

1 Department of Conservation, Geologic Energy Management Division  
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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. 1631**  
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18 **Operator: Chevron U.S.A. Inc. (C5640)**  
19 **Field Names: Cymric and Kern River**  
20 **County: Kern**  
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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 civil penalties 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, Chevron U.S.A. Inc. (**Operator**) is the "operator" (as  
9 defined in PRC, § 3009) and is responsible for the Wells and associated Production Facilities  
10 identified on **Attachment A**, incorporated herein (the **Wells** and **Production Facilities**). As  
11 described in more detail below, Operator has not maintained compliance with applicable  
12 requirements for operation of the Wells and Production Facilities. Operator's failure to comply  
13 with the Regulations poses a potential threat to life, health, property, and natural resources for  
14 which the Supervisor has determined imposition of civil penalties is appropriate. Therefore,  
15 pursuant to PRC sections 3013, 3106, 3225, 3236.5, and 3270 and Regulations section 1777, the  
16 Supervisor is ordering Operator to pay administrative civil penalties 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 Wells. On or about September 2, 2025,  
22 January 6, 2026, and January 9, 2026, CalGEM conducted Inspections of the Wells and  
23 Production Facilities (hereinafter the **Inspections**) where the violations described below were  
24 observed and documented in the Cymric and Kern River Field. (**Attachments C, D and E**  
25 incorporated herein.)

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

3 **A. Failure to maintain Production Facilities in good condition and in a manner to prevent**  
 4 **leakage or corrosion. (Regulations, § 1777, subd. (a).)**

5 Operators are required to maintain production facilities in good condition and in a  
 6 manner to prevent leakage or corrosion and to safeguard life, health, property, and natural  
 7 resources and conduct operations in accordance with good oilfield practices. (Regulations,  
 8 §§ 1722, subd. (a), and 1777, subd. (a).) Production facilities include wellheads. (PRC, § 3010;  
 9 Regulations, § 1760, subd. (r).)

10 During the Inspections (see **Attachments C, D, and E**), CalGEM observed evidence of  
 11 liquid leak at the following wellheads, and thus, the Wells were not being maintained in a  
 12 good condition and in a manner to prevent leakage or corrosion, in violation of the  
 13 Regulations, section 1777, subdivision (a):

API	Well Designation
0403065586	Producers 24
0403052926	Producers 19
0403065584	Producers 27
0403065620	Producers 29
0403065604	Producers 26
0402978786	Kernview 185
0403062288	Lowell-Wible 6B-8

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 23 The seven violations were remediated by Operator on or around September 22, 2025,  
 24 January 19, 2026, January 22, 2026, and January 26, 2026.

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**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
0403062288	Lowell-Wible 6B-8

The one violation was remediated by Operator on or around January 19, 2026.

**III. Civil Penalty**

**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 four thousand nine hundred fifty dollars (\$4,950.00) for the eight violations.

Violation Description	Number of Violations	Associated Civil Penalty per Violation	Civil Penalty Totals
Failure to Keep Well Cellar Drained (Regulations, § 1777, subd. (c)(3).)  API 0403062288	1	\$200.00	\$200.00
Failure to Maintain Production Facilities in Good Condition and in a Manner to Prevent Leakage or Corrosion; Leaking Wellheads (Regulations, § 1777, subd. (a).)  API 0403052926 API 0403065584 API 0402978786	3	\$500.00	\$1,500.00

<p>Failure to Maintain Production Facilities in Good Condition and in a Manner to Prevent Leakage or Corrosion; Leaking Wellheads (Regulations, § 1777, subd. (a).)</p> <p>API 0403062288 API 0403065620 API 0403065604</p>	<p>3</p>	<p>\$750.00</p>	<p>\$2,250.00</p>
<p>Failure to Maintain Production Facilities in Good Condition and in a Manner to Prevent Leakage or Corrosion; Leaking Wellheads (Regulations, § 1777, subd. (a).)</p> <p>API 0403065586</p>	<p>1</p>	<p>\$1,000.00</p>	<p>\$1,000.00</p>
		<p><b>Total Civil Penalty:</b></p>	<p><b>\$4,950.00</b></p>

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 consideration of the eight factors identified in PRC section 3236.5, subdivision (a) (the extent of harm, persistence, pervasiveness, prior violations, culpability, economic benefit, ability to pay, and the Supervisor’s prosecution costs – as well as other relevant circumstances associated with the violations).

