field Name*	Lease Name*	Well Number*	Latitude*	Longitude*	Address**
Howard Townsite	Howard	1	33.923627	-118.30177	Los angeles county Assessor's ID No. 6090-026-003
	Deist	86-1	33.923522	-118.30298	Los angeles county Assessor's ID No. 6090-027-030
	Hunter	1	33.923639	-118.3039	Los angeles county Assessor's ID No. 6090-027-003 and 6090-027-004
	Moser	1	33.924344	-118.30081	Los angeles county Assessor's ID No. 6079-002-029
Rosecrans South	Brownstein	1	33.89348	-118.2712	341 E. Redondo Beach Blvd., Gardena, CA 90248

* Information obtained from the California Division of Oil, Gas, and Geothermal Resources (CDOGGR)

** Information obtained from the Los Angeles County Office of the Assessor

1 **PROOF OF SERVICE BY FACSIMILE**

2 I am a citizen of the United States and employed in County, California. I am over the age
3 of eighteen years and not a party to the within-entitled action. My business address is 601 South
4 Figueroa Street, Suite 2500, Los Angeles, California 90017-5704. On October 3, 2014, I served
5 a copy of the within document(s):

6 POWER RUN OIL, LLC PETITION FOR REVIEW AND
7 REQUEST FOR STAY AND STATEMENT OF POINTS AND
8 AUTHORITIES IN SUPPORT THEREOF

- 9 by transmitting via facsimile the document(s) listed above to the fax number(s) set
10 forth below on this date before 5:00 p.m.
- 11 by transmitting via e-mail or electronic transmission the document(s) listed above
12 to the person(s) at the e-mail address(es) set forth below.

13 Sam Unger, P.E.
14 Executive Officer
15 Los Angeles Regional Water Quality
16 Control Board
17 320 W. Fourth Street, Suite 200
18 Los Angeles, CA 90013
19 Via Facsimile: (213) 576-6640
20 Via E-mail:
21 losangeles@waterboards.ca.gov
22 sunger@waterboards.ca.gov

23 Jeannette L. Bashaw
24 Legal Analyst
25 Office of Chief Counsel
26 State Water Resources Control Board
27 1001 I Street, 22nd Floor [95814]
28 Sacramento, CA 95812-0100
Via Email:
jeannette.bashaw@waterboards.ca.gov

I declare under penalty of perjury under the laws of the State of California that the above
is true and correct.

Executed on October 3, 2014, at Los Angeles, California.


Lillian Dominguez

DENTONS US LLP
601 SOUTH FIGUEROA STREET, SUITE 2500
LOS ANGELES, CALIFORNIA 90017-5704
(213) 623-9300

1 JOHN J. HARRIS (Bar No. 93841)
john.harris@dentons.com
2 ERNEST J. GUADIANA (Bar No. 298095)
ernest.guadiana@dentons.com
3 DENTONS US LLP
601 South Figueroa Street, Suite 2500
4 Los Angeles, California 90017-5704
Telephone: (213) 623-9300
5 Facsimile: (213) 623-9924

6 Attorneys for Petitioner,
POWER RUN OIL, LLC
7

8 **BEFORE THE CALIFORNIA STATE WATER RESOURCES CONTROL BOARD**

9
10 **IN THE MATTER OF THE PETITION OF**
11 **POWER RUN OIL, LLC**
12 **FOR REVIEW OF LOS ANGELES**
13 **REGIONAL WATER QUALITY**
14 **CONTROL BOARD INVESTIGATIVE**
15 **ORDER NO. R4-2014-0166.**

SWRCB/OCC FILE:

DECLARATION OF JOHN J. HARRIS
IN SUPPORT OF REQUEST FOR
STAY OF INVESTIGATIVE ORDER
NO. R4-2014-0166

16
17 I, John J. Harris, declare, as follows:

18 1. I am an attorney at law duly admitted to practice before all courts of the State of
19 California. I am a partner at the law firm of Dentons US LLP, attorneys of record for Petitioner,
20 Power Run Oil, LLC ("Power Run"). I am making this declaration in support of Power Run's
21 request for a stay of Investigative Order No. R4-2014-0166 in the matter of the Petition of
22 Power Run Oil, LLC for Review of Los Angeles Regional Water Quality Control Board
23 Investigative Order No. R4-2014-0166 (the "Petition").

