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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. 1625**  
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18 **Operator: Chaparral Petroleum, Inc. (C5100)**  
19 **Field: Midway-Sunset**  
20 **District: Central**  
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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, Chaparral Petroleum, Inc. (**Operator**) is the "operator" (as defined in PRC, § 3009) and is responsible for the three production facilities identified on **Attachment A**, incorporated herein (the **Facilities**). As described in more detail below, Operator has a number of outstanding violations at the Facilities. The Supervisor is ordering Operator to bring the facilities into compliance and to pay a civil penalty for each violation. Therefore, pursuant to PRC sections 3013, 3106, 3224, 3225, 3226, 3236.5, and 3270, and Regulations sections 1773.3 and 1773.5, the Supervisor is ordering Operator to remediate the outstanding violations and pay a civil penalty for each of the nine 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 Facilities.

CalGEM records reflect an ongoing failure to address cited violations and a pattern of recurring or repeated violations. Operator's lack of maintenance and adherence to safety and decommissioning requirements poses a potential threat to life, health, property, and natural resources. The violations at issue are identified below:

### 1. Missing required Operator ID number, type, and hazard placard for all tanks/vessels (Regulations, § 1773.3, subd. (a))

On or about April 22, 2025, CalGEM conducted an inspection of the Facilities and observed three separate instances of Facilities out of compliance with labeling requirements,

1 in violation of Regulations section 1773.3, subdivision (a). **Attachment C**, incorporated herein.  
2 All tanks must be identified with: (1) the operator's tank identification number; (2) tank type;  
3 and (3) the appropriate materials hazard placards or labels. These identification details are  
4 important for identifying tanks in the field and are specifically required by Regulations section  
5 1773.3, subdivision (a).

6 During the inspection of the facilities, CalGEM observed missing labeling of tank  
7 identification information in violation of Regulations, section 1773.3, subd. (a), at each of the  
8 three Facilities.

9 To date, CalGEM does not have any records from Operator indicating that the  
10 violations have been corrected.

11 **B. Out of service Production Facility Requirements (Regulations, § 1773.5, subd. (a)(3); and**  
12 **§ 1773.5, subd. (a)(4))**

13 During its inspection of the Facilities on April 22, 2025, CalGEM observed six violations at  
14 the Facilities related to the Facilities' "Out-of-Service" status. Within six months after the  
15 determination that a production facility is Out-of-Service, an operator is required to take  
16 several actions in accordance with Regulations section 1773.5, subdivision (a). These required  
17 actions include removing clean-out doors or hatches on tanks and replacing them with heavy  
18 gauge steel mesh grating, and labeling tanks and vessels with "Out-of-Service" or "OOS"  
19 along with the date each facility was taken out of service.

20 During its inspection, CalGEM observed at each of the three Facilities that the clean-  
21 out door or hatch had not been removed and replaced with a heavy gauge steel mesh  
22 grating, in violation of Regulations, section 1773.5, subd. (a)(3). CalGEM also observed that at  
23 each of the three Facilities labeling was missing, and the Facilities did not include labeling with  
24 "Out-of-Service" status or the date each Facility was taken out of service, in violation of  
25 Regulations, section 1773.5, subd. (a)(4).

26 To date, CalGEM does not have any records from Operator indicating that the violations  
27 were corrected.

**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 two thousand two hundred fifty dollars (\$2,250.00) for the nine violations.

Violation Description	Number of Violations	Associated Civil Penalty per Violation	Civil Penalty Totals
Failure to Label Tank with Appropriate Name/Number (Regulations, § 1773.3, subd. (a).) 90294793- 1603 / 90294793- 1604 90294794- 1606	3	\$200	\$600
Failure to Remove Clean-out Door or Hatch from Tank (Regulations, § 1773.5, subd. (a)(3).) 90294793- 1603 / 90294793- 1604 90294794- 1606	3	\$350	\$1,050
Failure to Label Tank with "OOS" and Date it was Taken out of Service (Regulations, § 1773.5, subd. (a)(4).) 90294793- 1603 / 90294793- 1604 90294794- 1606	3	\$200	\$600
		<b>Total Civil Penalty:</b>	\$2,250

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)), and evaluating the eight factors identified in PRC section 3236.5, 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 sections 1773.3 and 1773.5, **IT IS HEREBY ORDERED** that Operator:

- 1) Pay a civil penalty totaling two thousand two hundred fifty dollars (\$2,250);**

**2) Remedy the outstanding violations at the Facilities, in accordance with Regulations sections 1773.3 and 1773.5.**

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 (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:

[OfficeofAppeals@conservation.ca.gov](mailto:OfficeofAppeals@conservation.ca.gov)

1 If Operator files a timely written notice of appeal, Operator will be informed of the  
2 appeal hearing date, time, and place. Following the hearing, Operator will receive a written  
3 decision that affirms, sets aside, or modifies the appealed order.

4 If Operator does not file a timely written notice of appeal, or if the order is affirmed  
5 following an appeal, this order will become a final order and CalGEM may contract for  
6 performance of the work, pursuant to PRC section 3226, if, within 30 days of this order,  
7 Operator has not, in good faith, commenced the work ordered. Any costs incurred by  
8 CalGEM to obtain compliance with this order (which may include penalties and interest) will  
9 constitute a lien against Operator's real or personal property per PRC section 3423. (PRC, §  
10 3356.)

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

12 Failure to comply with Section V (Operator's Required Actions) of this order could  
13 subject Operator to further enforcement action. PRC section 3236 makes it a misdemeanor  
14 for any person who violates, fails, neglects, or refuses to comply with any of the provisions of  
15 the oil and gas conservation laws commencing at PRC section 3000. PRC section 3236.5  
16 authorizes the Supervisor to impose a civil penalty on a person who violates any provision in  
17 Chapter 1 of Division 3 of the PRC or any regulation that implements those statutes, and the  
18 Supervisor may in the future impose further civil penalties based on the facts and omissions  
19 underlying this order. PRC section 3237 authorizes the Supervisor to order the plugging and  
20 abandonment of a well or the decommissioning of a production facility if an operator has  
21 failed to comply with an order of the Supervisor within the time provided by the order or has  
22 failed to challenge the order on a timely basis. PRC section 3359 makes it a misdemeanor to  
23 fail or neglect to comply with an order of the Supervisor. Each day's further failure, refusal, or  
24 neglect is a separate and distinct offense. (PRC, § 3359.)

25  
26 DATED: 5/4/2026 Doug Ito  
27 Doug Ito  
28 State Oil and Gas Supervisor