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8	STATE OF CALIFORNIA		
9	NATURAL RESOURCES AGENCY		
10	DEPARTMENT OF CONSERVATION		
11	GEOLOGIC ENERGY MANAGEMENT DIVISION		
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14	ORDER TO PAY A CIVIL PENALTY AND PERFORM REMEDIAL WORK		
15	NO. 1412		
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19	Operator: Thompson Energy Resources, LLC (T2500)		
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	Order to Pay a Civil Penalty and Perform Remedial Work No. 1412		

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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; commencing with PRC section 3000) and title 14 of the California Code of
Regulations (Regulations), may impose a civil penalty on a person who violates any statutory
provision of the PRC, or any regulation that implements those statutory provisions. (PRC, §
3236.5)

8 Based on CalGEM's records, Thompson Energy Resources, LLC (Operator) is the 9 "operator" (as defined in PRC, § 3009) and is responsible for the Wells and associated 10 Production Facilities identified on Attachment A, incorporated herein (the "Wells" and 11 "Facilities"). As described in more detail below, Operator has not maintained compliance with 12 applicable requirements for operation of the Wells and the Facilities. Operator's failure to 13 comply with Regulations poses a potential threat to life, health, property, and natural resources and requires remedial work. Therefore, pursuant to PRC sections 3106, 3224, 3226, 14 15 3236.5, and 3270, and Regulations sections 1722 and 1722.9, the Supervisor is ordering 16 Operator to perform remedial work to bring its Spill Contingency Plan into compliance and 17 pay an administrative civil penalty.

18 Attachment B, incorporated herein, contains a list of definitions and authorities that are
19 applicable to this order.

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II. <u>Alleged Acts and Omissions</u>

Based on CalGEM's records, at all times relevant to this order, Operator was the
operator, as defined in PRC section 3009, of the Wells and Facilities.

CalGEM records reflect Operator has not maintained compliance with applicable
requirements for operation of the Wells and the Facilities. Operator's lack of adherence to
Regulations poses a potential threat to life, health, property, and natural resources. The
violation at issue is identified below.

The operator of a facility is required to develop a spill contingency plan (SCP).
(Regulations, § 1722, subd. (b).) A SCP is designed to both prevent and provide appropriate

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response to unauthorized releases. It is critical that the SCP be up-to-date so that an operator 1 2 and their staff may respond appropriately to any unauthorized release and report the release 3 to the appropriate agencies. Amongst other requirements, a SCP must include a list of state agency notifications with telephone numbers, including the phone number for the 4 5 appropriate CalGEM district office. (Regulations, § 1722.9, subd. (d).) Having the appropriate CalGEM district contact information, and in particular the office phone number in the SCP is 6 7 important for ensuring that in the event of an unauthorized release, an operator can timely 8 notify CalGEM of the release. If CalGEM determines the SCP has become outdated, the 9 Supervisor may require the plan be updated to ensure that it addresses and applies to current 10 conditions. (Regulations, § 1772, subd. (b).)

11 Effective February 11, 2019, the CalGEM's Southern District Office moved locations, and effective June 20, 2019, the office's phone number changed. All operators were alerted to this 12 13 change via Notice to Operators 2019-11. (Attachment C, incorporated herein.) Operator's SCP contains an out-of-date phone number for CalGEM's Southern District office. 14 15 (Attachment D, incorporated herein.) On November 27, 2023, CalGEM requested Operator 16 update its SCP agency information and contact number for CalGEM and submit a revised SCP 17 to CalGEM by December 27, 2023. (Regulations, § 1722.9.) (Attachment E, incorporated 18 herein.) On January 8, 2024, CalGEM issued a violation to Operator for its failure to submit an 19 updated SCP. (Attachment F, incorporated herein.) On May 10, 2024, CalGEM informed 20 Operator that this matter had been referred to CalGEM's Enforcement Unit. (Attachment G, 21 incorporated herein.) As of the date of this order, Operator has failed to correct the violation 22 by submitting an up-to-date SCP.