24 2. I have been a practicing environmental attorney for over 30 years and have
25 substantial experience in assisting clients and working with their environmental consultants in the
26 preparation and submission of technical and monitoring reports requested by environmental
27 agencies, including the Los Angeles Regional Water Quality Control Board ("Regional Board").
28

1 Based on that experience, I have personal knowledge of the cost and the time necessary to prepare
2 such technical and monitoring reports.

3 3. On or about September 8, 2014, Power Run received from the Regional Board
4 "Investigative Order No. R4-2014-0166 to Provide a Technical or Monitoring Report on Oil
5 Spills, Storm Water Discharge Quality, and the Disposal of Well Drilling Fluids, Well
6 Completion Fluids, and Production Fluids at the Brownstein, Deist, Howard, Hunter, and Moser
7 Leases in Unincorporated Los Angeles County and Gardena, CA" (the "Order").

8 4. Among other things, the Order directed Power Run to provide technical and
9 monitoring reports on oil spills, storm water discharge quality and the disposal of well drilling
10 fluids, well completion fluids and production fluids at the leases by October 3, 2014 for its
11 "Brownstein", "Deist", "Howard", "Hunter", and "Moser" leases (the "Power Run Leases").

12 5. As set forth in the Petition, the Order seeks information which is not relevant to
13 Power Run's operations, such as information regarding drilling activities, since each of the wells
14 on the Power Run Leases was drilled in the 1940's and 1950's, long before Power Run became
15 the operator in the late 1990's. Power Run has not conducted any drilling operations on the
16 Power Run Leases since becoming operator.

17 6. To my knowledge, prior to the issuance of the Order, the Regional Board made no
18 effort to communicate with Power Run regarding its operation of the Power Run Leases or any
19 suspected discharge of waste. Power Run believes that the Regional Board did not conduct any
20 inquiries or investigation of Power Run's operations prior to issuing the Order. Accordingly,
21 there was no factual basis for the Order or any findings therein.

22 7. Among other things, the Order directs Power Run to prepare a stormwater
23 monitoring program that includes:

24 "i. A visual observation of the stormwater discharged from each lease,
25 recording presence or absence of floating and suspended materials, oil and
26 grease, discolorations, turbidity, odors, trash/debris, any source(s) of any
discharged pollutants.

27 ii. Collection of stormwater discharge samples and analysis for pH, total
28 suspended solids, oil and grease, and total petroleum hydrocarbons.

1 Samples are to be collected from a qualifying rain event. A qualifying rain
2 event is any rain event that produces a discharge from the lease. Qualifying
3 rain events are separated by a period of 48 hours with no discharge. A
4 minimum of two qualifying rain events between July 1st through
5 December 31st, and two qualifying rain events between January 1st
6 through June 30th have to be sampled."

7 8. This requirement of the Order is fundamentally inconsistent with Section 402(1)(2)
8 of the Clean Water Act (42 U.S.C. § 1342(1)(2)), which specifically exempts oil and gas
9 operations, such as Power Run's Leases, from any requirement to obtain a National Pollutant
10 Discharge Elimination System ("NPDES") permit. Further, the Order imposes these
11 requirements without any factual finding to determine whether any of the operations deemed to
12 be investigated are actually occurring on the Leases.

13 9. Complying with the requirements of the Order, by performing the requested
14 monitoring and providing technical reports, would be an unduly burdensome and costly
15 requirement for Power Run. As noted, most of the requested data is not relevant to Power Run's
16 operations on the Power Run Leases

17 10. As discussed in detail in the Petition, other requirements set forth in the Order are
18 similarly without factual or legal basis. Accordingly, the burden of providing the reports
19 demanded by the Order bears no reasonable relationship to the need for the requested reports and
20 the benefits to be obtained from the reports.

