

Department of Conservation, Geologic Energy Management Division
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STATE OF CALIFORNIA
NATURAL RESOURCES AGENCY
DEPARTMENT OF CONSERVATION
GEOLOGIC ENERGY MANAGEMENT DIVISION

ORDER TO PAY A CIVIL PENALTY
NO. 1585

Operator: C.E. Allen Co., Inc. (A1235)

Field Name: Long Beach

County: Los Angeles

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, C.E. Allen Co., Inc. (**Operator**) is the operator (as defined in
9 PRC, § 3009) and is responsible for the Well and associated Production Facilities identified on
10 **Attachment A**, incorporated herein (the **Well** and **Facilities**). As described in more detail
11 below, Operator has not maintained compliance with applicable requirements for operation
12 of the Well and the Facilities. Operator's failure to comply with the Regulations poses a
13 potential threat to life, health, property, and natural resources for which the Supervisor has
14 determined imposition of a civil penalty is appropriate. Therefore, pursuant to PRC sections
15 3013, 3106, 3224, 3225, 3226, 3236.5, and 3270 and Regulations section 1777, the Supervisor is
16 ordering Operator to pay an administrative civil penalty for the violations.

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

19 II. **Alleged Acts and Omissions**

20 Based on CalGEM's records, at all times relevant to this Order, Operator was the
21 operator, as defined in PRC section 3009, of the Well and Facilities. On or about August 27,
22 2025, CalGEM conducted an inspection of the Well and Facilities where the violations
23 described below were observed and documented in the Long Beach Field. (**Attachment C**,
24 incorporated herein.)

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

A. Failure to maintain tank 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 inspection, CalGEM observed the following tank leaking in violation of Regulations section 1777, subdivision (a):

Facility Setting ID	Facility Setting Name	District	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type
90295577	Taylor Tank Setting	Southern	13785	Wastewater Tank	Tank

The violation was remediated by Operator on or around October 2, 2025.

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

API	Well Designation
0403709179	R.C. 9

The violation was remediated by Operator on or around October 2, 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 nine hundred dollars (\$900.00) for the two violations.

Violation Description	Number of Violations	Associated Civil Penalty per Violation	Civil Penalty Totals
Failure to Maintain Tank in Good Condition and in a Manner to Prevent Leakage or Corrosion; Leaking Tanks (Regulations, § 1777, subd. (a).)	1	\$500	\$500
Failure to Keep Well Cellar Drained (Regulations, § 1777, subd. (c)(3).)	1	\$400	\$400
		Total Civil Penalty:	\$900

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)), the eight factors identified in PRC section 3236.5, subdivision (a), and the following: the Well and tank are located inside a Health Protection Zone, as defined in Regulations section 1765.1, subdivision (b), are environmentally sensitive, as defined in Regulations section 1760, subdivision (f), and the Well is a critical well, 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, 3236.5, and 3270, and Regulations section 1777, **IT IS HEREBY ORDERED** that within 30 days, Operator:

Pay an administrative civil penalty of nine hundred dollars (\$900.00);

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.

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. 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.)

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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