NOTICE OF VIOLATION

December 19, 2025

VIA EMAIL

Mr. Aeron Price, Agent Carbon California Operating Company, LLC (C0557) 270 Quail Court, Suite B Santa Paula, CA 93060 aprice@carbonenergycorp.com

Dear Mr. Price:

SPILL - OJAI FIELD, HAMP LEASE, SEC. 17 T.04N R.21W, SETTING ID: 28122, FACILITY ID: 90329729, OPERATOR INCIDENT REPORT, INCIDENT ID: 726652, COMPLIANCE ID: 12447854

On November 18, 2025, a spill was reported by Carbon California Operating Company, LLC (Operator) in Section 17 of the Ojai field to California Governor's Office of Emergency Service (CalOES 25 - 5858). According to information provided to the California Geologic Energy Management Division (CalGEM), approximately 420 gallons (10 bbls) of oil were released from a pressure release valve of Hamp Slop Tank, Facility Name: T-4643, (T-4643) into secondary containment. T-4643's secondary containment is equipped with two rainwater valves that can be manually opened to empty the secondary containment. These valves were open, allowing the produced fluids to flow out of secondary containment and into the natural tributary of Sisar Creek. The oil traveled a half mile down the tributary into Sisar Creek and entered Sisar Creek.

The California Code of Regulations, title 14, (CCR) section 1773.1(d), requires that "when not in use for rainwater management, rainwater valves on a secondary containment shall be closed and secured to prevent unauthorized use." The operator's failure to close and secure rainwater valves led to the unauthorized release of fluids from the secondary containment.

On November 20, 2025, CalGEM conducted a follow-up inspection of the cleanup effort. CalGEM is coordinating with the Incident Command System (ICS) to verify that all impacted areas have been properly remediated.

State of California Natural Resources Agency | Department of Conservation

Northern District

Docusign Envelope ID: AD1F3D92-2F2D-4032-8F5F-9B1853D5B3AA Mr. Aeron Price, Agent December 19, 2025

CalGEM requests the Operator submit the following no later than January 20, 2026:

- 1. Investigate and provide CalGEM with a report, identifying the cause of the release, events that led to the escape of fluids into Sisar Creek, and the corrective actions taken to prevent recurrence.
- 2. Provide an updated Spill Contingency Plan to ensure that it addresses the current conditions and technology, as per CCR 1722.9 requirements.

Violations of CalGEM statutes and regulations may result in enforcement action including, but not limited to, administrative, civil or criminal action pursuant to Public Resources Code sections 3224, 3236, 3236.2, and/or 3236.5.

To submit the requested materials, or if you have any questions, please contact Ms. Rachel Ofili, Engineering Geologist, at (805) 944-5173 or Rachel.Ofili@conservation.ca.gov.

Sincerely,

Ami'r Molseni

Amir Mohseni Supervising Oil and Gas Engineer

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cc: Chrono Spill File Violation File