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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 CIVIL PENALTIES**
15 **NO. 1572**
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18 **Operator: TRC Operating Company, Inc. (T0245)**
19 **Field Names: Monument Junction and Midway-Sunset**
20 **County: Kern**
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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, TRC Operating Company, Inc. (**Operator**) is the "operator" (as defined in PRC, § 3009) responsible for the wells identified on **Attachment A**, incorporated herein (the **Wells**) and associated production facilities (the **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 for which the Supervisor has determined imposition of civil penalties is appropriate. Therefore, pursuant to PRC sections 3013, 3106, 3225, 3236.5, and 3270 and Regulations section 1777, the Supervisor is ordering Operator to pay administrative civil penalties 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 February 26, April 10, and April 28, 2025, CalGEM conducted inspections of the Wells and Facilities in the Monument Junction Field and Midway-Sunset Field where the violations described below were observed and documented. (See **Attachments C, D, and E**, 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.

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

2 The wellhead is equipment secured to the upper part of a well, located above the
3 casing and is held in place by a series of bolts. Damaged or missing bolts on the wellhead may
4 lead to leaking around the wellhead. Production facilities include wellheads. (PRC, § 3010;
5 Regulations, § 1760, subd. (r).) Operators are required to maintain production facilities in good
6 condition and in a manner to prevent leakage or corrosion and to safeguard life, health,
7 property, and natural resources and conduct operations in accordance with good oilfield
8 practices. (Regulations, §§ 1722, subd. (a); 1777, subd. (a).)

9 During the inspection on or about February 26, 2025, CalGEM observed bolts missing
10 from the wellhead at the following well, and therefore not being maintained in a good
11 condition and in a manner to prevent leakage, in violation of Regulations section 1777,
12 subdivision (a):

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API	Well Designation
0403006939	Bent 5-24W

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15

16 Based on CalGEM's records, the violation was remediated by Operator on or around
17 March 7, 2025.

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

20 Operators are required to maintain production facilities in good condition and in a
21 manner to prevent leakage or corrosion and to safeguard life, health, property, and natural
22 resources and conduct operations in accordance with good oilfield practices. (Regulations, §
23 1777, subd. (a).) As indicated, production facilities include wellheads. (PRC, § 3010;
24 Regulations, § 1760, subd. (r).)

25 During the inspection on or about April 10, 2025, CalGEM observed a liquid leak at the
26 following wellheads, and the wells therefore not being maintained in a good condition and in
27 a manner to prevent leakage, in violation of the Regulations section 1777, subdivision (a):
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API	Well Designation
0403039278	Bull 19R
0403032744	Bull 61

Based on CalGEM's records, the two violations were remediated by Operator on or around May 28, 2025.

C. Failure to keep well cellar drained. (Regulations, § 1777, subd. (c)(3).)

The well cellar is an excavated area around the 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 inspection(s) on or about April 10 and/or April 28, 2025, CalGEM observed fluids in the well cellar at the following wells, in violation of Regulations section 1777, subdivision (c)(3):

API	Well Designation
0403032744	Bull 61
0403032733	Bull 33
0403059454	Bull 9R
0403060178	Bull 62
0403036703	Bull 30R
0403024789	Bull 21
0403025268	Bull 26-1
0403036702	Bull 29R
0403008851	Bull 8

API	Well Designation
0403059455	Bull 10R
0403059567	Bull 24R
0403039278	Bull 19R
0403018327	Bull 8R
0403036701	Bull 28R

Based on CalGEM's records, the fourteen violations were remediated by Operator on or around May 28, 2025.

III. Civil Penalties

Based on the foregoing Alleged Acts and Omissions and pursuant to PRC section 3236.5, by this Order the Supervisor imposes on Operator administrative civil penalties totaling three thousand four hundred thirty-five dollars (\$3,435.00) for the 17 violations described above.

Violation Description	Number of Violations	Associated Civil Penalty per Violation	Civil Penalty Totals
Failure to maintain bolts on wellhead. (Regulations, § 1777, subd. (a).) <ul style="list-style-type: none">API 0403006939	1	\$175.00	\$175.00
Failure to maintain production facilities in good condition and in a manner to prevent leakage; leaking wellheads (Regulations, § 1777, subd. (a).) <ul style="list-style-type: none">API 0403032744	1	\$600.00	\$600.00
Failure to maintain production facilities in good condition and in a manner to prevent leakage; leaking wellheads (Regulations, § 1777, subd. (a).) <ul style="list-style-type: none">API 0403039278	1	\$700.00	\$700.00

Violation Description	Number of Violations	Associated Civil Penalty per Violation	Civil Penalty Totals
Failure to keep well cellar drained (Regulations, § 1777, subd. (c)(3).) <ul style="list-style-type: none"> • API 0403032733 • API 0403032744 • API 0403059454 • API 0403060178 • API 0403036703 • API 0403024789 • API 0403025268 • API 0403036702 • API 0403008851 • API 0403059455 • API 0403059567 • API 0403039278 • API 0403018327 • API 0403036701 	14	\$140.00	\$1960.00
		Total Civil Penalties:	\$3,435.00

For purposes of this Order, the Supervisor considered relevant circumstances when establishing the amount of the administrative civil penalties, including: characterizing the violations as "minor" (as defined in PRC section 3236.5, subdivision (b)), the eight factors identified in PRC section 3236.5, subdivision (a), and the timeliness with which the violations were remediated.

IV. Operator's Required Actions

For the reasons stated herein, pursuant to PRC sections 3013, 3106, 3225, and 3236.5, and Regulations section 1777, **IT IS HEREBY ORDERED** that within 30 days, Operator pay administrative civil penalties of three thousand four hundred thirty-five dollars (\$3,435.00).

To remit payment of the civil penalties 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 penalties 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.

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

Alternatively, written notice of appeal may be sent 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. 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.)

1 **VI. Other Potential Actions to Enforce This Order**

2 Failure to comply with Section IV (Operator's Required Actions) of this Order could
3 subject Operator to further enforcement action. PRC section 3236 makes it a misdemeanor for
4 any person who violates, fails, neglects, or refuses to comply with any of the provisions of the
5 oil and gas conservation laws commencing at PRC section 3000. PRC sections 3236.2 and
6 3236.3 authorize the Supervisor to seek for civil penalties and injunctive relief for failure to
7 comply with an order or for violations of any provision in Chapter 1 of Division 3 of the PRC or
8 any regulation that implements those statutes. PRC section 3236.5 authorizes the Supervisor to
9 impose a civil penalty on a person who violates any provision in Chapter 1 of Division 3 of the
10 PRC or any regulation that implements those statutes, and the Supervisor may in the future
11 impose further civil penalties based on the facts and omissions underlying this order. PRC
12 section 3237 authorizes the Supervisor to order the plugging and abandonment of a well or
13 the decommissioning of a production facility if an operator has failed to comply with an order
14 of the Supervisor within the time provided by the order or has failed to challenge the order on
15 a timely basis. PRC section 3359 makes it a misdemeanor to fail or neglect to comply with an
16 order of the Supervisor. Each day's further failure, refusal, or neglect is a separate and distinct
17 offense. (PRC, § 3359.) By issuance of this Order, the Supervisor does not waive the right to take
18 further enforcement actions.

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20
21 DATED: 12/31/2025

Lindsey Miller

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