21 11. The compliance date of October 3, 2014, set forth in the Order was three days
22 prior to the expiration of the thirty day period under Water Code Section 13320 in which Power
23 Run could seek review of the Order by the California State Water Resources Control Board (the
24 "State Board").

25 12. On September 30, 2014, I had a telephone conversation with Mayumi Okamoto,
26 counsel for the State Board regarding the Order.

27 13. On October 2, 2014, I emailed and sent a letter to Ms. Okamoto detailing Power
28 Run's position on the Order and requesting immediate withdrawal of the Order, or in the
alternative, a stay of the Order, until Power Run, the Water Board and the Regional Board had

1 time to meet and discuss the issues presented by the Order. A true and correct copy of my
2 October 2, 2014 letter is attached hereto as Exhibit "A".

3 14. By email dated October 2, 2014, Ms. Okamoto explained that the Regional Board
4 was willing to discuss the specific factual background regarding the Order and suggested that
5 Power Run submit a request for an extension of the response date of the Order to Mr. Hugh
6 Marley, Chief of the Enforcement Section at the Regional Board. A true and correct copy of Ms.
7 Okamoto's October 2, 2014 email is attached hereto as Exhibit "B".

8 15. On October 2, 2014, I sent a letter by email and U.S. Mail to Mr. Marley
9 requesting an extension of Power Run's response date for the Order for at least 90 days. A true
10 and correct copy of my October 2, 2014 letter is attached hereto as Exhibit "C".

11 16. Having not heard back from Mr. Marley, on October 3, 2014, my firm, on behalf
12 of Power Run, filed the Petition. The Petition was filed in order to preserve Power Run's rights
13 in the event that the Order was not withdrawn or modified.

14 17. Having still not received a reply to my October 2, 2014 letter to Mr. Marley, I am
15 now submitting this declaration in support of Power Run's request for a stay, as set forth the
16 Petition.

17 18. Based on the foregoing, it is clear that Power Run will be substantially harmed if a
18 stay of the Order is not granted while the Petition for review of the Order is pending since Power
19 Run faces the risk of incurring substantial penalties for non-compliance with an Order, which, on
20 its face, is unenforceable.

21 19. Conversely, there will be no harm to the public or the environment if the stay is
22 granted. The Order fails to assert that any environmental harm is occurring as a result of Power
23 Run's operations.

24 20. As set forth in the Petition, significant and substantial questions of law and fact
25 exist in that the findings and directives set forth in the Order are not relevant to Power Run's
26 operations on the Power Run Leases.

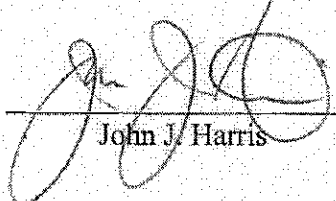
27 ///

1 21. Under these circumstances, the facts support the grant of a stay, consistent with
2 Water Code Section 13321 and Section 2053 of Title 23 of the California Code of Regulations,
3 since the requirements under the Order are unduly burdensome and costly to Power Run and
4 Power Run will be substantially harmed if a stay is not granted. Furthermore, the Order is purely
5 an investigative order with no purpose of immediately protecting other interested persons and the
6 public, and, therefore, the issuance of a stay will not cause any substantial harm to the
7 environment.

8 If called as a witness, I could and would testify to the foregoing from my own personal
9 knowledge.

10 I declare under penalty of perjury that the foregoing is true and correct.

11 Executed this 6th day of October 2014 at Los Angeles, California.

12
13 
14 _____
15 John J. Harris

16 R2957499N-V.3

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28

Exhibit A

Dentons US LLP
801 South Figueroa Street
Suite 2500
Los Angeles, CA 90017-5704 USAT: +1 213 623 9300
F: +1 213 623 9924

