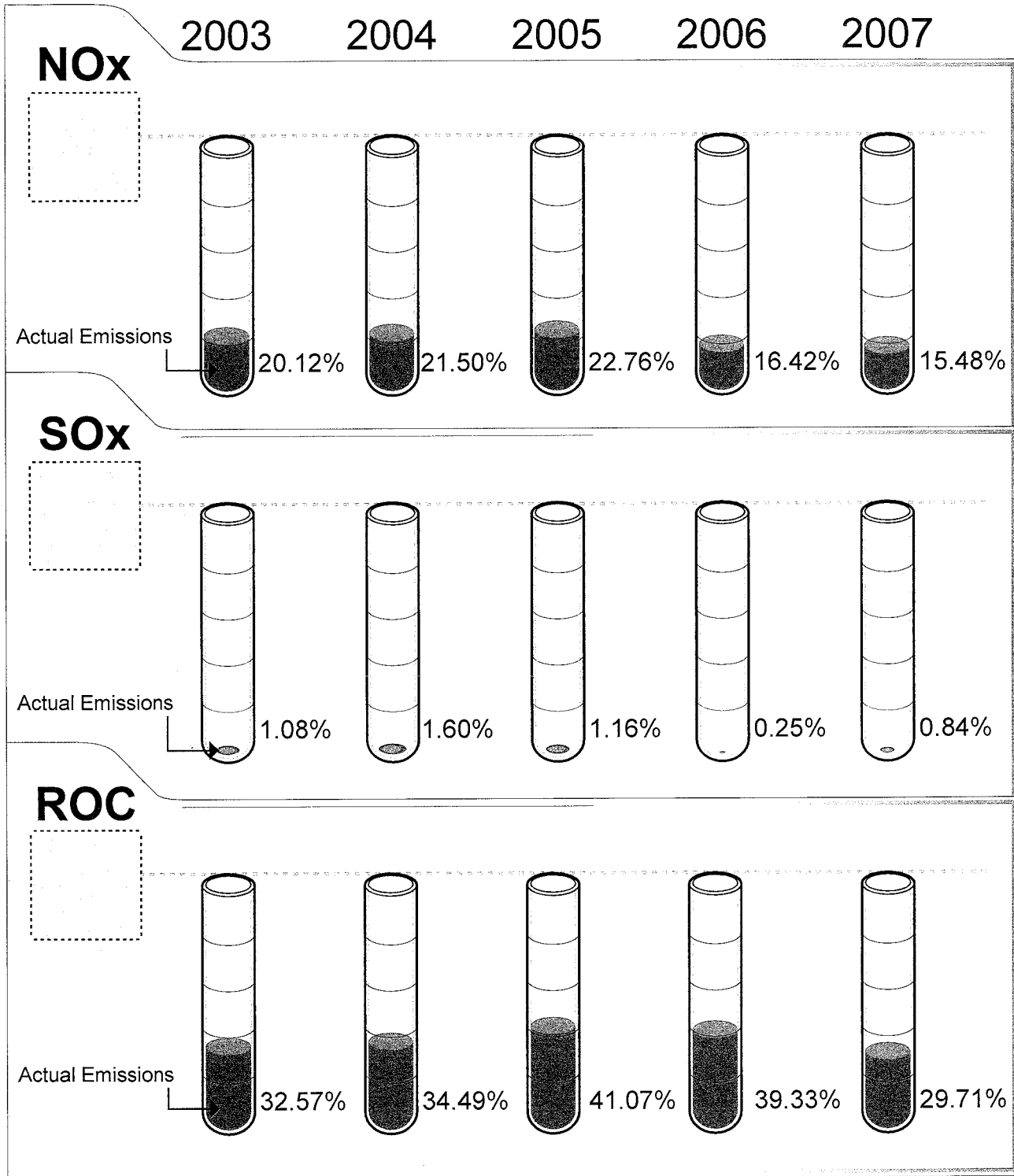


Greka Emissions Are Significantly Below Permitted Safe Levels



Source: Permits to Operate issued by APCD, Annual Emissions and Fee Calculations Summary issued by APCD, NOV's issued by APCD)

Greka Has Never Been on List of Major Spills

Some Recent, Significant California Oil Spills

Spill	Date	Location & Other
KINDER MORGAN/ DONNER SUMMIT	4-1-05	Kinder Morgan pipeline under snow, near Donner Wildlife impact tanks
PACIFIC PIPELINES/ PYRAMID LAKE	3-23-05	Angeles National Forest. Crude oil transmits. At least 9 birds killed
KINDER MORGAN/ OAKLAND ESTUARY	2-4-05	Port of Oakland, leaked jet-A fuel. Mostly coots - 0
VENTURA OILED SEABIRDS INCIDENT	1-11-05	Over 1,528 seabirds, several grebes, surf sculls oiled, between 2 CA
PALO ALTO/ SEACRIFT STATE BEACH	9-11-05	Corrosion cement spill, least 20 co
KINDER MORGAN/ BAKER	11-22-04	Gasoline spilling, Barstow
KINDER MORGAN/ SUSUN MARSH	4-27-04	S. of Chubb; 100 p were kno
ARDEN PROPERTIES/ LOS ANGELES	10-8-03	Sto kil
DREDGE MONARCH/ SHAG SLOUGH	9-7-03	1

SAN MATEO MYSTERY/ SS JACOB LUCKENBACH	11-24-01	Oiled over 2,270 birds on between Pt. Reyes & Big At least 2,000 died; 278 Response & removal of freighter took 10 months
MARINA SB TARBALLS/ MONTEREY	9-12-01	Marina State Beach; by ashore from Watsonville; 3 birds oiled; 2 dead
AFFS WALKER RIVER	12-30-00	Tanker truck overturned; #6 fuel oil spill; River, oiling 10 miles; killed at least 2 be
COV/MUSSET SHOALS	4-9-00	Tanker truck overturned into active tide pool of crustaceans, f
AIRA-TAYLOR 157/ VENTURA COUNTY	4-9-00	Pipeline gather into a tributary trout & other
IMC/TRONA	2-23-00	Minor oil prod; Searles Lake; 110s killed; may have
STECKLE PARK VENTURA COUNTY	2-28-00	Tanker truck driver, & Creek; f
STOCKDALE/OILDALE	10-25-99	Crude error; include black
BALONA CREEK/ CULVER CITY	10-11-99	Removal to f

MT STAYESANT/ EUREKA	9-6-99	Hull cracked by dredging device at entrance to Humboldt Bay; IFCO 180 fuel oil. >2,000
AIRA ORANGE COUNTY (offshore)	6-5 & 10-27-99	Pipeline leak between Platforms Elf, Eureka & Ellen, due to corrosion. 6 oiled grebes observed. 220
M/V ARMACOST/ PEMEX ROSARITO BEACH, BAJA CALIFORNIA (Mexico)	5-12-99	Chevron-owned tanker spilled #6 fuel oil during offshore transfer. At least 4 oil-soaked grebes caught near San Diego died. 151,000
THOMAS-BRINDLE OIL/ HUNTINGTON BEACH	1-2-99	Crude oil discharged from well, oiled over 100 birds. At least 14 died; 21 treated & released. <42
WINTERSBURG CHANNEL/ HUNTINGTON BEACH (BOISA CHICA)	12-11-98	Garden Cove-Huntington Beach; Richard C.
WADSWORTH CANAL/ SUTTER COUNTY	12-8-98	
M/T NEAPOLES/ PORT OF LONG BEACH	11-10-98	
M/T COMMAND/ SAN FRANCISCO	9-26-98	
TEXACO-VENTURA	2-14-98	...ing was banned from U.S. ports until 2002.
TORCH-BARDSDALE	1-24-98	Landfill broke crude pipelines in hills above Ventura (Sanjon Barranca). Wildlife impact unknown, if any. 8,400
PT. REYES TAR BALLS	11-16-97	Leaking pipeline; crude oil
TEXACO/MARTINEZ	11-19-97	Unknown origin; over 1,500 dead sea birds collected up to 21,000
		Pipeline leak @ Peyton Slough; crude oil tank. 1,700

