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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. 1614**
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18 **Operator: CAAC 100 LLC (11253)**
19 **Field Name: Fruitvale**
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, CAAC 100 LLC (**Operator**) is the "operator" (as defined in PRC, § 3009) and is responsible for the Well and associated Production Facility identified on **Attachment A**, incorporated herein (the "**Well**"). As described in more detail below, Operator has not maintained compliance with applicable requirements for operation of the Well. Operator's failure to comply with the Regulations poses a potential threat to life, health, property, and natural resources. Operator's failure to comply with the Regulations constitute violations requiring remedial work and for which the Supervisor has determined imposition of civil penalties 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 Well into compliance and (2) 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 Well. On or about July 29, 2025, CalGEM conducted an inspection of the Well where the violations described below were observed and documented in the Fruitvale Field. (**Attachment C**, incorporated herein.)

These violations reflect Operator has not maintained compliance with applicable requirements for operation of the Well. Operator's lack of adherence to the Regulations poses a potential threat to life, health, property, and natural resources.

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 conduct operations in accordance with good oilfield practices. (Regulations, §§ 1722, subd. (a); 1777, subd. (a).)

During the inspection on or about July 29, 2025, CalGEM observed bolts missing from the wellhead at well API 0402908381, in violation of Regulations, section 1777, subdivision (a):

API	Well Designation
0402908381	Fee 4

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 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 on or about July 29, 2025, CalGEM observed fluids in the well cellar, in violation of Regulations, section 1777, subd. (c)(3), at well API 0402908381.

API	Well Designation
0402908381	Fee 4

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

III. Civil Penalties/Remedial Work

A. 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 six hundred sixty dollars (\$660.00) for the two violations.

Violation Description	Number of Violations	Associated Civil Penalty per Violation	Civil Penalty Totals
Failure to maintain bolts on wellhead for environmentally sensitive and critical well in an urban area and Health Protection Zone. (Regulations, § 1777, subd. (a).)	1	\$420.00	\$420.00
Failure to Keep Well Cellar Drained for environmentally sensitive and critical well in an urban area and Health Protection Zone. (Regulations, § 1777, subd. (c)(3).)	1	\$240.00	\$240.00
		Total Civil Penalties:	\$660.00

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)), the eight factors identified in PRC section 3236.5, subdivision (a), and the following: the Well is located in an urban area, as defined by Regulations section 1760, subdivision (y), is inside a health protection zone, as defined by Regulations section 1765.1, subdivision (b), is environmentally sensitive, as defined by Regulations section 1760, subdivision (f), and the Well is a critical well, as defined by Regulations section 1720, subdivision (a).

B. Remedial Work

Pursuant to PRC sections 3224 and 3226, the Supervisor hereby orders Operator to complete remedial work to come into compliance with Regulations section 1777, as outlined below in Operator's Required Actions.

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 administrative civil penalties of six hundred sixty dollars (\$660.00); and

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.

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

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

API	Well Designation
0402908381	Fee 4

b. Drain the well cellar, at the following Well:

API	Well Designation
0402908381	Fee 4

1 oil and gas conservation laws commencing at PRC section 3000. PRC sections 3236.2 and
2 3236.3 authorize the Supervisor to seek for civil penalties and injunctive relief for failure to
3 comply with an order or for violations of any provision in Chapter 1 of Division 3 of the PRC or
4 any 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: 3/26/2026

Doug Ito
18 Doug Ito, State Oil and Gas
19 Supervisor
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