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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. 1616**
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18 **Operator: Heber Field Company (HFC)**
19 **Field Name: Heber**
20 **County: Imperial**
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1 **I. Introduction**

2 The State Oil and Gas Supervisor (**Supervisor**), acting through the California Geologic
3 Energy Management Division (**CalGEM**), and under the authority of Division 3 of the Public
4 Resources Code (**PRC**) (commencing with PRC section 3700) and title 14 of the California
5 Code of Regulations (**Regulations**), has broad authority to supervise the drilling, operation,
6 maintenance and abandonment of geothermal resources to prevent damage to life, health,
7 property, and natural resources. (PRC, §§ 3712, 3714.) The Supervisor may impose a civil
8 penalty on any person who violates any statutory provision of the PRC, or any regulation that
9 implements those statutory provisions. (PRC, § 3754.5.)

10 Based on CalGEM's records, Heber Field Company (**Operator**) is the "operator" (as
11 defined in PRC section 3709) and is responsible for the Wells identified on **Attachment A**,
12 incorporated herein (**the Wells**). As described in more detail below, Operator failed to
13 maintain the mechanical integrity of the Wells resulting in brine leaks in violation of applicable
14 requirements for operation of the Wells. (PRC, § 3740; Regulations, § 1935.) Operator's failure to
15 comply with these requirements has damaged property and/or poses a threat to life, health,
16 and natural resources for which the Supervisor has determined imposition of civil penalties is
17 appropriate.

18 Therefore, pursuant to PRC sections 3712, 3714, 3740, and 3754.5, and Regulations
19 section 1935, the Supervisor is ordering Operator to within thirty (30) days of this Order to pay
20 civil penalties totaling ten thousand dollars (\$10,000.00), imposed for violations of PRC section
21 3740 and Regulations section 1935.

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

24 **II. Alleged Acts and Omissions**

25 Based on CalGEM's records, at all times relevant to this Order, Operator was the
26 operator (as defined in PRC section 3709) of the Wells, which are each a geothermal injection
27 well (as defined in Regulations section 1920.1, subdivision (e)) associated with the Heber
28 Geothermal Underground Injection Project. Operators are required to properly case

1 geothermal wells to prevent damage to life, health, property, and natural resources. (PRC, §
2 3740; Regulations, § 1935.)

3 On or about November 13, 2024, Operator reported a brine release at the well pad for
4 well "HGU 170" (API No. 0402590007) to CalGEM. Based on available records, the release was
5 caused by casing corrosion approximately 7-10 feet below surface, constituting a violation of
6 PRC section 3740 and Regulations section 1935. On or about January 22, 2025, CalGEM issued
7 a Notice of Violation (NOV) concerning the violation and requiring the well to be shut in.
8 (**Attachment C**, incorporated herein.)

9 On or about December 7, 2024, Operator reported a brine release from a surface
10 expression in the agricultural field north of well "HGU 251" (API No. 0402591222) to CalGEM. The
11 location of this surface expression was near the southeast corner of the intersection of
12 Dogwood Road and Fawcett Road and resulted in damage to the nearby agricultural field.
13 Operator ran a caliper log on the well on December 12, 2024, which identified parted casing
14 at 640 feet and potential pinholes from 400-600 feet. Based on available records, including the
15 log results, CalGEM determined that well HGU 251 experienced a mechanical failure resulting
16 in the surface expression in violation of PRC section 3740 and Regulations section 1935. On or
17 about January 22, 2025, CalGEM issued an NOV concerning the violation and requiring the
18 well to be shut in. (**Attachment D**, incorporated herein.)

19 Operator's failure to comply with applicable requirements for the operation of the Wells
20 has damaged property and/or poses a threat to life, health, and natural resources. As of the
21 date of this Order, based on CalGEM's records, both Wells have been remediated.

22 **III. Civil Penalties**

23 Based on the foregoing Alleged Acts and Omissions and pursuant to PRC section
24 3754.5, by this Order the Supervisor imposes on Operator administrative civil penalties totaling
25 ten thousand dollars (\$10,000.00) as follows:

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Violation Description	Number of Violations	Associated Civil Penalty per Violation	Civil Penalties Totals
Failure to Maintain Adequate Casing (PRC, § 3740; Regulations, § 1935)	2	\$5,000	\$10,000
		Total Civil Penalties:	\$10,000

For purposes of this Order, the Supervisor considered relevant circumstances, including Operator's deferring of the costs of performing necessary maintenance and remedial work, as well as the three (3) factors identified in PRC section 3754.5, subdivision (a), when establishing the amount of the administrative civil penalties.

Nothing in this Order is intended nor shall it be construed to limit or preclude CalGEM from taking any action authorized by law, including imposing additional civil penalties.

IV. Operator's Required Actions

For the reasons stated herein, and pursuant to PRC sections 3712, 3714, 3740, and 3754.5, and Regulations section 1935, **IT IS HEREBY ORDERED** that Operator pay administrative civil penalties totaling ten thousand dollars (\$10,000.00) within thirty (30) days from the date this Order is issued.

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 "G."

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 Chapter 4 (Geothermal Resources) of Division 3 of the PRC, pursuant to sections 3762 to 3768. (PRC, § 3743, 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.

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 3754 makes it a misdemeanor for any person who violates, fails, neglects, or refuses to comply with any of the provisions of the geothermal, oil, and gas conservation laws commencing at PRC section 3700. PRC section 3754.5 authorizes the Supervisor to impose a civil penalty on a person who violates any provision in Chapter 4 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 sections 3741 and 3755 authorize the Supervisor to order the plugging and abandonment of a geothermal well 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

1 order on a timely basis. PRC section 3771 makes it a misdemeanor to fail or neglect to comply
2 with an order of the Supervisor. Each day's further failure, refusal, or neglect is a separate and
3 distinct offense. (PRC, § 3771.) By issuance of this Order, the Supervisor does not waive the right
4 to take further enforcement actions.

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DATED: 4/2/2026

Doug Ito
Doug Ito
State Oil and Gas Supervisor