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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. 1569**
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18 **Operator: West Energy Operating, LLC (11109)**
19 **Field Names: Canfield Ranch, Bellevue, and Richfield**
20 **County: Central, Southern**
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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.)

Based on CalGEM's records, West Energy Operating, LLC (**Operator**) is the "operator" (as defined in PRC, § 3009) and is responsible for the Wells and associated Production Facilities identified on **Attachment A**, incorporated herein (the "**Wells**" and "**Facilities**"). As described in more detail below, Operator has not maintained compliance with applicable requirements for operation of the Wells and the Facilities. Operator's failure to comply with the Regulations poses a potential threat to life, health, property, and natural resources and constitute violations requiring remedial work and for which the Supervisor has determined imposition of a civil penalty is appropriate. Therefore, pursuant to PRC sections 3013, 3106, 3224, 3225, 3226, 3236.5, and 3270 and Regulations sections 1722 and 1777, the Supervisor is ordering Operator to (1) perform remedial work to bring the Wells and Facilities into compliance and (2) pay an administrative civil penalty for the violations.

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

II. Alleged Acts and Omissions

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. On or about January 10, 2025, January 14, 2025, May 1, 2025, and September 9, 2025, CalGEM conducted inspections of the Wells and Facilities in the Bellevue, Canfield Ranch, and Richfield Oil Fields where the violations described below were observed and documented. (**Attachments C, D, E, and F** incorporated herein.)

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 the Regulations poses a potential threat to life, health, property, and natural resources. The violations at issue are identified below.

A. Failure to maintain bolts on wellhead. (Regulations § 1777, subd. (a).)

The wellhead is equipment secured to the upper part of a well, located above the casing and is held in place by a series of bolts. Damaged or missing bolts on the wellhead may lead to leaking around the wellhead. Production facilities include wellheads. (PRC, § 3010; Regulations, § 1760, subd. (r).) Operators are required 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, and to conduct operations in accordance with good oilfield practices. (Regulations, §§ 1722, subd. (a); 1777, subd. (a).)

During the inspection, CalGEM observed bolts missing from the wellhead at the following well, in violation of Regulations, section 1777, subdivision (a):

API	Well Designation
0402904500	KCL Gosford A 38X-13

As of the date of this Order, CalGEM does not have any records from Operator demonstrating that the violation has been corrected.

B. Failure to maintain tank and production facilities in good condition and in a manner to prevent leakage or corrosion (Regulations, § 1777, subd. (a).)

Operators are required 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 and conduct operations in accordance with good oilfield practices. (Regulations, § 1777, subd. (a).) During the inspections, CalGEM observed leaks at the fittings, pipes, and valves attached to the following tank and production facilities in violation of Regulations section 1777, subdivision (a):

Facility Setting ID	Facility Setting Name	District	Facility ID	Facility Name	Facility Type
90293818	KCL-A Tank Farm	Central	5146	7502	Tank
90293818	KCL-A Tank Farm	Central	5147	7501	Tank

As of the date of this Order, CalGEM does not have any records from Operator demonstrating that the violations have been corrected.

C. Failure to remove weeds and/or debris from secondary containment. (Regulations § 1777, subd. (c)(2).)

In the event of a spill, secondary containment protects the surrounding area from contamination. Required maintenance of production facilities includes removal of weeds and debris from secondary containment areas. (Regulations, § 1777, subd. (c)(2).) Weeds and debris can: (1) obstruct view of the secondary containment, which can make detection of compromised secondary containment difficult; (2) present a fire hazard; and (3) can compromise containment integrity and capacity.

During the inspections, CalGEM observed weeds and debris on or in the secondary containment, in violation of Regulations, section 1777, subdivision (c)(2), at the following production facilities:

Facility Setting ID	Facility Setting Name	District
90293818	KCL-A Tank Farm	Central

As of the date of this Order, CalGEM does not have any records from Operator demonstrating that the violation has been corrected.

