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8 **STATE OF CALIFORNIA**  
9 **NATURAL RESOURCES AGENCY**  
10 **DEPARTMENT OF CONSERVATION**  
11 **GEOLOGIC ENERGY MANAGEMENT DIVISION**

12 **EMERGENCY ORDER TO PERFORM REMEDIAL WORK**

13 **NO. 1209**

14 **Operators: Thomas R. Banks (B0940)**

15 **TB Oil Properties, Inc.**

16  
17 **Wells: Nance Blinn 1 (API No. 0403721844), Nance Blinn 2 (0403722258), Nance Blinn 3**  
18 **(0403722259), Nance Blinn 4 (0403722260) and Nance Blinn 5 (0403722261)**

19 **Field: Wilmington Field**  
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## I. Introduction

The State Oil and Gas Supervisor (Supervisor), acting through the Geologic Energy Management Division (CalGEM) and under the authority of Division 3 of the Public Resources Code (PRC) and California Code of Regulations, title 14 (Regulations), may determine that an emergency exists in connection with oilfield operations. In so determining, the Supervisor may issue an order that directs the operator to take any action that the Supervisor deems necessary to protect life, health, property, or natural resources. (PRC, §§ 3013, 3106, 3224, 3226.) In addition, the Supervisor may order tests and remedial work concerning oil and natural gas field operations which, in his judgment, are necessary to prevent damage to life, health, property, and natural resources (See PRC, sections 3106 and 3224). The Supervisor may also upon determination that a production facility is being operated in violations of the standards prescribed in PRC section 3270, issue a cease and desist order to a production operator requiring the operator to cease operation until the operator demonstrates to the satisfaction of the Supervisor that the violation has been corrected. (PRC, § 3270.3.)

For the reasons described in this Order, the Supervisor has determined that conditions at Nance Blinn 1 Well (API No. 0403721844), Nance Blinn 2 Well (0403722258), Nance Blinn 3 Well (0403722259), Nance Blinn 4 Well (0403722260) and Nance Blinn 5 Well (0403722261) pose a threat of harm to life, health, property or natural resources. At all times relevant to this Order, Thomas R Banks and TB Oil Properties, Inc. have been identified as "operators" (Operators), as defined in PRC section 3009, of the "well(s)" as defined in PRC section 3008, subdivision (a), and is conducting "operations" as defined in Regulations section 1720, subdivision (f).

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## II. Definitions

The following definitions apply to the terms used in this Order:

**PRC section 3008, subdivision (a)**, defines "well" to mean, among other things, "any oil or gas well or well for the discovery of oil or gas; any well on lands producing or reasonably presumed to contain oil or gas."

**PRC section 3009**, defines "operator" to mean "a person who, by virtue of ownership, or under the authority of a lease or any other agreement, has the right to drill, operate, maintain,

1 or control a well or production facility."

2 **PRC section 3010** defines "production facility" to mean "any equipment attendant to oil  
3 and gas production or injection operations including, but not limited to, tanks, flowlines,  
4 headers, gathering lines, wellheads, heater treaters, pumps, valves, compressors, injection  
5 equipment, and pipelines that are not under the jurisdiction of the State Fire Marshal pursuant  
6 to Section 51010 of the Government Code." (See also Regulations, § 1760, subd. (r).)

7 **Regulations section 1720, subdivision (f)**, defines "Operations" to mean "any one or all  
8 of the activities of an operator covered by Division 3 of the Public Resources Code."

9 **Regulations section 1760, subdivision (k)**, defines "production facility" to mean "any  
10 equipment attendant to oil and gas production...including, but not limited to, tanks, flowlines,  
11 headers, gathering lines, wellheads, heater treaters, pumps, valves, compressors, injection  
12 equipment, production safety systems, separators, manifolds, and pipelines that are not under  
13 the jurisdiction of the State Fire Marshal pursuant to Section 51010 of the Government Code,  
14 excluding fire suppressant equipment."

### 15 **III. State Oil and Gas Supervisor Authority**

16 **PRC section 3013** states that the oil and gas conservation laws (commencing with PRC  
17 section 3000) "shall be liberally construed to meet its purposes" and grants the Supervisor "all  
18 powers" that may be necessary to carry out those purposes.