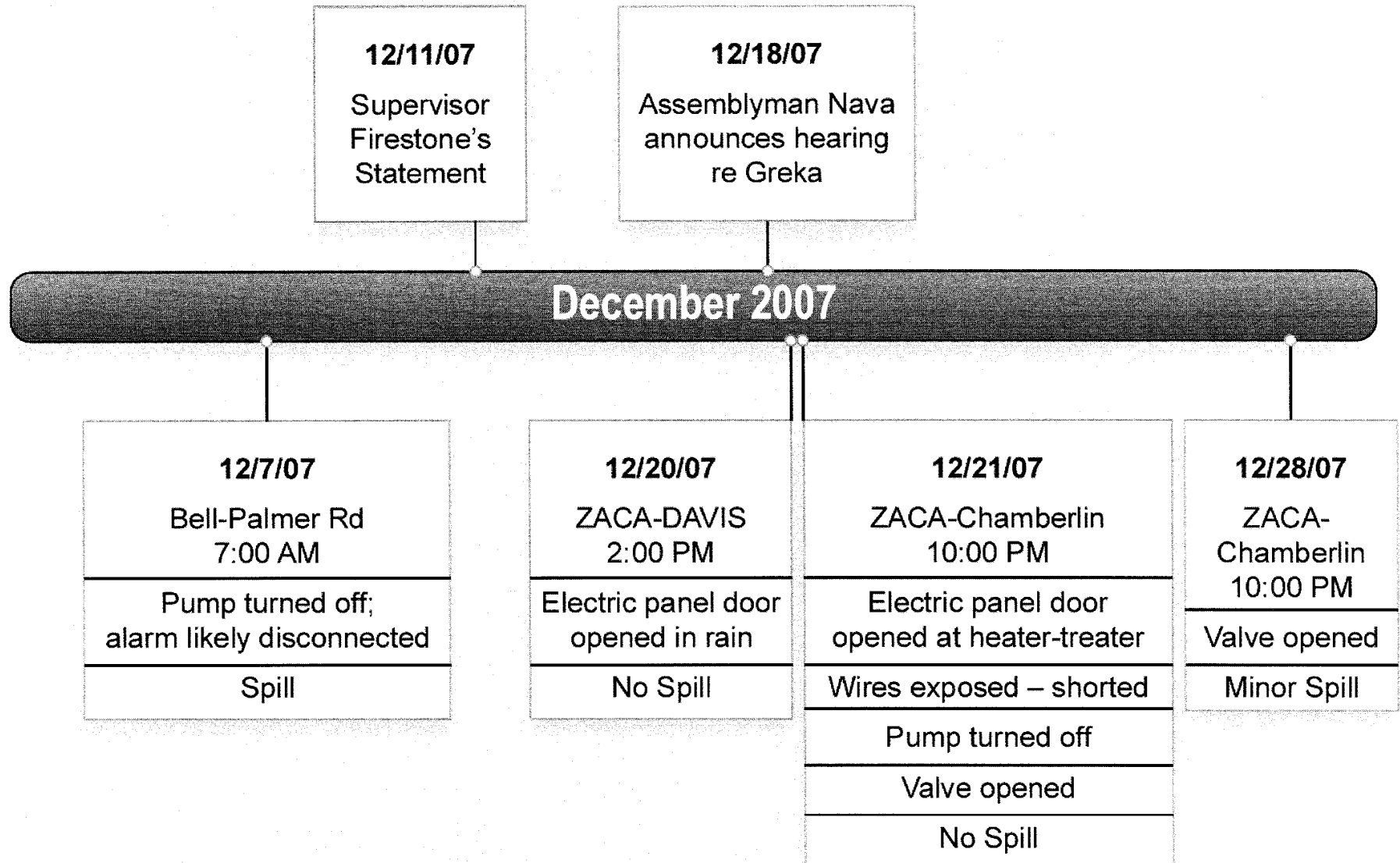
Greka has never been listed on the Department of Fish and Game's list of major California oil spills.

Incidents Per Well: The Real Story

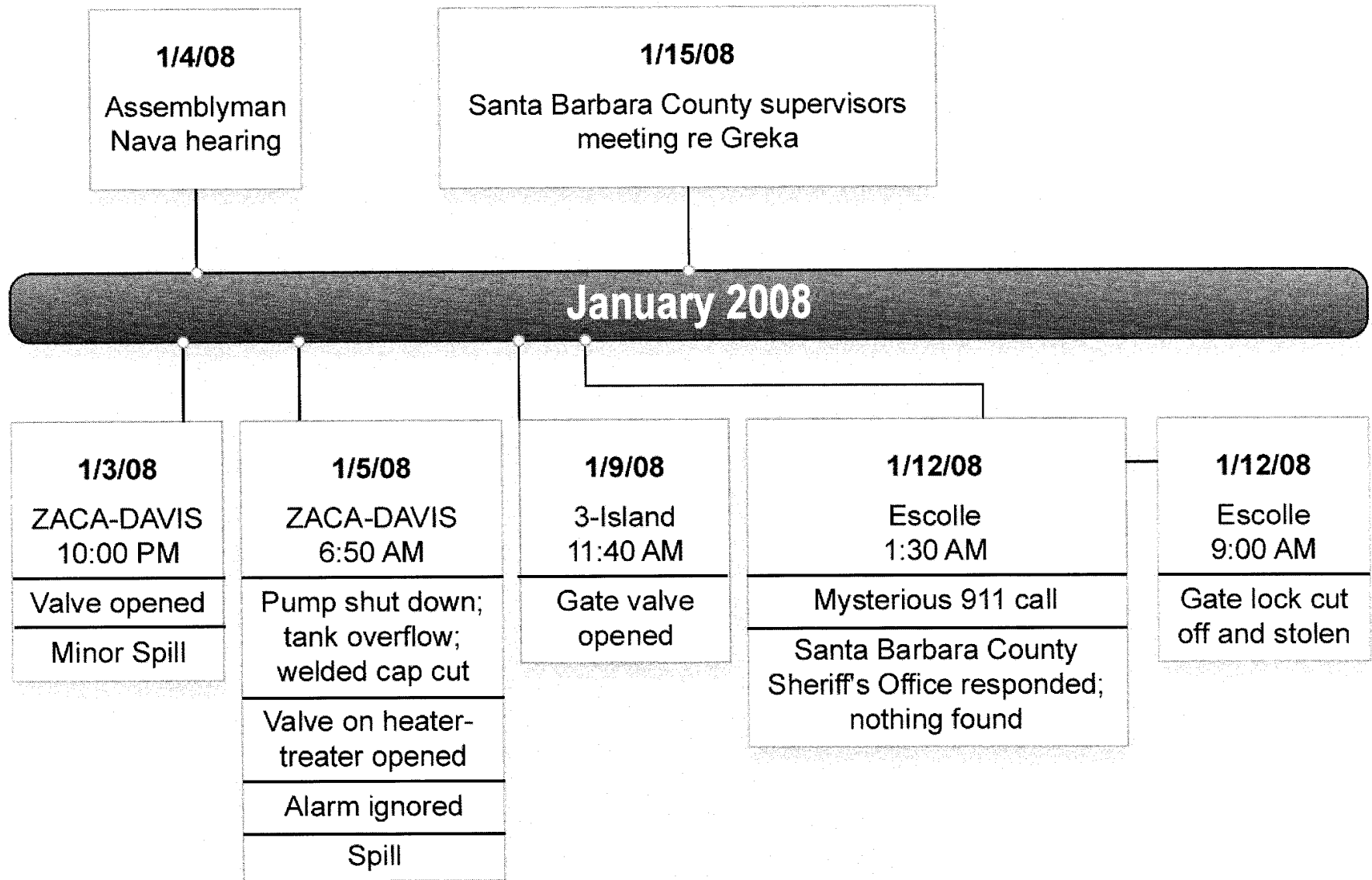
Companies highlighted represent the only companies producing in all 5 years