October 2, 2014

BY E-MAIL AND U.S. MAILMayumi E. Okamoto, Esq.
State Water Resources Control Board
1001 I St
16th Floor
Sacramento, CA 95814**Re: CALIFORNIA WATER CODE DIRECTIVE PURSUANT TO SECTION 13267 — ORDER TO
SUBMIT INFORMATION — POWER RUN OIL, LLC, BROWNSTEIN, DEIST, HOWARD,
HUNTER, AND MOSER, LEASES IN LOS ANGELES, CA**

Dear Ms. Okamoto:

Thank you for taking the time earlier this week to discuss our concerns and questions regarding the Los Angeles Regional Water Quality Control Board's Investigative Order No. R4-2014-0166, dated September 5, 2014 (the "Order") and directed to Power Run Oil, LLC ("Power Run"). The Order asks that Power Run provide technical and monitoring reports on oil spills, storm water discharge quality and the disposal of well drilling fluids, well completion fluids and production fluids at its Brownstein, Deist, Howard, Hunter and Moser Leases ("Power Run Leases") in Los Angeles County by October 3, 2014.

As I understand from our telephone conversations, oil producers throughout California have been receiving similar investigative orders pursuant to Water Code §13267 from Regional Boards as part of the State Board's initiative to gather information regarding the potential water quality impacts of oil and gas drilling operations. That focus is apparent from the areas of inquiry set forth in the Order and from the findings which purport to provide the factual support for the order.

Section 402(l)(2) of the Clean Water Act (42 U.S.C. § 1342(l)(2)) specifically exempts oil and gas operations, such as Power Run's, from any requirement to obtain an NPDES permit. While Power Run certainly understands the Regional Board's general need for information to perform its regulatory functions, no factual information has been provided to Power Run, a small, family owned company, which would justify or factually support an order of the scope and magnitude of the Order and requiring expensive technical studies and reports. While Power Run is willing to provide certain information regarding its operations, if the Order is appropriately modified, many of the requirements of the Order are far too broad and unnecessarily burdensome and are unsupported factually and legally, and, therefore, would have to be deleted or substantially modified.

We have no idea as to the source of any of the factual assertions set forth in the Order's findings. In this respect, Finding No. 9 of the Order states that: "The Regional Board is investigating the potential threat and potential impacts to water quality posed by the discharge of wastes to land during the drilling and completion of oil and gas wells." As we discussed, each of the wells on the Power Run Leases was drilled, we believe, in the 1940's and 1950's, long before Power Run became the operator in the late 1990's.

Power Run has not conducted any drilling operations on the leases since becoming operator. Accordingly, there is no factual basis for the Regional Board's Order in that respect.

As to the other areas of inquiry, Power Run is not aware of any factual basis for the Regional Board to suspect that the Power Run Leases have ever discharged stormwater exposed to crude oil. Considering the potential costs of preparing technical reports for each lease, as requested in the Order, the monitoring and technical requirements are quite unreasonable and factually unsupported.

Nevertheless, Power Run is willing to work with you and the Regional Board to develop a mutually acceptable investigative query. If the Regional Board agrees to modify the Order in the manner described below, Power Run is prepared to provide a single informal response within a reasonable time for those Power Run Leases identified in the Order and which would include the following:

1. The current Spill Contingency Plans for each of the Power Run Leases, which, in addition to responding to Item 4 of the Order, would also contain the information requested in Item 7 ("procedures for spill-control and maintenance of any above ground storage tanks at the facilities"); and
2. Power Run's procedure for disposal of produced water produced from the Power Run Leases (Item 8);

Since, as noted, Power Run has not conducted any drilling operations on the Power Run Leases, the requests set forth in Items 1, 2, 5 and 6 are not relevant and should be deleted. As we understand, there have not been any spills of reportable quantities of contaminants on the Power Run Leases identified in the Order within the past five years. Accordingly, Item 3 also would not be applicable.

We believe that the most appropriate course of action under the circumstances would be for the Executive Officer of the Regional Board to immediately withdraw the Order while we work together to develop an alternate, modified inquiry. That approach would obviate the necessity for a response within such a short time frame, and, most importantly, would remove the need for Power Run to immediately file a petition under Water Code §13320 challenging the Order. Otherwise, we will be compelled to file a petition with the State Board and potentially request that the petition be held in abeyance and the Order be stayed pending a resolution of the scope of the Order. Power Run would prefer to avoid that expense.

