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STATE OF CALIFORNIA
NATURAL RESOURCES AGENCY
DEPARTMENT OF CONSERVATION
GEOLOGIC ENERGY MANAGEMENT DIVISION

ORDER TO PAY A CIVIL PENALTY AND PERFORM REMEDIAL WORK
NO. 1594

Operator: E & B Natural Resources Management Corporation (E0100)

Field Names: Rosedale Ranch, McDonald Anticline, Antelope Hills, and Antelope Hills North

County: Kern

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, E & B Natural Resources Management Corporation (Operator) is the "operator" (as defined in PRC, § 3009) and is responsible for the Wells identified on **Attachment A**, incorporated herein (the "**Wells**"). As described in more detail below, Operator has not maintained compliance with applicable requirements for operation of the Wells. Operator's failure to comply with the Regulations poses a potential threat to life, health, property, and natural resources 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. On or about September 11, 2024, November 19, 2024, September 4, 2025, and October 13, 2025, CalGEM conducted inspections of the Wells where the violations described below were observed and documented in the Rosedale Ranch and McDonald Anticline, Antelope Hills and Antelope Hills North fields. (**Attachments C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S and T** incorporated herein.)

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

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

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

13 During the inspections, CalGEM observed bolts missing from the wellheads at the
14 following wells, in violation of Regulations, section 1777, subdivision (a):

API	Well Designation
0402987970	Rosedale Ranch 35-28X
0402974738	Rosedale Ranch 6
0403006912	Phippen 11A
0402919712	Phippen 7
0403035180	Chevron 283-20
0403055006	Hopkins B 802H-23
0402913522	Hopkins B 86X-23
0402913521	Hopkins B 78X-23
0402913515	Hopkins B 61X-23

1	0402913437	Hopkins A 37X-31
2	0402913477	Williams 56-6
3	0402913520	Hopkins B 75X-23
4	0402901199	Pickrell-Mitchel 5-A
5	0402923916	Pickrell-Mitchel 3
6	0402923914	Pickrell-Mitchel 1
7	0402923915	Pickrell-Mitchel 2
8	0402923918	Pickrell-Mitchel 5
9	0402923917	Pickrell-Mitchel 4

13 All violations but one were remediated by Operator as of the date of this Order. The
 14 violation for API 0402913477 remains unresolved according to CalGEM's records.

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

17 Operators are required to maintain production facilities in good condition and in a
 18 manner to prevent leakage or corrosion and to safeguard life, health, property, and natural
 19 resources and conduct operations in accordance with good oilfield practices.

20 (Regulations, § 1777, subd. (a).) Production facilities include wellheads. (PRC, § 3010;
 21 Regulations, § 1760, subd. (r).) On October 13, 2025, during the inspection, CalGEM
 22 observed a liquid leak at the following wellhead and therefore not being maintained in a
 23 good condition and in a manner to prevent leakage or corrosion, in violation
 24 of the Regulations, section 1777, subdivision (a):

25 API	26 Well Designation
27 0402913437	Hopkins A 37X-31

28 This violation was observed to be remediated on or around November 12, 2025.

III. Civil Penalty/Remedial Work

A. 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 six thousand six hundred forty-five dollars (\$6,645.00) for the nineteen (19) violations.

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

1 section 3236.5, subdivision (a), the timeliness of which the violations were remediated, and
2 whether there were any aggravating factors, including: whether the Wells are located inside a
3 health protection zone as defined by Regulations section 1765.1, subdivision (b); are
4 environmentally sensitive, as defined by Regulations section 1760, subdivision (f); and whether
5 the Wells are critical wells, as defined by Regulations section 1720, subdivision (a).

6 **B. Remedial Work**

7 Pursuant to PRC sections 3224 and 3226, the Supervisor hereby orders Operator
8 to complete remedial work to come into compliance with Regulations sections 1773.1, 1773.3,
9 1773.4, 1773.5 and 1777, as outlined below in Operator's Required Actions.

10 **IV. Operator's Required Actions**

11 For the reasons stated herein, pursuant to PRC sections 3013, 3106, 3225, 3226 and
12 3236.5, and Regulations sections 1722 and 1777, **IT IS HEREBY ORDERED** that within 30 days,
13 Operator:

- 14 1) Pay an administrative civil penalty of six thousand six hundred forty-five dollars
15 (\$6,645.00);

16 To remit payment of the civil penalty online, please visit

17 <https://www.govone.com/PAYCAL/Home>SelectAgency> and select "California Department
18 of Conservation Geologic Energy Management Division," then follow the instructions on the
19 screen. When filling out the "order number" field, please type the order number followed by
20 the letter "O."

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

23 Department of Conservation
24 CalGEM, Attn: Operational Management Unit
25 715 P Street, MS 1803
26 Sacramento, California 95814

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

1 2) Replace missing bolts on well Williams 56-6, API 0402913477. Upon performing the
2 required remedial work, please contact CalGEM's Central District via email at:
3 CalGemCentralEnvironmental@conservation.ca.gov.

V. Operator's Appeal Rights

5 Operator may appeal this Order by filing a timely written notice of appeal with the
6 Director as described in Article 6 (Appeals and Review) of Division 3 of the PRC, commencing
7 with PRC section 3350. (PRC, § 3225, subd. (d).) If this Order is mailed to you, the Director must
8 receive the appeal within fifteen (15) days from the date the Supervisor mails the Order. To file
9 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

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

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17 DATED: 2/5/2026

Lindsey Miller

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