	Current S B Operators	Incidents	Total Wells	% Wells	% Incidents	Incident/Well
1	Aera Energy, LLC	3	1	0.03%	0.36%	3.00
2	B.E. Conway Energy Inc	0	73	2.16%	0.00%	0.00
3	Breitburn Energy Co.	15	280	8.28%	1.82%	0.05
4	Chevron USA Inc.	2	732	21.65%	0.24%	0.00
5	E & B Natural	8	401	11.86%	0.97%	0.02
6	Gato Corp	0	37	1.09%	0.00%	0.00
7	Gitte-Ten LLC.	0	18	0.53%	0.00%	0.00
8	Grayson Service Inc.	4	44	1.30%	0.49%	0.09
9	Greka Oil & Gas	355	1306	38.63%	43.19%	0.27
10	Phoenix Energy LLC.	19	63	1.86%	2.31%	0.30
11	Plains Exp.& Prod CO.	86	135	3.99%	10.46%	0.64
12	Pyramid Oil Co.	0	4	0.12%	0.00%	0.00
13	Richards Oil Co.	3	41	1.21%	0.36%	0.07
14	Santa Maria Pacific	3	41	1.21%	0.36%	0.07
15	Sierra Resources Inc.	1	96	2.84%	0.12%	0.01
16	Southern California Gas Co.	1	39	1.15%	0.12%	0.03
17	Vaquero Energy, Inc	0	3	0.09%	0.00%	0.00
18	Venoco Inc	99	67	1.98%	12.04%	1.48
19	Other	223		0.00%	27.13%	N/A
	Total	822	3,381			