We would appreciate the Regional Board's prompt response. Again, thank you for your assistance and cooperation on this matter.

Very truly yours,



John J. Harris

cc: Power Run Oil LLC

Exhibit B

Harris, John J.

From: Okamoto, Mayumi@Waterboards <Mayumi.Okamoto@waterboards.ca.gov>
Sent: Thursday, October 02, 2014 4:16 PM
To: Harris, John J.
Cc: Marley, Hugh@Waterboards
Subject: RE: Investigative Order No. R4-2014-0166 - Power Run Oil, LLC [SNRD-US_Active.FID3762566]

Hi John,

I forward this letter onto my clients at the LA Regional Board office. I understand that Power Run Oil, LLC is seeking immediate withdrawal of the 13267 Investigative Order. Like you, I think we are willing to discuss the specific factual background regarding your client's operations so we can refine or amend the Order, as appropriate. I'm afraid I won't be able to adequately confer with the staff and Assistant Executive Officer until next week, so what I propose is submitting a request to extend the deadline for Power Run Oil to respond so that the Regional Board staff and your client can have adequate time to discuss the issues you raise in your letter. I'm not prepared at this time to recommend wholesale withdrawal of the Order until we are able to meet and discuss. After our discussion, the Regional Board and Power Run Oil may reach a collective decision that withdrawal, or amendment, is appropriate but this extension of time would give us both more breathing room to explore those issues.

I'm out of the office the rest of the day until next Monday. If you are able to submit a request for an extension in writing tomorrow, you can direct it to Mr. Hugh Marley who is the Chief of the Enforcement Section at the Regional Board. It can be very brief. We'll understand the reason for the request as you've described very thoroughly in the letter you transmitted today.

Thanks very much. I look forward to working with you and your client to resolve these issues.

-Mayumi

Mayumi E. Okamoto
Senior Staff Counsel, Office of Enforcement
State Water Resources Control Board
1001 "I" Street, 16th Floor
Sacramento, California 95814
Direct: 916.341.5674
Fax: 916.341.5896

From: Harris, John J. [<mailto:john.harris@dentons.com>]
Sent: Thursday, October 02, 2014 3:41 PM
To: Okamoto, Mayumi@Waterboards
Subject: Investigative Order No. R4-2014-0166 - Power Run Oil, LLC [SNRD-US_Active.FID3762566]

Mayumi-

As promised, I am forwarding my letter to you regarding Investigative Order No. R4-2014-0166, dated September 5, 2014 directed to Power Run Oil, LLC which includes our proposal for modifying the scope of the Order.

Please contact me if you have any questions regarding the letter.

Thank you for your assistance on this matter.

Best regards,

John



John J. Harris

D +1 213 892 2842 | US Internal 32842

john.harris@dentons.com

[Bio](#) | [Website](#)

Dentons US LLP

SNR Denton is proud to join Salans and FMC as a founding member of Dentons.

Dentons is an international legal practice providing client services worldwide through its member firms and affiliates. This email may be confidential and protected by legal privilege. If you are not the intended recipient, disclosure, copying, distribution and use are prohibited; please notify us immediately and delete this copy from your system. Please see dentons.com for Legal Notices.

Exhibit C



John J. Harris
Partner

john.harris@dentons.com
D +1 213 892 2842

Salans FMC SNR Denton
dentons.com

Dentons US LLP
801 South Figueroa Street
Suite 2500
Los Angeles, CA 90017-5704 USA

T +1 213 623 9300
F +1 213 623 9924

October 2, 2014

BY E-MAIL AND U.S. MAIL

Hugh Marley
Chief of the Enforcement Section
California Regional Water Quality Control Board
Los Angeles Region
320 West 4th Street, Suite 200
Los Angeles, CA 90013

