April 2, 1997

Mr. Pat Kinnear
Department of Conservation
Division of Oil and Gas
1000 S. Hill Road, Suite 116
Ventura, CA 93003-4458


Dear Mr. Kinnear:

This letter describes the current documented condition of K.A.P. Oil Company Well #1 (K.A.P. #1) in relation to the subject property at Parcel 10, Parcel Map 3361, BM Book 33, Tract 61, a portion of Tract 60 of Rancho Los Posas (6943 Solano Verde Drive; Appendix A) in Somis, California. The current owner of subject property is RERCO, Inc.

RERCO, Inc. engaged Environmental Science & Engineering (ESE) to review available records to determine the location of well K.A.P. #1. Records reviewed included the Munger Map Book and State of California Department of Conservation Division of Oil & Gas (DOG) well records (Appendix B). DOG records suggested K.A.P. #1 to be within the vicinity of the subject property. Based on the available maps and DOG records the exact location of the well was indeterminable.

According to the DOG file, drilling well K.A.P. #1 began in 1924. Drilling operations were terminated at a depth of 256 feet in September 1924. The only formation logged was a red clay with no break in the formation. They noted no showings of oil or gas during drilling and casing was never set or left in drill hole. In a letter dated March 7, 1956 to Title Insurance and Trust Company, the Deputy Supervisor stated: Although the well has not been abandoned in accordance with our customary requirements, due to its shallow depth we consider the well to be of no consequence as an oil well and show it as abandoned on our Map No. 17". In addition, the DOG file gives two different sets of measurements presumably for the same well but defining two different locations. One set of measurements was made in 1924 and the second set was presumably made or at least recorded in a 1956 letter.

The procedure outlined in the Site Review Procedure To Be Followed By Project Applicant (Appendix C) from the DOG requires the well location first be surveyed in by a licensed survey company. The surveyed site is then excavated following DOG procedures. If the well is not found, a metal detector must be used and all indicated metal locations must be excavated.
The information contained in the DOG file for well K.A.P. #1 and the date recorded, there is concern over the accuracy of the well location. Since no casing was set, the possibility of discovering any indications of a well using a metal detector can not be used in a search and verification operation.

In 1997, ESE conducted a site reconnaissance of the subject property to identify any evidence of well K.A.P. #1. No evidence of drilling operations including piping, well casing, soil was observed at the locations described by DOG records. However, a foundation was identified in the north corner of the property. No evidence of drilling was observed in this area.

The review procedure to be followed by project applicant is designed to find oil well or the definition of an abandoned oil well and assumes that there is casing, stained soil, and physical signs of an actual oil well. None of the above referenced identifiers will be present at this site because K.A.P. #1 was not completed as an oil well and no oil or gas was

Given these conditions, ESE (on behalf of RERCO, Inc.) is requesting written confirmation from the DOG that no further action is required in regards to K.A.P. #1.

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Professional services have been performed using that degree of care and skill ordinarily used under similar circumstances by other geologists and engineers practicing in this field. Neither warranty, express or implied, is made as to the professional advice in this report. If you have any comments or questions regarding the contents of this letter, please call the undersigned at (714) 964-8722.

Sincerely,

RONMENTAL SCIENCE & ENGINEERING, INC.

[Signatures]

Alaska
Project Scientist

Elizabeth A. Robbins, R.G.
California Registered Geologist No. 4874

Simon Malk, Accretive Investments, LLC
References


State of California, Division Of Oil And Gas (DOG), 1924 through 1956, files for K.A.P. Oil Company Well #1.

State of California, Division Of Oil And Gas (DOG), Site Review Procedure To Be Followed By Project Applicant.
April 9, 1997

Greg A. Talaska
Senior Project Scientist
Environmental Science and Engineering
17390 Brookhurst, Suite 110
Fountain Valley, CA, 92708

K.A.P Oil Company
Well No. 1
API Number 111-08871

Dear Mr. Talaska:

Prior to this office issuing our "Plan Review" (Form OG190) or a letter equivalence concerning construction on any site in which a well may be located upon, we required that a "diligent effort" be made to physically find the well. The "diligent effort" is defined in the "Construction Site Review and Well Abandonment Procedure" on page 2 and 3. In this particular case, our records indicates that no casing was used in the well, then only Steps 1, 4, and 5 will be required. In addition, as two locations are given, we will require that both locations be investigated.