Time Line of Events



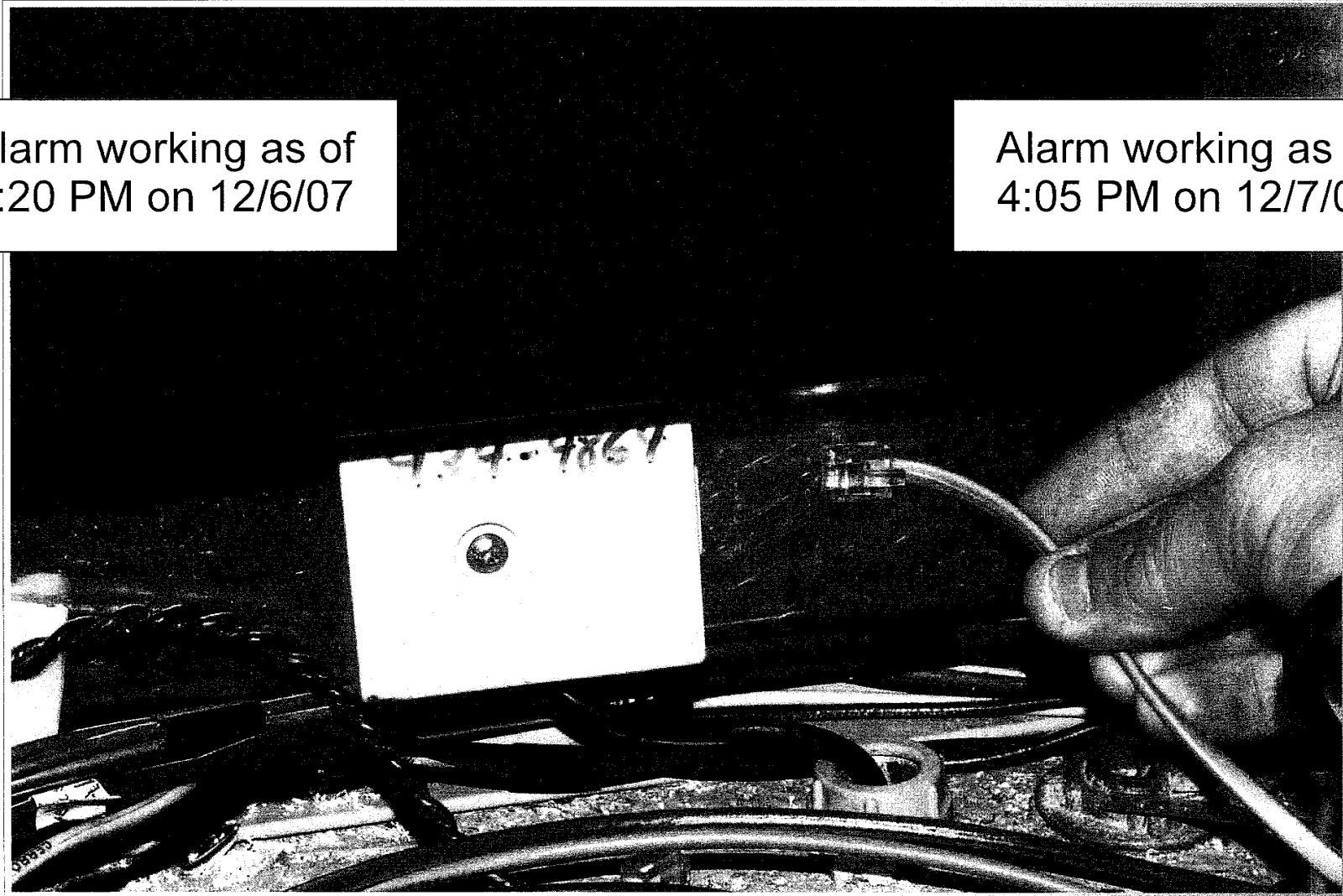
Time Line of Events



Likely Disruption of Phone Connection for Alarm Call-Out

Alarm working as of
2:20 PM on 12/6/07

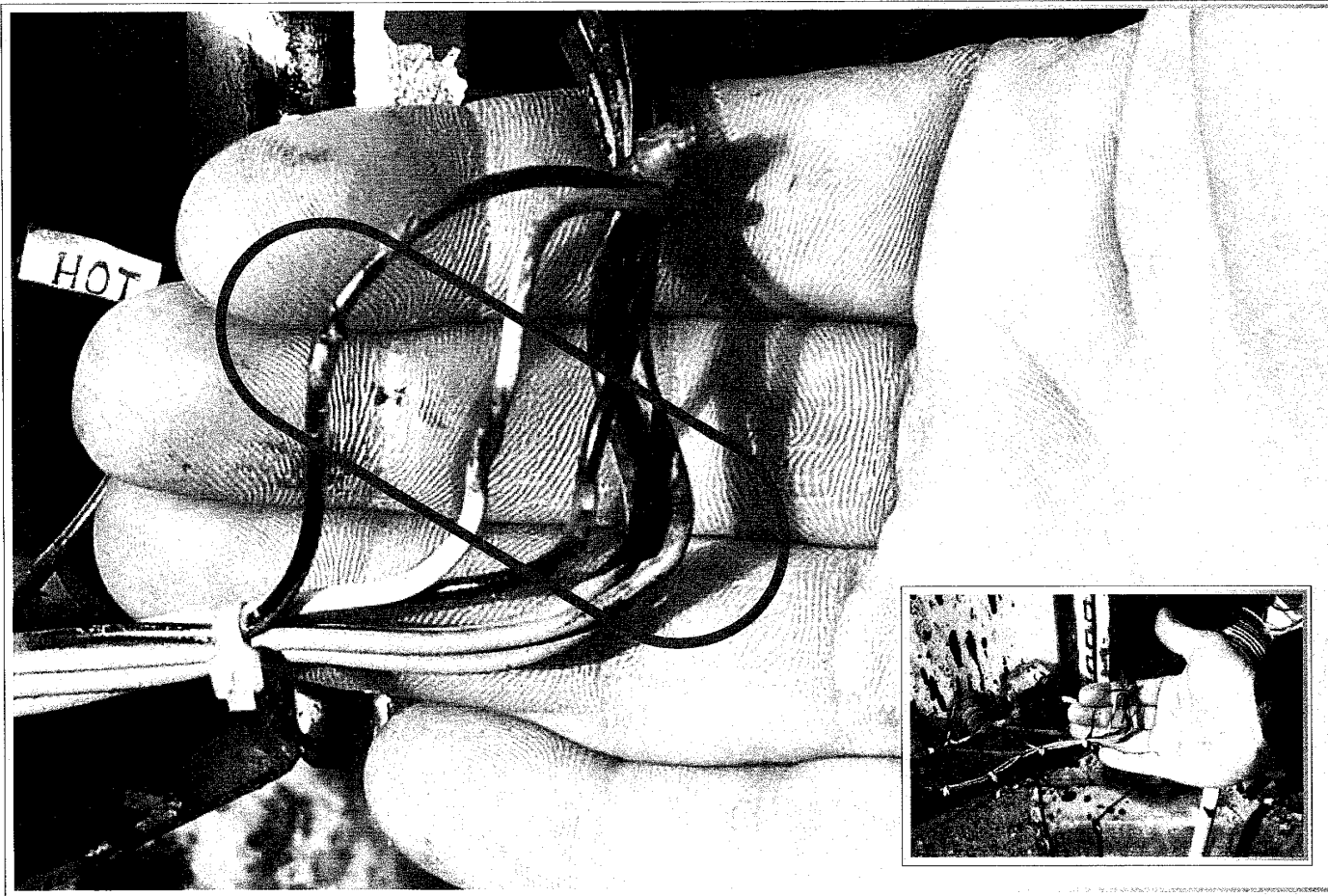
Alarm working as of
4:05 PM on 12/7/07



Source: Advantage Answering Plus, Inc.

Electrical Box Sabotaged

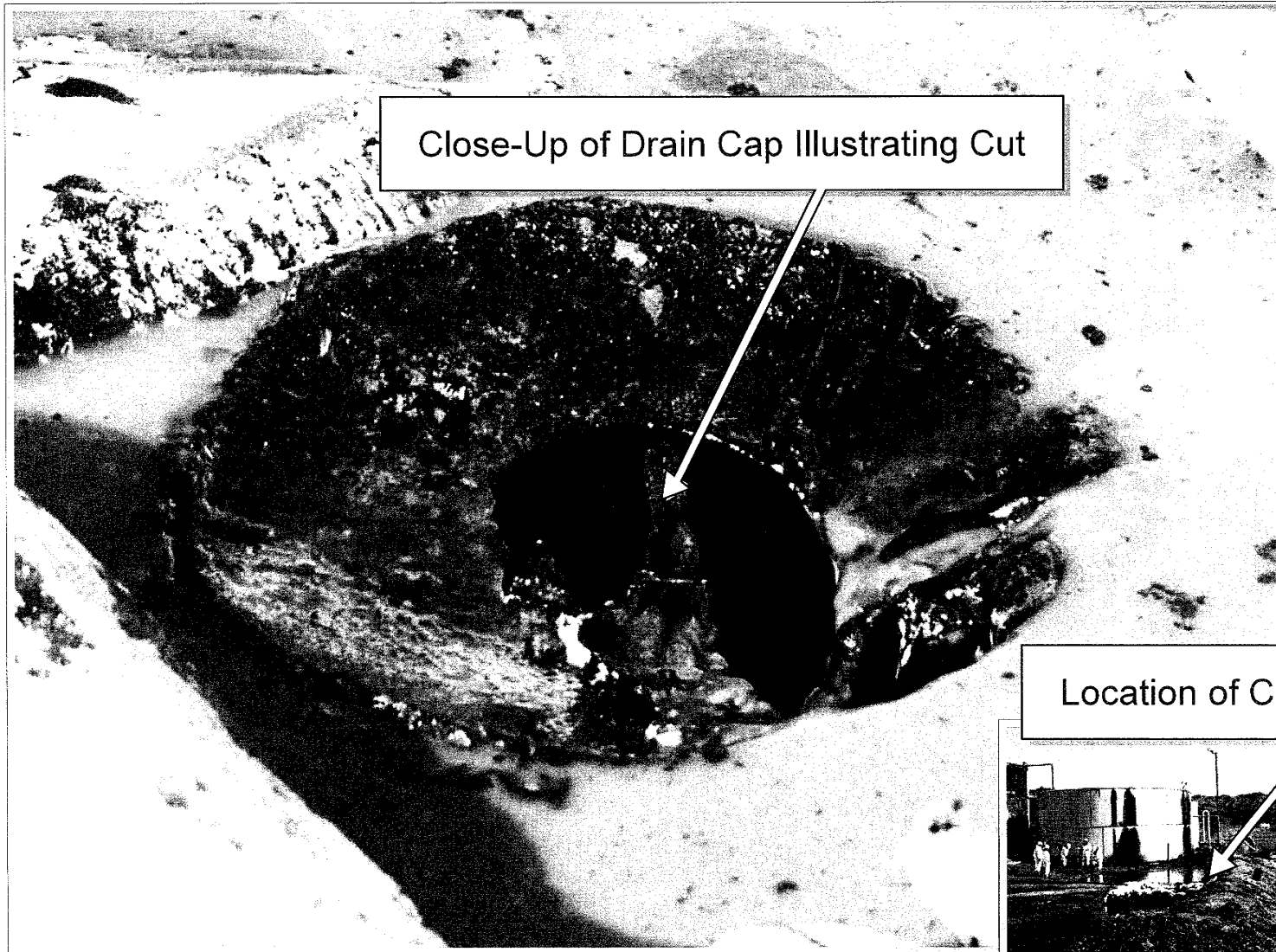
ZACA-DAVIS Facility: 12/21/07



Intentionally Stripped Wires

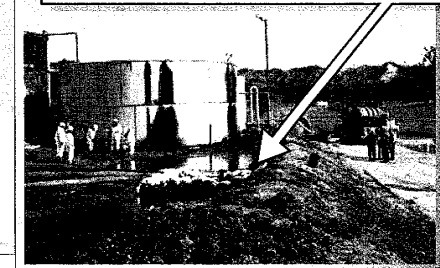
Welded Drain Cap Sabotaged

ZACA-DAVIS Facility: 1/5/08



Close-Up of Drain Cap Illustrating Cut

Location of Cut Cap



Expert Confirms Sabotage

ZACA-DAVIS Facility: 1/5/08

Niebuhr Metallurgical Consulting
1290 Alder Court, San Luis Obispo, CA 93401
(805) 234-7081
www.metallurgyconsultant.com

Preliminary Report

Project: Analysis of a Steel Plate Drain Seal
Customer(s): Thomas Parker, The Sentinel Group; Greka Oil and Gas
Date: January 12th, 2008

Background

A large volume of oil and waste water escaped from a storage tank. The subsequent effluent then breached the primary containment area causing wide spread contamination

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The plate was cut into using some type of metal shears, perhaps tin snips.