19 **PRC section 3106, subdivision (a)**, generally authorizes the Supervisor to "supervise the  
20 drilling, operation, maintenance, and abandonment of wells and the operation,  
21 maintenance, and removal or abandonment of tanks and facilities attendant to oil and gas  
22 production [....]to prevent, as far as possible, damage to life, health, property, and natural  
23 resources[.]"

24 **PRC section 3224** authorizes the supervisor to order such tests or remedial work as in his  
25 judgment are necessary to prevent damage to life, health, property, and natural resources; to  
26 protect oil and gas deposits from damage by underground water; or to prevent the escape of  
27 water into underground formations, or to prevent the infiltration of detrimental substances into  
28 underground or surface water suitable for irrigation or domestic purposes, to the best interests

1 of the neighboring property owners and the public.

2 **PRC section 3225, subdivision (b)**, requires the supervisor in an order requiring an  
3 operator to cease and desist operations pursuant to Section 3270.3 to specify the operations  
4 that the operator is required to cease and desist and to provide a detailed explanation of the  
5 steps that the operator shall take before the supervisor will permit the operations to resume.

6 **PRC section 3226 states:** "[I]f the supervisor determines that an emergency exists, the  
7 supervisor may order or undertake the actions he or she deems necessary to protect life,  
8 health, property, or natural resources." PRC section 3226 also allows the Supervisor, based the  
9 Supervisor's final or affirmed order, to appoint agents to enter the premises and perform  
10 necessary remedial work if the operator did not complete the remedial work as ordered. Any  
11 amount the Supervisor expends to complete the necessary remedial work constitutes a lien  
12 against the operator's real or personal property according to PRC section 3423.

13 **PRC section 3270** mandates that CalGEM prescribe by regulation minimum facility  
14 maintenance standards for all production facilities in the state.

15 **PRC section 3270.3** authorizes the supervisor, upon his or her determination that a  
16 production facility is being operated in violation of the standards prescribed in Section 3270  
17 subdivision (a), to issue a cease and desist order to a production facility operator requiring the  
18 operator to cease operation until the operator demonstrates, to the satisfaction of the  
19 supervisor, that the violation has been corrected.

20 **Regulations section 1714** states: "[T]emporary approval to commence . . . operations  
21 may be granted by the Supervisor or a representative of the Supervisor when such operations  
22 are necessary to avert a threat to life, health, property, or natural resources."

23 **Regulations section 1722, subdivision (a)**, requires that an operator to conduct all  
24 operations "in accordance with good oilfield practice."

25 **Regulations section 1722.1.1** requires each well location shall have posted in a  
26 conspicuous place a clearly visible, legible, permanently affixed sign with the name of the  
27 operator, name or number of the lease, and number of the well.

28 **Regulations section 1773.3, subdivision (a)** requires all tanks be properly identified with

the operator's tank identification number, tank type (production, stock, water, etc.), and with appropriate materials hazard placards or labels.

**Regulations section 1773.5, subdivision (a) (1)** requires out-of-service production facilities to have fluids, sludge, hydrocarbons, and solids removed and shall be disconnected from any pipelines and other in-service equipment.

**Regulations section 1773.5, subdivision (a) (3)** requires clean-out doors or hatches on Out-of-Service tanks shall be removed and a heavy gauge steel mesh grating (less than 1" spacing) to be secured over the opening to allow for visual inspection and prevent unauthorized access.

**Regulations section 1773.5, subdivision (a) (4)** requires Out-of-Service tanks and vessels to be labeled with Out-of-Service or OOS. "Out-of-Service" or "OOS" shall be painted in bold letters at least one foot high, if possible, on the side of the tank or vessel at least five feet from the ground surface, or as high as possible, along with the date it was taken out of service.

**Regulations section 1773.5, subdivision (a) (5)** requires Out-of-Service production facilities to have valves and fittings removed or secured to prevent unauthorized use.

**Regulations section 1775, subdivision (a)** requires oilfield wastes to be disposed of in such a manner as not to cause damage to life, health, property, freshwater aquifers or surface waters, or natural resources, or be a menace to public safety.