D. Failure to Keep Well Cellar Drained. (Regulations, § 1777, subd. (c)(3).)

The well cellar is an excavated area around a wellhead that provides space for equipment at the top of the wellbore. Operators are required to keep well cellars drained. (Regulations, § 1777, subd. (c)(3).)

During the inspections, CalGEM observed fluids in the well cellar, in violation of Regulations, section 1777, subd. (c)(3), at the following Wells:

API	Well Designation
0402904495	KCL Gosford A 18-13
0403033834	KCL Gosford A 17-13
0402989116	KCL Gosford A 36U-13
0402988887	KCL Gosford A 36L-13
0402942840	Houghton 46X-35
0402904226	Houghton 36-35
0405906250	REDU X10

As of the date of this Order, CalGEM does not have any records from Operator demonstrating that the violations have been corrected at the "KCL Gosford A" wells. The two violations for the "Houghton" wells, and one well violation for the "REDU X10" well were remediated by Operator on or around May 7, 2025, and September 9, 2025.

III. Civil Penalty

Based on the foregoing Alleged Acts and Omissions and pursuant to PRC section 3236.5, by this Order the Supervisor imposes on Operator an administrative civil penalty totaling five thousand five dollars (\$5,005.00) for the eleven violations.

Violation Description	Number of Violations	Associated Civil Penalty per Violation	Civil Penalty Totals
Failure to maintain bolts on wellhead. (Regulations, § 1777, subd. (a).) API 0402904500	1	\$525.00	\$525.00

1	Failure to Maintain Tank in Good Condition and in a Manner to Prevent Leakage or Corrosion; Leaking Tanks (Regulations, § 1777, subd. (a).)	1	\$750.00	\$750.00
2	Facility ID 5146			
3	Failure to Maintain Production Facilities in Good Condition and in a Manner to Prevent Leakage or Corrosion (Regulations, § 1777, subd. (a).)	1	\$750.00	\$750.00
4	Facility ID 5147			
5	Failure to remove weeds and/or debris from secondary containment (Regulations, § 1777, subd. and (c)(2).)	1	\$800.00	\$800.00
6	Facility ID 90293818			
7	Failure to Keep Well Cellar Drained (Regulations, § 1777, subd. (c)(3).)	1	\$400.00	\$400.00
8	API 0405906250			
9	Failure to Keep Well Cellar Drained (Regulations, § 1777, subd. (c)(3).)	1	\$380.00	\$380.00
10	API 0402904226			
11	Failure to Keep Well Cellar Drained (Regulations, § 1777, subd. (c)(3).)	1	\$340.00	\$340.00
12	API 0402942840			
13	Failure to Keep Well Cellar Drained (Regulations, § 1777, subd. (c)(3).)	1	\$280.00	\$280.00
14	API 0403033834			
15	Failure to Keep Well Cellar Drained (Regulations, § 1777, subd. (c)(3).)	3	\$260.00	\$780.00
16	API 0402989116 API 0402988887 API 0402904495			
17			Total Civil Penalty:	\$5,005.00

For purposes of this Order, the Supervisor considered relevant circumstances when establishing the amount of the administrative civil penalty, including: characterizing the violations as "minor" (as defined in PRC section 3236.5, subdivision (b)) evaluating the eight

factors identified in PRC section 3236.5, subdivision (a), including the persistence of the violations, and the fact that some of the violations have been remediated. The Supervisor also considered that the Wells and Facilities are located inside a Health Protection Zone, as defined in Regulations section 1765.1, subdivision (b), one Well is located in an urban area, as defined in Regulations section 1760, subdivision (y), the Wells are environmentally sensitive, as defined in Regulations section 1760, subdivision (f), and the Wells are critical wells, as defined in Regulations section 1720, subdivision (a).

IV. Operator's Required Actions

For the reasons stated herein, pursuant to PRC sections 3013, 3106, 3224, 3225, 3226, and 3236.5, and Regulations sections 1722 and 1777, **IT IS HEREBY ORDERED** that within 30 days, Operator:

1) Pay an administrative civil penalty of five thousand five dollars (\$5,005.00); and

To remit payment of the civil penalty online, please visit <https://www.govone.com/PAYCAL/Home/SelectAgency> and select "California Department of Conservation Geologic Energy Management Division," then follow the instructions on the screen. When filling out the "order number" field, please type the order number followed by the letter "O."