Please notify this office to witness all completed excavations before they are refilled. The survey of the excavation should be availability at the time that we witness the excavations.

If you have any questions, please feel free to contact us at (805) 654-4761.

Sincerely,

Steven A. Fields
Operations Engineer

cc: Well File
March 7 1956

Title Insurance and Trust Company
101 South Chestnut Street
Ventura California

Attention Mr Aldon Gray

Dear Sir

Mr. Jack W. Wood, of your city, has requested that I write you the following letter.

Records on file in this office indicate that the K. A. F. Oil Company began drilling a well located 1,330' northwest at right angles to the south line and 925' northeast at right angles to the west line of Lot 61, Rancho las Posas, in Section 32, T. 3 N., R. 20 W., S. B. B. & M., Ventura County. A note on our record states that the well was drilled to a total depth of 250' and operations were suspended presumably about September 16, 1924, at this depth, due to some legal action. This note further states that no oil or gas was noted and that no casing was in the hole.

Although the well has not been abandoned in accordance with our customary requirements, due to its shallow depth we consider the well to be of no consequence as an oil well and show it as abandoned on our Map No. 17.

Sincerely

S H Rock
Deputy Supervisor

Sir/a
CC Mr. Jack W. Wood
State of California
Department of Natural Resources
DIVISION OF OIL AND GAS

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MEMORANDUM CLOSING WELL RECORD

Date: March 9, 1956.

Operator: K. A. P. Oil Company  County: Ventura
Well No.: 1  Sec. 32 T. 34 N. R. 20 W. S.B. & M

Last Notice Filed: July 1, 1924 - Notice to drill.  
(Type of notice and date)

Status of Records: (State whether complete; what records missing; what efforts made to secure records)

No records filed.

Condition of well and location: (Give all available data and show source. State whether damage might occur.)

A memorandum of conservation, dated Sept. 18, 1924, and initiated by H. A. Godde, Deputy Supervisor states: "1. Operations suspended due to suit. 2. T.D. 2561. 3. Only formation logged was red clay - no break in formation. 4. No showings of oil or gas noted. 5. No casing in hole." This is the most recent and only report on the conditions of this well. Map 17 has shown this well as uncompleted abandoned for many years.

Bond Data: No bond.

Status of Operator: Defunct as far as is known. 
(Active or inactive. Agent required or not?)

Form 148 sent? Not known. Has not been carried as an operator on local records for many years.

This well is classed as indicated by X mark:

1. Abandoned
2. Deserted XX
3. Completed idle
4. Uncompleted idle

This form prepared by S. H. Rook

Approved by
Deputy Supervisor

Note: Make in duplicate. Copy to S. F. and well record.
MEMORANDUM OF TELEPHONE OR PERSONAL CONVERSATION

[Date] Sept. 15, 1927

Company: J. A. P. Oil
Well No.: 1

Field: Sec. 32, T. 3, R. 20, B. & M.

On this date a telephone conversation was held, concerning the above well, with Mr. Pratt, of the ____________ Company.

Details of operations were discussed as follows:

1. Operations suspended due to suit.
2. Total depth 256', only formation logged was red clay - no break in formation.
3. No showings of oil or gas noted.
4. No casing in hole.

Signed: H. A. C.

Title: D S
Dear Sir:

Your proposal to drill Well No. 2, dated June 24, 1924, has been examined in conjunction with records filed in this office.

Present conditions as shown by the records and the proposal are as follows:

**THE NOTICE STATES:**

"The well is 300 feet S. and 300 feet E. from center of Section 26 (Lot 6), angles to W. Line of Lot 61; Ranchos Los Posos.