**Regulations section 1777, subdivision (a)** among other things, requires operator to "maintain production facilities in good condition and in a manner to prevent leakage or corrosion and to safeguard life, health, property, and natural resources."

#### **IV. Alleged Acts/Omissions**

During inspections conducted on or about May 27, 2021 and June 9, 2021, CalGEM staff observed the following conditions at the Operators' facility located in the Wilmington Field associated with the Nance Blinn Lease:

1. Nance Blinn 1 (API No. 0403721844), pumping unit is raised on pieces of wood posing a safety hazard in violation of Regulations section 1722, subdivision (a). (Attachment A, D and E; Incorporated herein);

2. Nance Blinn 1 (API No. 0403721844), excessive weeds posing a fire hazard near the well in violation of Regulations section 1722, subdivision (a) (Attachment A and C; Incorporated herein);
3. Nance Blinn 1 (API No. 0403721844) waste and refuse pile next to the well in violation of Regulations section 1722, subdivision (a) (Attachment C; Incorporated herein);
4. Nance Blinn 2 (API No. 0403722258), pumping unit is raised on pieces of wood, and appears to be unstable and leaning, posing a safety hazard (Attachment A, D and E; Incorporated herein);
5. Nance Blinn 2 (API No. 0403722258), counter-weight guard is broken in violation of Regulations section 1722, subdivision (a) (Attachment A and C; Incorporated herein);
6. Nance Blinn 2 (API No. 0403722258), excessive weeds posing a fire hazard around the wellsite in violation of Regulations section 1722, subdivision (a) (Attachment C; Incorporated herein);
7. Nance Blinn 3 (API No. 0403722259), pumping unit is raised on pieces of wood posing a safety hazard in violation of Regulations section 1722, subdivision (a) (Attachment B, D and E; Incorporated herein).
8. Nance Blinn 3 (API No. 0403722259), wellhead is leaking in violation of Regulations section 1777, subdivision (a) (Attachment C; Incorporated herein).
9. Nance Blinn 3 (API No. 0403722259), un-remediated spill around the wellhead in violation of Regulations section 1775, subdivision (a) (Attachment C; Incorporated herein).
10. Nance Blinn 4 (API No. 0403722260), pumping unit is raised on pieces of wood posing a safety hazard in violation of Regulations section 1722, subdivision (a) (Attachment B, D and E; Incorporated herein);
11. Nance Blinn 4 (API No. 0403722260), un-remediated spill around the wellhead in violation of Regulations section 1775, subdivision (a) (Attachment C; Incorporated herein);

12. Nance Blinn 5 (API No. 0403722261), pumping unit is raised on pieces of wood posing a safety hazard in violation of Regulations section 1722, subdivision (a) (Attachment B, D and E; Incorporated herein);
13. Nance Blinn 5 (API No. 0403722261), un-remediated spill around the wellhead in violation of Regulations section 1775, subdivision (a) (Attachment C; Incorporated herein);
14. Waste Water Tank (WellSTAR ID 14751) is open to atmosphere without proper screening or covering in violation of Regulations section 1777, subdivision (a)- (Attachment C; Incorporated herein);
15. Wash tank (WellSTAR ID 14750), auxiliary pump is leaking fluid in violation of Regulations section 1777, subdivision (a) (Attachment C; Incorporated herein);
16. Clarifier (East) (WellSTAR ID 22950), no tank identification number, tank type and hazard placard posted in violation of Regulations section 1773.3, subdivision (a) (Attachment C; Incorporated herein);
17. Clarifier (Middle) (WellSTAR ID 22949), no tank identification number, tank type and hazard placard posted in violation of Regulations section 1773.3, subdivision (a) (Attachment C; Incorporated herein);
18. Clarifier (West) (WellSTAR ID 22948), no tank identification number, tank type and hazard placard posted in violation of Regulations section 1773.3, subdivision (a) (Attachment C; Incorporated herein);
19. Middle Stock Tank (WellSTAR ID 14748), pipe connection to the Stock Tank is leaking fluid at the union joint in violation of Regulations section 1777, subdivision (a) (Attachment C; Incorporated herein);
20. Westernmost Stock Tank (WellSTAR ID 14747), valves and fittings are not removed or secured in violation of Regulations section 1773.5, subdivision (a)(5) Attachment C; Incorporated herein);
21. Westernmost Stock Tank (WellSTAR ID 14747) is not disconnected from associated pipelines in violation of Regulations section 1773.5, subdivision (a)(1) (Attachment C;