Results

The plate was only observed visually at the spill site. The plate consisted of plain carbon steel which was between 20 and 24 gauge thickness (0.025 in. to 0.0375 in.). The level of corrosion was not unusual for an exposed steel plate of that age in a saline environment. Although corrosion was present on the plate, it was not the cause of the leakage. The plate was cut into using some type of metal shears, perhaps tin snips. This is evident by the pattern of the hole and by the abrupt edge (i.e. lack of material thinning) around the hole. Deformed metal is present where the hole was cut. There is even a relief cut in the metal indicating the cut was made hastily and/or with little attention to accuracy (See Figure 2).

Figure 1 is an overview photograph illustrating the appearance of the drain after its discovery. The location of the removed metal is the obvious hole in the center. It appears that part of the cut section is still attached as shown by the white arrow. The resulting cut was large and opened the drain pipe to expose approximately 30-40% of its



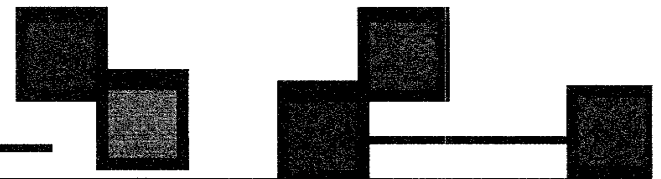
Figure 2. Close-up of drain cap illustrating relief cut (red arrow) and remaining portion of removed metal (white arrow).

Conclusion and Recommendation

This analysis is based on only visual observation, though I can say with absolute certainty that the seal did not leak due to through wall corrosion. The plate was cut in a manner that would allow breached oil to escape. It is likely that this cut was made several months or even years prior to the spill given the amount of corrosion around the shear lip.

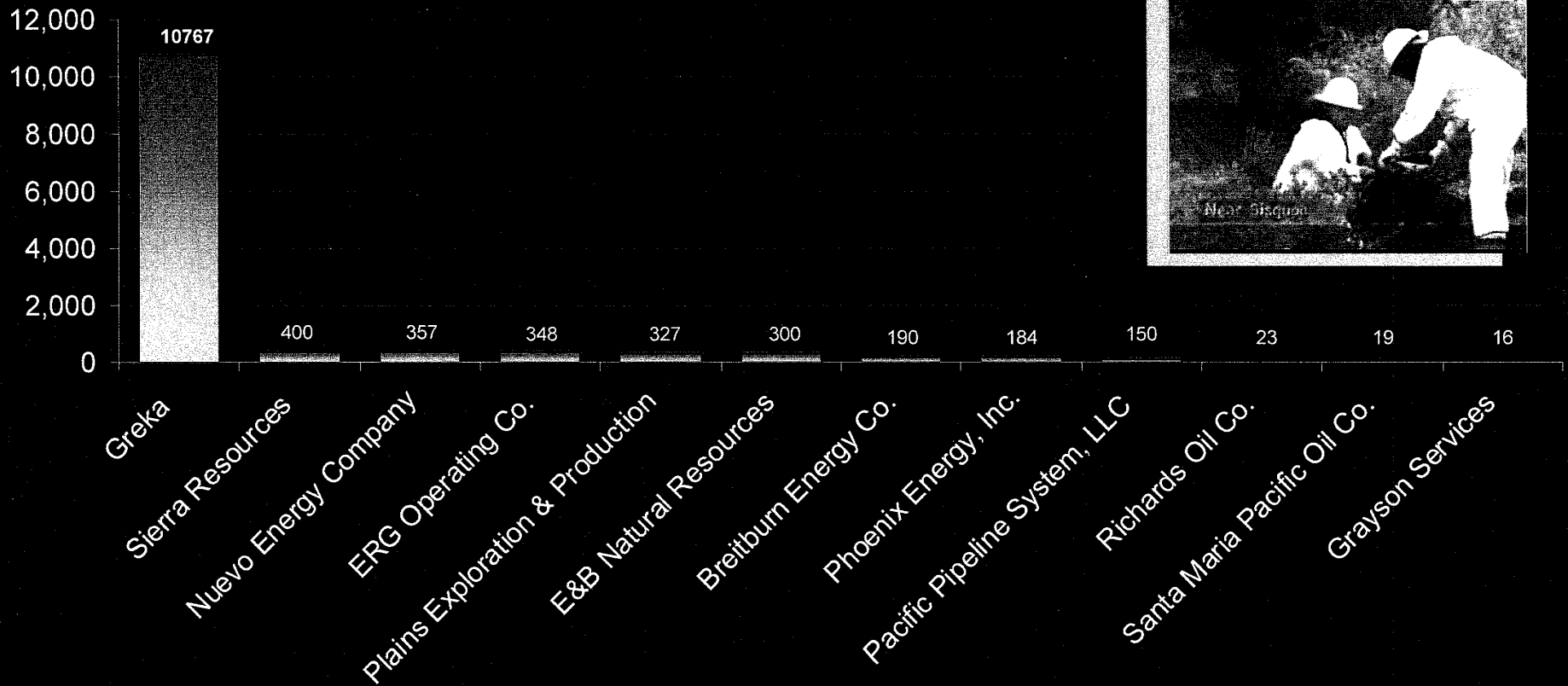
... I can say with absolute certainty that the seal did not leak due to through wall corrosion.

breached as a result of corrosion over time. No conclusion can be made however of the



Oilfield Releases Actual (in Barrels)

