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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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18 **Operator: Thompson Energy Resources, LLC (T2500)**
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1 **I. Introduction**

2 The State Oil and Gas Supervisor (**Supervisor**), acting through the Geologic Energy
3 Management Division (**CalGEM**), and under the authority of Division 3 of the Public Resources
4 Code (**PRC**; commencing with PRC section 3000) and title 14 of the California Code of
5 Regulations (**Regulations**), may impose a civil penalty on a person who violates any statutory
6 provision of the PRC, or any regulation that implements those statutory provisions. (PRC, §
7 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
14 resources and requires remedial work. Therefore, pursuant to PRC sections 3106, 3224, 3226,
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.

20 **II. Alleged Acts and Omissions**

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

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

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

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. Remedial Work**

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. Operator's Required Actions**

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 bryan.page@conservation.ca.gov.

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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1 Please include the Operator name, Order number, and phrase "Oil and Gas
2 Environmental Remediation Account" on the check itself.

3 **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
6 with PRC section 3350. (PRC, §§ 3225, subd. (d).) If this order is mailed to you, the Director must
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)
12 Sacramento, California 95814

13 Or via electronic mail:

14 CalGEMAppeals@conservation.ca.gov

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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.)

26 **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

1 for any person who violates, fails, neglects, or refuses to comply with any of the provisions of
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
6 underlying this order. PRC section 3237 authorizes the Supervisor to order the plugging and
7 abandonment of a well or the decommissioning of a production facility if an operator has
8 failed to comply with an order of the Supervisor within the time provided by the order or has
9 failed to challenge the order on a timely basis. PRC section 3359 makes it a misdemeanor to
10 fail or neglect to comply with an order of the Supervisor. Each day's further failure, refusal, or
11 neglect is a separate and distinct offense. (PRC, § 3359.) By issuance of this Order, the
12 Supervisor does not waive the right to take further enforcement actions.

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15 DATED: July 11, 2024

Douglas Ito

Doug Ito
State Oil and Gas Supervisor