Re: **REQUEST FOR AN EXTENSION TO RESPOND TO LOS ANGELES REGIONAL WATER QUALITY CONTROL BOARD'S INVESTIGATIVE ORDER NO. R4-2014-0166, DATED SEPTEMBER 5, 2014 - POWER RUN OIL, LLC, BROWNSTEIN, DEIST, HOWARD, HUNTER, AND MOSER, LEASES IN LOS ANGELES, CA**

Dear Mr. Marley:

At the suggestion of Mayumi Okamoto, counsel for the Enforcement Section, I am writing on behalf of Power Run Oil, LLC ("Power Run") to request an extension of at least 90 days for Power Run's response to the Los Angeles Regional Water Quality Control Board's Investigative Order No. R4-2014-0166, dated September 5, 2014 (the "Order") and directed to Power Run.

The Order asks that Power Run provide technical and monitoring reports on oil spills, storm water discharge quality and the disposal of well drilling fluids, well completion fluids and production fluids at its Brownstein, Deist, Howard, Hunter and Moser Leases ("Power Run Leases") in Los Angeles County by October 3, 2014. Based on its concerns regarding the scope and expense of the requirements of the Order, Power Run will be likely be filing a petition with the State Water Resources Control Board challenging the Order and will request that the petition be held in abeyance and the Order be stayed pending a resolution of the scope of the Order.

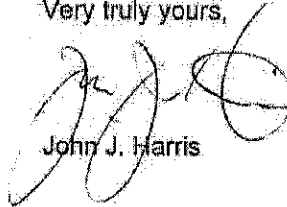
As discussed in detail in my October 2, 2014 letter to Ms. Okamoto, Power Run is willing to work with you and the Regional Board to develop a mutually acceptable investigative query. In order to give Power Run and the Regional Board a fair opportunity to resolve any questions regarding the Order on an amicable basis, Ms. Okamoto proposed in her October 2 e-mail to me that Power Run submit a request to extend the deadline for Power Run Oil to respond so that Regional Board staff and the company could have adequate time to discuss the issues raised in my letter.

Accordingly, Power Run respectfully requests that the Regional Board extend the current October 3, 2014 date for responding to the Order for at least 90 days, or to such other date as to which the parties may agree. Such request and any extension would be without waiver of or prejudice to either the Regional Board's or Power Run's rights.

We would appreciate the Regional Board's prompt confirmation of the extension.

Thank you for your assistance and cooperation on this request.

Very truly yours,



John J. Harris

cc: Mayumi Okamoto, Esq. (via e-mail)
Power Run Oil LLC

1 **PROOF OF SERVICE BY FACSIMILE**

2 I am a citizen of the United States and employed in County, California. I am over the age
3 of eighteen years and not a party to the within-entitled action. My business address is 601 South
4 Figueroa Street, Suite 2500, Los Angeles, California 90017-5704. On October 6, 2014, I served
5 a copy of the within document(s):

6 **DECLARATION OF JOHN J. HARRIS IN SUPPORT OF**
7 **REQUEST FOR STAY OF INVESTIGATIVE ORDER NO.**
8 **R4-2014-0166**

9 by transmitting via facsimile the document(s) listed above to the fax number(s) set
10 forth below on this date before 5:00 p.m.

11 by transmitting via e-mail or electronic transmission the document(s) listed above
12 to the person(s) at the e-mail address(es) set forth below.

13 Sam Unger, P.E.
14 Executive Officer
15 Los Angeles Regional Water Quality
16 Control Board
17 320 W. Fourth Street, Suite 200
18 Los Angeles, CA 90013
19 Via Facsimile: (213) 576-6640
20 Via E-mail:
21 sunger@waterboards.ca.gov

22 Jeannette L. Bashaw
23 Legal Analyst
24 Office of Chief Counsel
25 State Water Resources Control Board
26 1001 I Street, 22nd Floor [95814]
27 Sacramento, CA 95812-0100
28 Via Email:
jeannette.bashaw@waterboards.ca.gov

18 I declare under penalty of perjury under the laws of the State of California that the above
19 is true and correct.

20 Executed on October 6, 2014, at Los Angeles, California.

21
22 
23 Lillian Dominguez