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III. <u>Civil Penalty/Remedial Work</u>

a. <u>Civil Penalty</u>

Based on the foregoing Alleged Acts and Omissions and in consideration of relevant
circumstances, consistent with PRC section 3236.5, by this order the Supervisor imposes an
administrative civil penalty totaling five- hundred dollars (\$500.00) for the one violation. For
purposes of this Order, the Supervisor considered relevant circumstances when establishing

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1	the amount of the civil penalty, including: characterizing the violation as "minor" (as defined	
2	in PRC section 3236.5, subdivision (b)), the eight factors identified in PRC section 3236.5, subd.	
3	(a), the Operator's lack of response to CalGEM, and that given the location of Operator's	
4	Wells and Facilities, it is particularly important that any unauthorized release is timely reported.	
5	b. <u>Remedial Work</u>	
6	Pursuant to PRC section 3224, the Supervisor hereby orders Operator to complete	
7	remedial work to come into compliance with Regulations sections 1722 and 1722.9 as outlined	
8	below in Operator's Required Actions.	
9	IV. <u>Operator's Required Actions</u>	
10	For the reasons stated herein, pursuant to PRC sections 3013, 3106, 3224, and 3236.5,	
11	and Regulations sections 1722 and 1722.9, IT IS HEREBY ORDERED that, within 30 days of this	
12	order, Operator:	
13	1) Pay an administrative civil penalty of five-hundred dollars (\$500.00); and	
14	2) Submit a complete updated Spill Contingency Plan, prepared as directed in	
15	Regulations section 1722.9, updating CalGEM's phone number to the correct	
16	number (562) 637-4400. Please submit the updated plan to: Bryan Page via email	
17	at <u>bryan.page@conservation.ca.gov</u> .	
18	To remit payment of the civil penalty online, please visit	
19	https://www.govone.com/PAYCAL/Home/SelectAgency and select "California Department	
20	of Conservation Geologic Energy Management Division," then follow the instructions on the	
21	screen.	
22	To remit payment of the civil penalty by mail, please send a check payable to	
23	"Department of Conservation" to the following address:	
24	Department of Conservation	
25	CalGEM, Attn: Operational Management Unit	
26	715 P Street, MS 1803	
27	Sacramento, California 95814	
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Please include the Operator name, Order number, and phrase "Oil and Gas 2 Environmental Remediation Account" on the check itself.

V. **Operator's Appeal Rights**

4 Operator may appeal this Order by filing a timely written notice of appeal with the 5 Director as described in Article 6 (Appeals and Review) of Division 3 of the PRC, commencing with PRC section 3350. (PRC, §§ 3225, subd. (d).) If this order is mailed to you, the Director must 6 7 receive the appeal within (15) days from the date the Supervisor mails the order. To file an 8 appeal, a written notice of appeal may be sent via U.S. mail to:

9 Department of Conservation

10 Director's Office of Appeals

11 715 P Street, MS 19-06 (Legal Office, Chief Counsel)

Sacramento, California 95814

13 Or via electronic mail:

CalGEMAppeals@conservation.ca.gov

16 If Operator files a timely written notice of appeal, Operator will be informed of the 17 appeal hearing date, time, and place. Following the hearing, Operator will receive a written 18 decision that affirms, sets aside, or modifies the appealed order.

19 If Operator does not file a timely written notice of appeal, or if the order is affirmed 20 following an appeal, this order will become a final order and CalGEM may contract for 21 performance of the work, pursuant to PRC section 3226, if, within 30 days of this order, 22 Operator has not, in good faith, commenced the work ordered. Any costs incurred by 23 CalGEM to obtain compliance with this order (which may include penalties and interest) will 24 constitute a lien against Operator's real or personal property per PRC section 3423. (PRC, § 25 3356.)

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VI. Other Potential Actions to Enforce This Order

27 Failure to comply with Section V (Operator's Required Actions) of this order could 28 subject Operator to further enforcement action. PRC section 3236 makes it a misdemeanor

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for any person who violates, fails, neglects, or refuses to comply with any of the provisions of 1 2 the oil and gas conservation laws commencing at PRC section 3000. PRC section 3236.5 3 authorizes the Supervisor to impose a civil penalty on a person who violates any provision in 4 Chapter 1 of Division 3 of the PRC or any regulation that implements those statutes, and the 5 Supervisor may in the future impose further civil penalties based on the facts and omissions underlying this order. PRC section 3237 authorizes the Supervisor to order the plugging and 6 7 abandonment of a well or the decommissioning of a production facility if an operator has failed to comply with an order of the Supervisor within the time provided by the order or has 8 9 failed to challenge the order on a timely basis. PRC section 3359 makes it a misdemeanor to fail or neglect to comply with an order of the Supervisor. Each day's further failure, refusal, or 10 11 neglect is a separate and distinct offense. (PRC, § 3359.) By issuance of this Order, the ervisor does not waive the right to take further enforcement actions.

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July 11, 2024

Douglas ITO

Doug Ito State Oil and Gas Supervisor

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