Incorporated herein);

22. Westernmost Stock Tank (WellSTAR ID 14747) Out of Service (OOS) label is not posted in violation of Regulations section 1773.5, subdivision (a)(4)(Attachment C; Incorporated herein);

23. Westernmost Stock Tank (WellSTAR ID 14747), hatches or clean-out doors on the tank are not removed in violation of Regulations section 1773.5, subdivision (a)(3) (Attachment C; Incorporated herein);

24. Westernmost Stock Tank (WellSTAR ID 14747) fluids and solid are not removed and are not emptied out in violation of Regulations section 1773.5, subdivision (a)(1) (Attachment C; Incorporated herein); and

25. Nance Blinn Tank Setting (WellSTAR ID 90295543), un-remediated spills near Stock Tank 203, Stock Tank 202, and Wash Tank 204, and bucket full of oil next to Stock Tank 204 in violation of Regulations section 1775, subdivision (a) (Attachment C; Incorporated herein).

Additionally, based on CalGEM inspections of the Nance Blinn lease on May 27 and June 9, 2021, and review of available Interferometric Synthetic Aperture Radar (InSAR) data, CalGEM has determined that the ground surface within and around the lease may be experiencing subsidence or settlement due to oil and gas production activities at the lease. This has most likely caused, at a minimum, damage to well support structures and a parking lot where the lowest area of a localized subsidence bowl is located (approximately 800 feet southwest of the surface location of the wells). The lowest area of the subsidence bowl corresponds to the down hole location of the producing intervals of the wells on the lease, which further supports CalGEM's determination (Attachment F; Incorporated herein).

#### **V. Required Remedial Actions (Emergency)**

For the reasons described above in this Order, the Supervisor hereby determines that emergency remedial work is necessary to prevent damage to life, health, property, and natural resources. Therefore, pursuant to PRC sections 3013, 3106, 3224, 3226, and 3270.3 and Regulations sections 1722 subdivision (a), 1779, 1777, subdivisions (a) and (d), 1775, 1773.1,



1 1773.3 subdivision (a), 1773 subdivision (a) and (b), among others, the Supervisor hereby orders  
2 Operators to:

- 3 1. Immediately upon issuance of this Order, cease all production operations, and secure  
4 the well site such that it prevents harm to life, health, property, and natural resources,  
5 until CalGEM authorizes Operators to resume pursuant to paragraph V.4.
- 6 2. Within 10 days from the date of issuance of this Order, submit to CalGEM for review and  
7 approval a written workplan and schedule describing the remedial work that will be  
8 performed. The workplan must include the following remedial work:
  - 9 a. An evaluation of the structural integrity of the well pumping units for all five wells  
10 (Nance Blinn 1 through Nance Blinn 5) to determine if they can be operated safely  
11 or if any mitigation measures are needed prior to resuming production by an  
12 appropriately licensed professional.
  - 13 b. Reinforce the foundation of the pumping unit with material according to the  
14 American Petroleum Institute Recommended Practice 11G ("Recommended  
15 Practice for Installation, Maintenance, and Lubrication of Pumping Units") for  
16 installation and maintenance of pumping unit.
  - 17 c. Upon completion of pumping unit remedial work, remediation of contaminated  
18 soil, and weed removal, provide a written report prepared and duly signed and  
19 stamped by an appropriately licensed professional certifying the safe working  
20 condition of the wells before production resumes.

21 The work plan and schedule must include a description of the work to be performed,  
22 the date the work will commence, and the anticipated date the work will be  
23 completed. All work must be completed within 60 days of this Order. The workplan must  
24 be submitted to:

25 CalGEM, Southern District Office  
26 3780 Kilroy Airport Way, Suite 400  
27 Long Beach, CA 90806

28 or via email to [CalGEMSouthern@conservation.ca.gov](mailto:CalGEMSouthern@conservation.ca.gov), within 10 days of this Order.