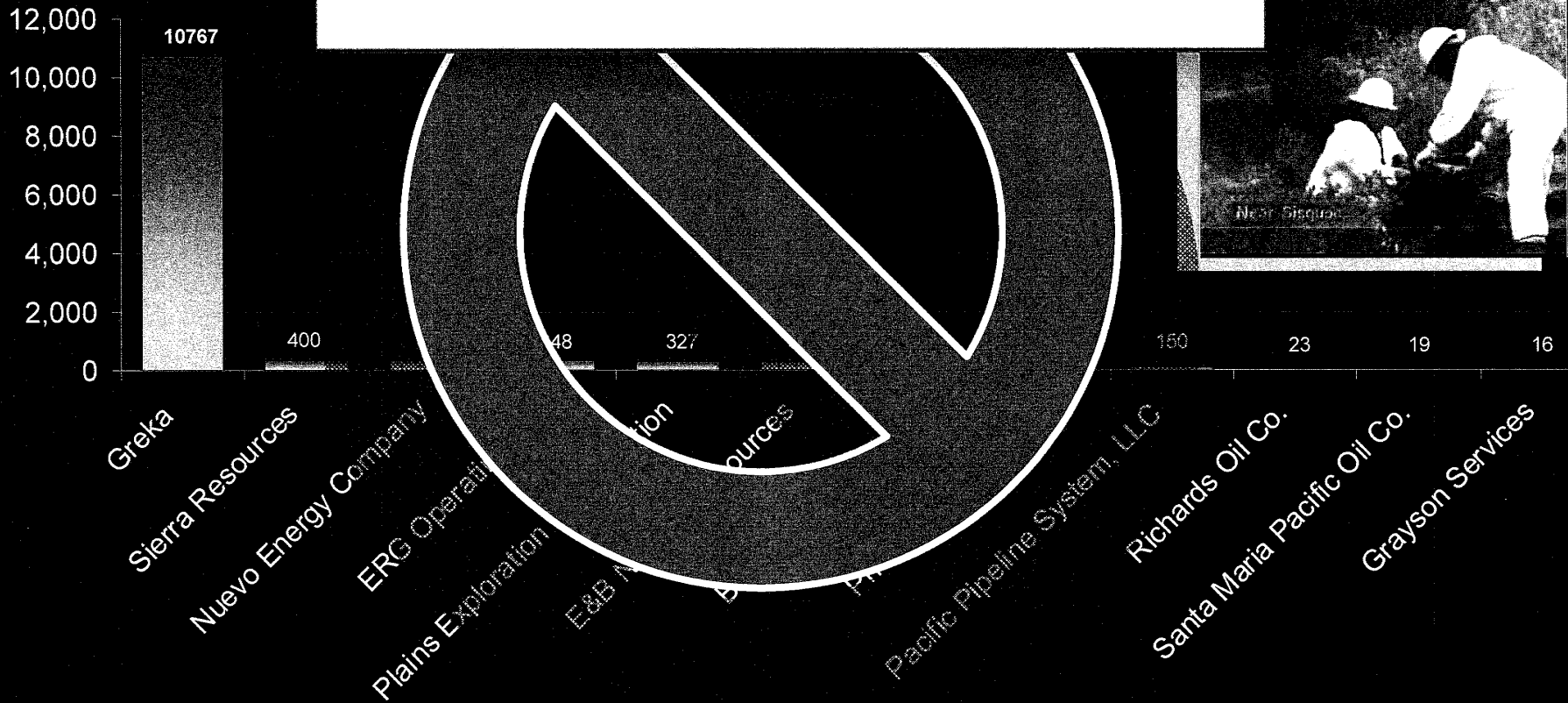
By Operators 2003 – 2008





Oilfield R

Inaccurate Reporting by
County Staff Due to
Misleading Data

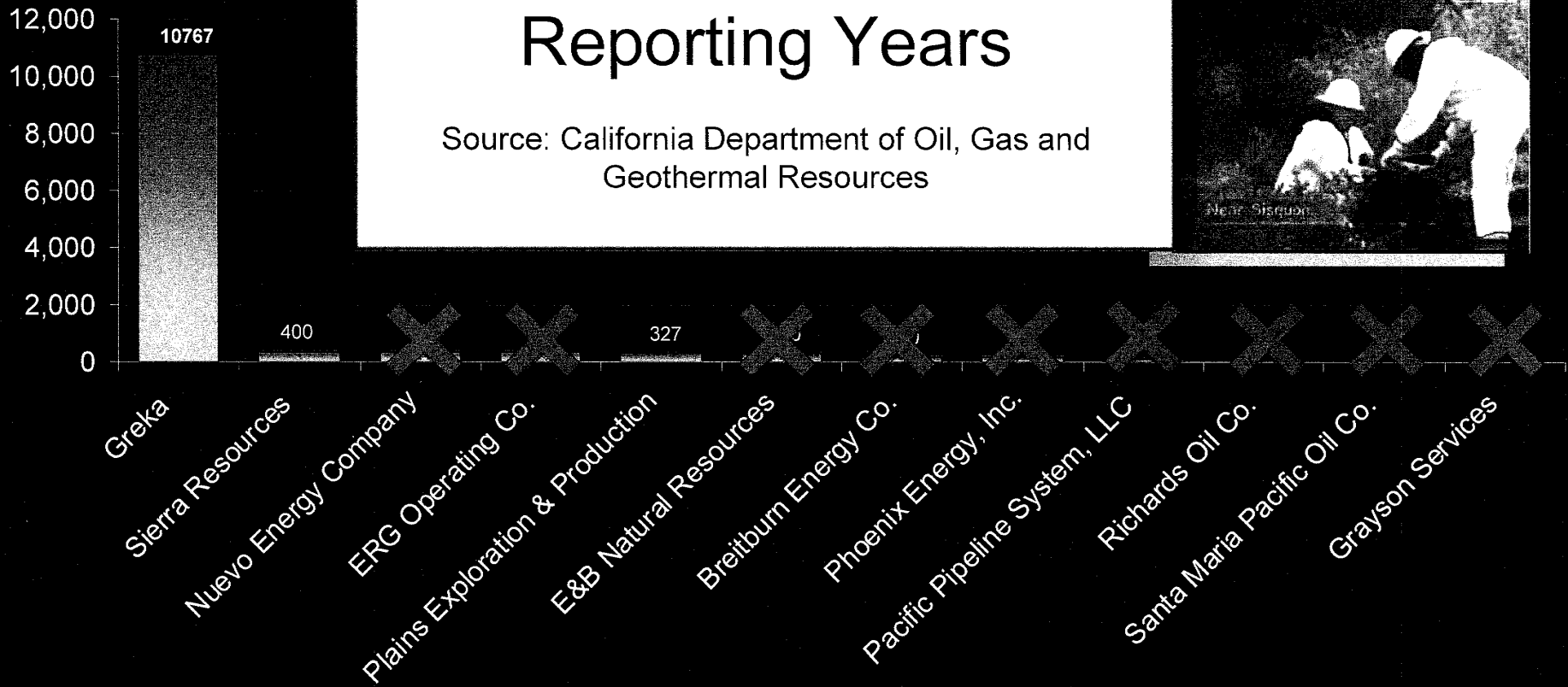




Oilfield Re

Vast Majority of Listed Companies Were Not Producing During All Reporting Years

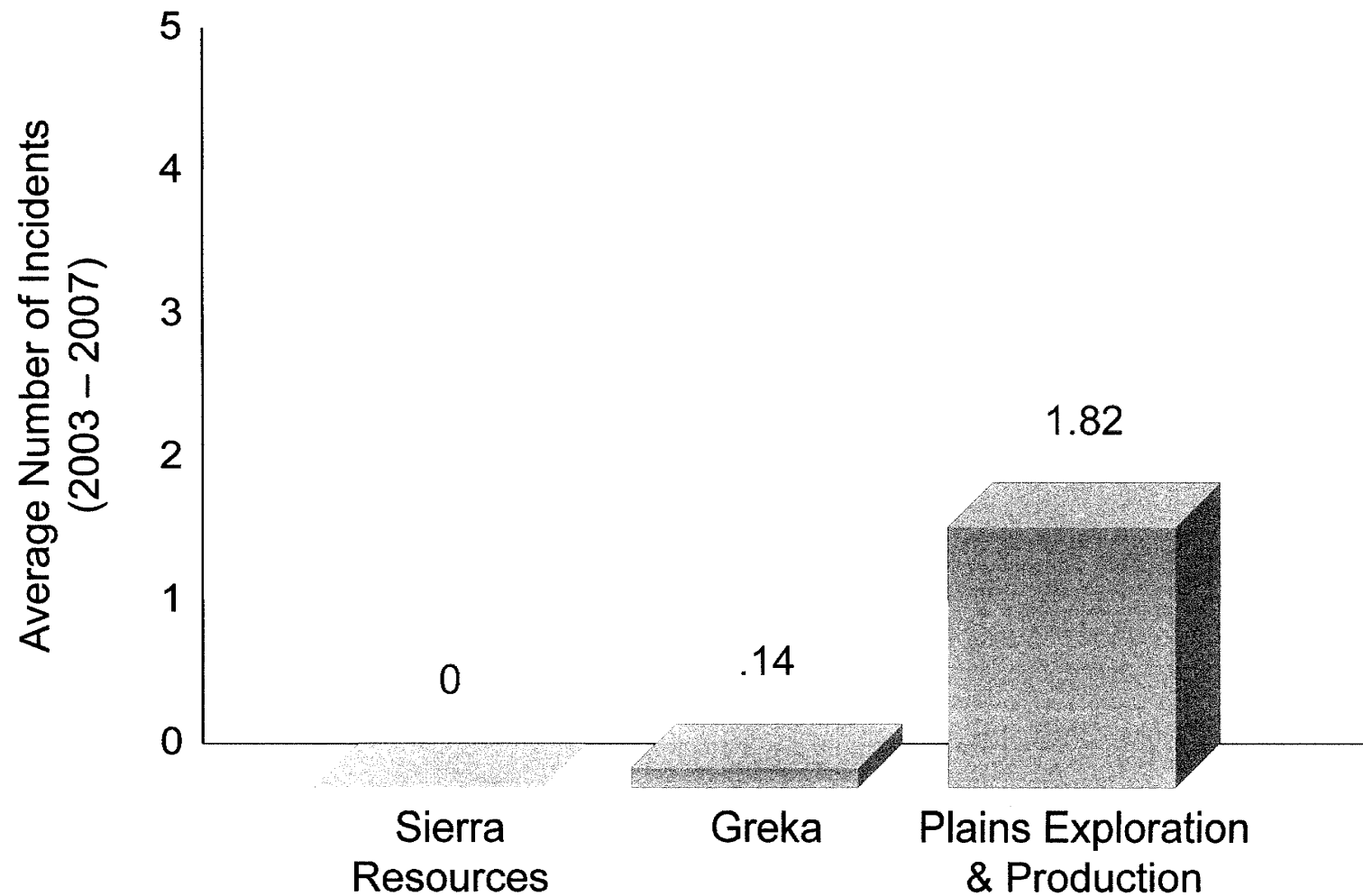
Source: California Department of Oil, Gas and Geothermal Resources