"The elevation of the drill floor above sea level is 750 feet."

"We estimate that the first productive oil or gas sand should be encountered at a depth of about 3000 feet, more or less."

**PROPOSAL:**

"We propose to use the following strings of casing either cementing or landing them as here indicated:

<table>
<thead>
<tr>
<th>Size of ceg</th>
<th>Wt. per ft.</th>
<th>New or S.H.</th>
<th>Depth</th>
<th>Land or com.</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 1/2&quot;</td>
<td>70 lb.</td>
<td></td>
<td>300</td>
<td></td>
</tr>
<tr>
<td>12 1/4&quot;</td>
<td>60</td>
<td></td>
<td>1200</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>40</td>
<td></td>
<td>2200</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>34</td>
<td></td>
<td>3000</td>
<td></td>
</tr>
<tr>
<td>6 5/2&quot;</td>
<td>24</td>
<td></td>
<td>3100</td>
<td></td>
</tr>
</tbody>
</table>

It is understood that if changes in this plan become necessary we are to notify you before cementing or landing casing."

**RECOMMENDATION:**

Since this well is to be drilled in an undeveloped area, an accurate estimate cannot be made of the depth to oil or gas bearing formations, or the depth at which to shut off water.

The proposal to drill the well is approved with the following recommendations:

R. D. BUSH,
State Oil and Gas Supervisor

By H. A. Fodde, Deputy
1. The fluid content of each porous formation encountered should be determined.

2. All oil or gas bearing formations must be afforded protection from the infiltration of water or dissipation of gas.

Kindly notify this Department:

1. When a showing of oil or gas is encountered.

2. Before landing or cementing any screen casing.

3. To witness a bailing test of the effectiveness of each possible water shut-off.

R. D. BUSH,
State Oil and Gas Supervisor

By [Signature] Deputy
CALIFORNIA STATE MINING BUREAU
DEPARTMENT OF PETROLEUM AND GAS

NOTICE OF INTENTION TO DRILL NEW WELL

This notice must be given before drilling begins

Ventura

JUNE 14, 1924

STATE MINING BUREAU RECEIVED

JUN 28 1924

SANTA PAULA, CAL.

Mr.

Deputy State Oil and Gas Supervisor

SANTA PAULA, CAL.

DEAR SIR:

In compliance with Section 17, Chapter 718, Statutes of 1915, as amended, notice is hereby given that it is our intention to commence the work of drilling well number... Section 32, T. 31 N., R. 20, W. S.B. & M., Simi Oil Field, Ventura County.

The well is... feet (or 5) and... feet (or 9) from Center of... (Give location in distance from section corners or other corners of legal subdivision)

The elevation of the derrick floor above sea level is...

We propose to use the following strings of casing either cementing or landing them as here indicated:

<table>
<thead>
<tr>
<th>Size of Casing, Inches</th>
<th>Weight, Lb. Per Foot</th>
<th>New or Second Hand</th>
<th>Depth</th>
<th>Laid or Cemented</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 1/2</td>
<td>70</td>
<td>✓</td>
<td>300</td>
<td></td>
</tr>
<tr>
<td>12 1/2</td>
<td>50</td>
<td>✓</td>
<td>1200</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>40</td>
<td>✓</td>
<td>2200</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>34</td>
<td>✓</td>
<td>2600</td>
<td></td>
</tr>
<tr>
<td>6 1/4</td>
<td></td>
<td></td>
<td>3100</td>
<td></td>
</tr>
</tbody>
</table>

It is understood that if changes in this plan become necessary we are to notify you before cementing or landing casing.

We estimate that the first productive oil or gas sand should be encountered at a depth of about... feet, more or less.

Respectfully yours,

Address: 538 Hemlock St.

(K.H.P. Oil Co.)

(Name of Company or Operator)

Telephone number: 733 Ventura

By: (Signature)

Reference to the above notice to Deputy State Oil and Gas Supervisor in charge of district where well is located