3. After CalGEM has approved the workplan, Operators shall implement the workplan pursuant to the schedule therein. All engineering and geological work shall be conducted in conformance with applicable state law including but not limited to Business and Professions Code sections 6735 and 7835. Upon completion of the work, notify Grace Brandt at [Grace.Brandt@conservation.ca.gov](mailto:Grace.Brandt@conservation.ca.gov) to schedule a site visit for CalGEM staff to verify the work was performed to the satisfaction of CalGEM.
4. Operators shall not resume production operations without written approval from CalGEM confirming that all necessary remedial has been successfully completed.

**VI. Required Remedial Actions (Non- Emergency)**

For the reasons described above in this Order, the Supervisor hereby determines that remedial work is necessary to prevent damage to life, health, property, and natural resources. Therefore, pursuant to PRC sections 3013, 3106, 3224, and 3226, and Regulations sections 1722, subdivision (a), 1779, 1777, subdivisions (a) and (d), 1775, 1773.1, 1773.3 subdivision (a), 1773 subdivision (a) and (b), among others, the Supervisor hereby orders Operators, to perform the work and acts identified below within 30 days from the effective date of the Order:

- a. Remove oil stained soils, oilfield waste and arrange for proper transport and disposal in a manner that is compliant with California laws and regulations.
- b. Use proper well control methods and equipment to stop any leakage from Nance Blinn 3 (API No. 0403722259), auxiliary pump at Wash tank (WellSTAR ID 14750), and pipe connection to the Middle Stock Tank (WellSTAR ID 14748).
- c. Determine the root cause of the leak(s) from Nance Blinn 3 (API No. 0403722259), auxiliary pump at Wash tank (WellSTAR ID 14750), and pipe connection to the Middle Stock Tank (WellSTAR ID 14748) and remediate. Report the cause of the leak to:

CalGEM Southern District Office  
3780 Kilroy Airport Way, Suite 400  
Long Beach, CA 90806

1 or via email to [CalGEMSouthern@conservation.ca.gov](mailto:CalGEMSouthern@conservation.ca.gov) and identify measures  
2 taken to remediate the leak.

- 3 d. Identify all tanks with identification number, tank type (production, stock, water,  
4 etc.), and with appropriate materials hazard placards or labels.
- 5 e. Install screening or covering on Wastewater Tank (WellSTAR ID 14751) to restrain  
6 entry of wildlife and to safeguard life.
- 7 f. Remove fluids, sludge, hydrocarbons, and solid, clean-out doors or hatches and  
8 disconnect any pipelines on Westernmost Stock Tank (WellSTAR ID 14747), an out  
9 of service tank.
- 10 g. Label "Out of Service" or "OOS" on Westernmost Stock Tank (WellSTAR ID 14747),  
11 an out of service tank.
- 12 h. Assess if subsidence or settlement due to oil and gas production activities is  
13 occurring at the lease. Provide documentation and data, including but not  
14 limited to, engineering and geotechnical reports that assess the cause, extent,  
15 and related damage of the localized subsidence (i.e., settlement) bowl as  
16 described above. The reports shall include any and all damage to buried utilities  
17 including but not limited to water supply, sewer, electrical, gas, and  
18 communication. The data and reports required shall include, but is not limited to,  
19 photographs of the lease, damage, with references to identifiable landmarks  
20 and/or GPS coordinates. This report must be prepared by a duly licensed  
21 professional in the State of California and shall be submitted to:

22 CalGEM Southern District office  
23 3780 Kilroy Airport Way, Suite 400  
24 Long Beach, CA 90806

25 or via email to [CalGEMSouthern@conservation.ca.gov](mailto:CalGEMSouthern@conservation.ca.gov).

- 26 i. If documentation submitted demonstrates subsidence or settlement due to oil  
27 and gas production activities is occurring at the lease, provide a workplan for  
28 CalGEM's review to mitigate subsidence issue at and around the site. After

CalGEM has approved the workplan, Operators shall implement the workplan pursuant to the schedule therein. All engineering and geological work shall be conducted in conformance with applicable state law including but not limited to Business and Professions Code sections 6735 and 7835. Operators shall coordinate with and obtain approval from all appropriate Federal, State, and local agencies in addressing the subsidence issue.