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 civil penalties for the other violations addressed by this Order.

**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 1722, 1773.1, 1773.3, 1773.4, 1773.5, and 1777, **IT IS HEREBY ORDERED** that Operator pay an administrative civil penalties in the amount of four thousand nine hundred fifty dollars (**\$4,950.00**).

1 Operator is required to pay the administrative civil penalties amount within **thirty (30)**  
2 **days** from the date this Order is issued. Daily violations and penalties may continue to accrue if  
3 these requirements are not addressed to CalGEM's satisfaction.

4 To remit payment of the civil penalty online, please visit  
5 <https://www.govone.com/PAYCAL/Home/SelectAgency> and select "California Department  
6 of Conservation Geologic Energy Management Division," then follow the instructions on the  
7 screen. When filling out the "order number" field, please type the order number followed by  
8 the letter "O."

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

11 Department of Conservation  
12 CalGEM, Attn: Operational Management Unit  
13 715 P Street, MS 1803  
14 Sacramento, California 95814

15 Please include the Operator name, Order number, and phrase "Oil and Gas  
16 Environmental Remediation Account" on the check itself.

17 **V. Operator's Appeal Rights**

18 Operator may appeal this Order by filing a timely written notice of appeal with the Director as  
19 described in Article 6 (Appeals and Review) of Division 3 of the PRC, commencing with PRC  
20 section 3350. (PRC, § 3225, subd. (d).) If this Order is mailed to you, the Director must receive  
21 the appeal within fifteen (15) days from the date the Supervisor mails the Order. To file an  
22 appeal, a written notice of appeal may be sent via U.S. mail to:

23 Department of Conservation  
24 Director's Office of Appeals  
25 715 P Street, MS 19-06 (Legal Office, Chief Counsel)  
26 Sacramento, California 95814

27 Or via electronic mail to:

28 [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. Any costs incurred by CalGEM to  
6 obtain compliance with this Order (which may include penalties and interest) will  
7 constitute a lien against Operator's real or personal property per PRC section 3423. (PRC, §  
8 3356.)

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

10 Failure to comply with Section IV (Operator's Required Actions) of this Order could  
11 subject Operator to further enforcement action. PRC section 3236 makes it a misdemeanor for  
12 any person who violates, fails, neglects, or refuses to comply with any of the provisions of the  
13 oil and gas conservation laws commencing at PRC section 3000. PRC sections 3236.2 and  
14 3236.3 authorize the Supervisor to seek civil penalties and injunctive relief for failure to comply  
15 with an order or for violations of any provision in Chapter 1 of Division 3 of the PRC or any  
16 regulation that implements those statutes. PRC section 3236.5 authorizes the Supervisor to  
17 impose civil penalties on a person who violates any provision in Chapter 1 of Division 3 of the  
18 PRC or any regulation that implements those statutes, and the Supervisor may in the future  
19 impose further civil penalties based on the facts and omissions underlying this order. PRC  
20 section 3237 authorizes the Supervisor to order the plugging and abandonment of a well or  
21 the decommissioning of a production facility if an operator has failed to comply with an order  
22 of the Supervisor within the time provided by the order or has failed to challenge the order on  
23 a timely basis. PRC section 3359 makes it a misdemeanor to fail or neglect to comply with an  
24 order of the Supervisor. Each day's further failure, refusal, or neglect is a separate and distinct  
25 offense. (PRC, § 3359.) By issuance of this Order, the Supervisor does not waive the right to take  
26 further enforcement actions.

27 **[Signature on following page]**

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DATED: 5/21/2026

Doug Ito  
Doug Ito  
State Oil and Gas Supervisor