els)



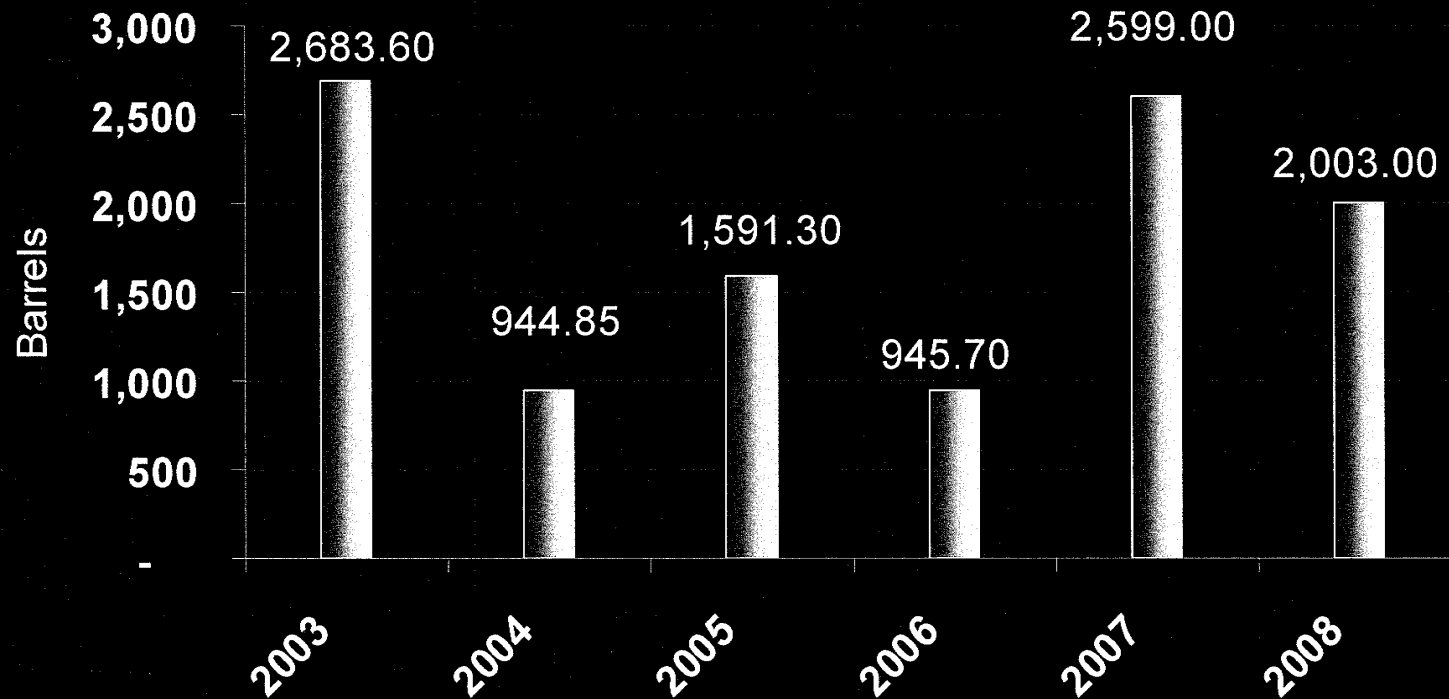
Reported Incidents Per Well Based on Accurate Data



Source: California Office of Emergency Services, California Department of Oil, Gas and Geothermal Resources



Total Greka Spills (in Barrels)