## **VII. Operators' Appeal Rights**

Operators may appeal this Order by filing a timely written notice of appeal with the Director as described in Article 6 (Appeals and Review) of Division 3 of the PRC, commencing with PRC section 3350. (PRC, §§ 3225, subd. (d); 3236.5, subd. (c).) If this Order is mailed to you, the Director must receive the appeal within (15) days from the date the Supervisor mails the Order. To file an appeal, a written notice of appeal may be sent via U.S. mail to:

Department of Conservation  
Director's Office of Appeals  
801 K Street, MS 24-03 (Legal Office, Chief Counsel)  
Sacramento, California 95814-3530

Or via electronic mail to: [CALGEMAppeals@conservation.ca.gov](mailto:CALGEMAppeals@conservation.ca.gov)

If Operators do not file a timely written notice of appeal, this Order will become a final order.

If Operators file a timely written notice of appeal, Operators will be informed of the appeal hearing date, time, and place. Following the hearing, Operators, and interested parties, will receive a written decision that affirms, sets aside, or modifies the appealed order.

The filing of an appeal of this Order will not operate as a stay of any remedial actions which are issued pursuant to the Supervisor's emergency order authority according to PRC section 3226. (PRC, § 3350, subd. (b)(1).) Therefore, regardless of whether Operators timely files a notice of appeal of the "Required Remedial Actions (Emergency)" in section V above, Operators must immediately perform the work described herein. If the work is not immediately commenced and continued to completion within 30 days of this order, the Supervisor may

1 appoint necessary agents to enter the premises and perform the work consistent with PRC  
2 section 3226. Any amount the Supervisor expends will constitute a lien against Operators' real  
3 and/or personal property. (PRC, § 3226.)

4 **VIII. Other Potential Actions to Enforce This Order**

5 CalGEM reserves all of its statutory and regulatory power, authorities, rights and  
6 remedies to protect public health or the environment. By issuing this Order, CalGEM does not  
7 waive the right to take further enforcement action for violations of law, whether or not those  
8 violations were identified in this Order. Failure to comply with Sections V (Required Remedial  
9 Actions (Emergency)) and VI (Required Remedial Actions (Non- Emergency)) of this order  
10 could subject Operators to further enforcement action. CalGEM reserves the right to assess a  
11 penalty at a later time against Operators for the violations identified in this Order. PRC section  
12 3236 makes it a misdemeanor for any person who violates, fails, neglects, or refuses to comply  
13 with any of the provisions of the oil and gas conservation laws commencing at PRC section  
14 3000. PRC section 3236.5 authorizes the Supervisor to impose a civil penalty on a person who  
15 violates any provision in Chapter 1 of Division 3 of the PRC or any regulation that implements  
16 those statutes, and the Supervisor may in the future impose further civil penalties based on the  
17 facts and omissions underlying this order. PRC section 3237 authorizes the Supervisor to order  
18 the plugging and abandonment of a well or the decommissioning of a production facility if an  
19 operator has failed to comply with an order of the Supervisor within the time provided by the  
20 order or has failed to challenge the order on a timely basis. PRC section 3359 makes it a  
21 misdemeanor to fail or neglect to comply with an order of the Supervisor. Each day's further  
22 failure, refusal, or neglect is a separate and distinct offense. (PRC, § 3359.)

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24  
25 DATED: July 21, 2021

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28 Uduak-Joe Ntuk  
State Oil and Gas Supervisor

1 Service List:

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3 Thomas R. Banks  
4 1736 Erringer Rd. #100  
5 Simi Valley, CA 93065

6 Agent for Service of Process  
7 Thomas Banks  
8 5775 Los Angeles Ave #117  
9 Simi Valley, CA 93063-5214

10 TB Oil Properties, Inc.  
11 1901 Park Road 21  
12 Cleburne, TX 76033

13 TB Oil Properties, Inc.  
14 Entity Mailing Address:  
15 PO Box 245  
16 Keene, TX 76059

17 Agent for Service of Process  
18 TB Oil Properties, Inc.  
19 David Woolsey  
20 7692 Timber Circle #3  
21 Huntington Beach, CA 92648  
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