To remit payment of the civil penalty by mail, please send a check payable to "Department of Conservation" to the following address:

Department of Conservation

CalGEM, Attn: Operational Management Unit

715 P Street, MS 1803

Sacramento, California 95814

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

2) In accordance with PRC section 3224 and Regulations sections 1777 Operator is required to:

- a. Remove weeds, vegetation and debris from the secondary containment at the following production facilities:

Facility Setting ID	Facility Setting Name	District	Facility ID	Facility Name	Facility Type
90293818	KCL-A Tank Farm	Central	5145	7503	Tank
90293818	KCL-A Tank Farm	Central	5146	7502	Tank
90293818	KCL-A Tank Farm	Central	5147	7501	Tank
90293818	KCL-A Tank Farm	Central	25907	Unknown Portable Tank	Tank
90293818	KCL-A Tank Farm	Central	25906	Portable Tank 006	Tank

- b. Replace all missing and/or damaged bolts from the wellhead at the following Well:

API	Well Designation
0402904500	KCL Gosford A 38X-13

- c. Stop all leaks at the following tanks and production facilities:

Facility Setting ID	Facility Setting Name	District	Facility ID	Facility Name	Facility Type
90293818	KCL-A Tank Farm	Central	5146	7502	Tank
90293818	KCL-A Tank Farm	Central	5147	7501	Tank

Regulations section 1773.5, subdivision (b), prohibits Out-of-Service production facilities from being reactivated until all needed repairs have been completed and the production facility is in compliance with all applicable testing and inspection requirements. Operator is required to submit required testing and inspection information to CalGEM for review prior to reactivation of the tanks pursuant to Regulations section 1773.4;

d. Drain the well cellar, at the following Wells:

API	Well Designation
0402904495	KCL Gosford A 18-13
0403033834	KCL Gosford A 17-13
0402989116	KCL Gosford A 36U-13
0402988887	KCL Gosford A 36L-13

Upon performing the required remedial work, please contact CalGEM's Central District via email at calgemcentralenvironmental@conservation.ca.gov.

V. Operator's Appeal Rights

Operator 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).) If this Order is mailed to you, the Director must receive the appeal within fifteen (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
 715 P Street, MS 19-06 (Legal Office, Chief Counsel)
 Sacramento, California 95814

Or via electronic mail to:

OfficeofAppeals@conservation.ca.gov

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

If Operator does not file a timely written notice of appeal, or if the Order is affirmed following an appeal, this Order will become a final order and CalGEM may contract for

performance of the work, pursuant to PRC section 3226, if, within 30 days of this Order, Operator has not, in good faith, commenced the work ordered. Any costs incurred by CalGEM to obtain compliance with this Order (which may include penalties and interest) will constitute a lien against Operator's real or personal property per PRC section 3423. (PRC, § 3356.)

VI. Other Potential Actions to Enforce This Order

Failure to comply with Section IV (Operator's Required Actions) of this Order could subject Operator to further enforcement action. PRC section 3236 makes it a misdemeanor for any person who violates, fails, neglects, or refuses to comply with any of the provisions of the oil and gas conservation laws commencing at PRC section 3000. PRC sections 3236.2 and 3236.3 authorize the Supervisor to seek for civil penalties and injunctive relief for failure to comply with an order or for violations of any provision in Chapter 1 of Division 3 of the PRC or any regulation that implements those statutes. PRC section 3236.5 authorizes the Supervisor to impose a civil penalty on a person who violates any provision in Chapter 1 of Division 3 of the PRC or any regulation that implements those statutes, and the 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 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 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 neglect is a separate and distinct offense. (PRC, § 3359.) By issuance of this Order, the Supervisor does not waive the right to take further enforcement actions.

DATED: 12/31/2025

Lindsey Miller

Lindsey Miller
CalGEM Enforcement Chief, on
behalf of the State Oil and Gas
Supervisor