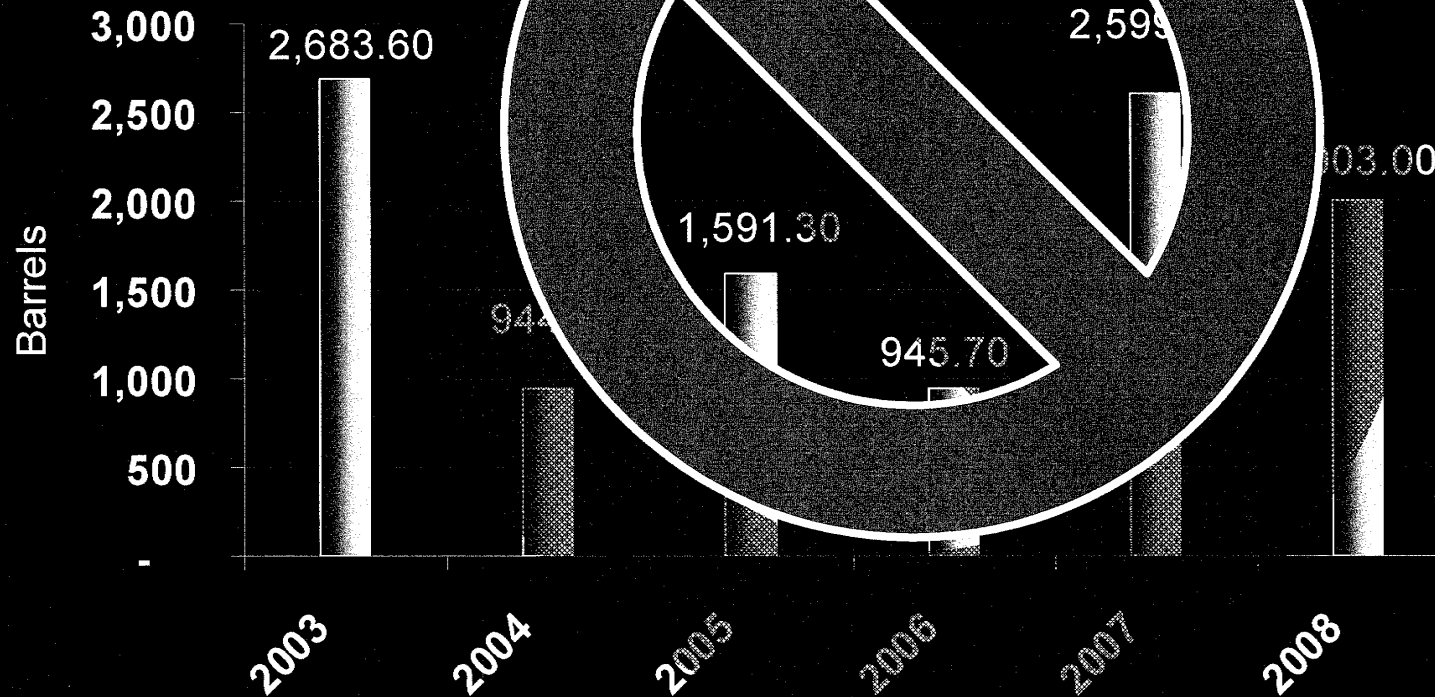




Total

County Staff Paints Distorted Picture

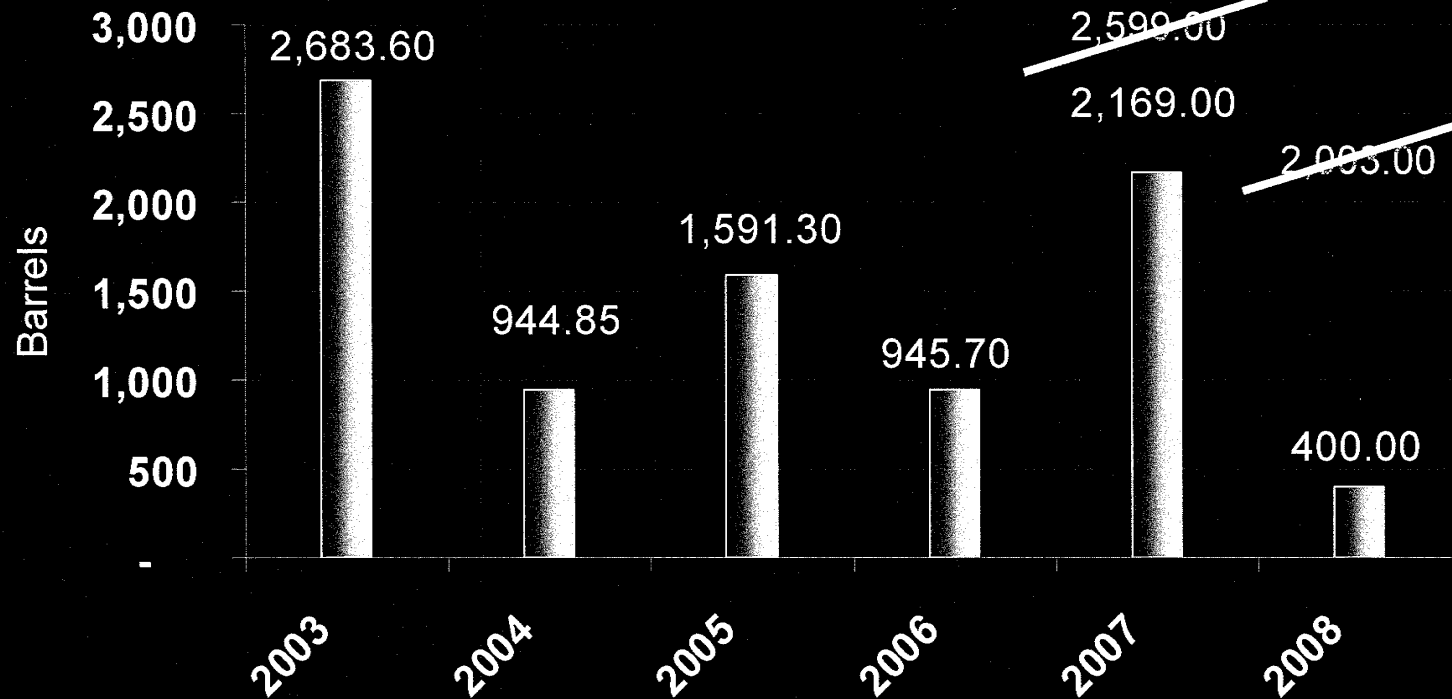
(in Barrels) By On





Data Unreliable Due to Faulty Reporting by County Staff

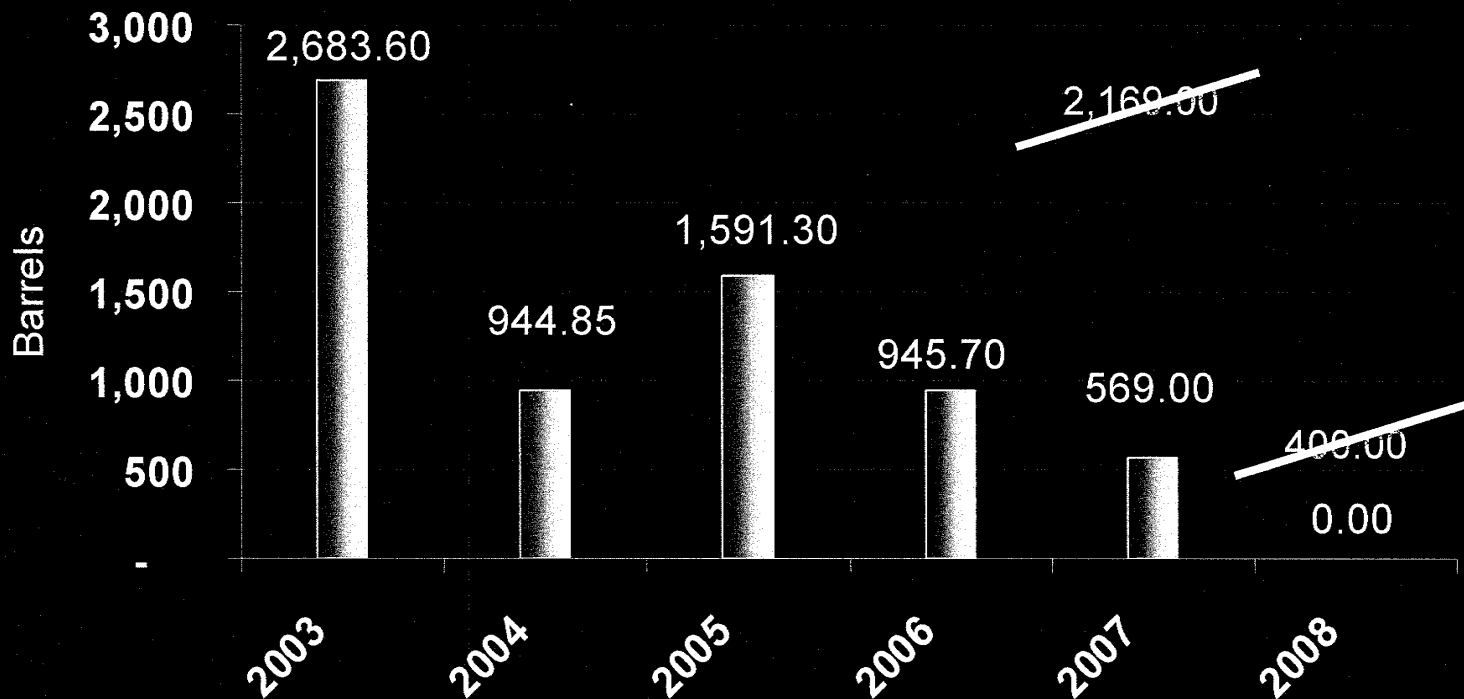
Source: County Administrator's Office, Greka's Report to OSPR





Total Greka (in Barrels)

Data Unreliable
Due to Recent Acts
of Sabotage





Total Greka Spills (in Barrels)

Total Greka Spills
Significantly Decreased
From 2003 to 2008

