

Department of Conservation, Geologic Energy Management Division
Doug Ito
STATE OIL AND GAS SUPERVISOR
715 P Street, MS 19-06 (Legal Office)
Sacramento, California 95814
Telephone (916) 323-6733

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

ORDER TO PAY CIVIL PENALTIES
NO. 1659

Operator: Pacific Coast Energy Company LP (B6127)

Field Name: Orcutt

County: Santa Barbara

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, Pacific Coast Energy Company LP (**Operator**) is the "operator" (as defined in PRC, § 3009) and is responsible for the Wells and associated Production Facilities identified on **Attachment A**, incorporated herein (the "**Wells**" and "**Facilities**"). As described in more detail below, Operator has not maintained compliance with applicable requirements for operation of the Wells and the Facilities. Operator's failure to comply with the Regulations poses a potential threat to life, health, property, and natural resources for which the Supervisor has determined imposition of a civil penalty is appropriate. Therefore, pursuant to PRC sections 3013, 3106, 3225, 3236.5, and 3270 and Regulations section 1777, the Supervisor is ordering Operator to 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 Wells and Facilities. On or about May 1, 2025, CalGEM conducted inspections of the Wells and Facilities where the violations described below were observed and documented in the Orcutt Field. (**Attachments C and D**, incorporated herein.)

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

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

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, § 1777, subd. (a).) Production facilities include wellheads. (PRC, § 3010; Regulations, § 1760, subd. (r).)

During the inspections, CalGEM observed a leak at the following wellheads, and the Wells therefore not being maintained in good condition and in a manner to prevent leakage or corrosion, in violation of the Regulations, section 1777, subdivision (a):

API	Well Designation
0408322620	Newlove 230
0408322754	Newlove 2124

The violation for API 0408322620 was remediated by Operator on or around July 8, 2025. The violation for API 0408322754 was remediated by Operator on or around February 5, 2026.

III. 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 one thousand four hundred dollars (\$1,400.00) for the two violations.

Violation Description	Number of Violations	Associated Civil Penalty per Violation	Civil Penalty Totals
Failure to Maintain Production Facilities in Good Condition and in a Manner to Prevent Leakage or Corrosion; Leaking Wellheads (Regulations, § 1777, subd. (a).) API 0408322620	2	\$700.00	\$1,400.00

1	API 0408322754		
2		Total Civil Penalties:	\$1,400.00

3 For purposes of this Order, the Supervisor considered relevant circumstances when
 4 establishing the amount of the administrative civil penalties, including: characterizing the
 5 violations as "minor" (as defined in PRC section 3236.5, subdivision (b)) and the eight factors
 6 identified in PRC section 3236.5, subdivision (a).

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

8 For the reasons stated herein, pursuant to PRC sections 3013, 3106, 3225, and 3236.5,
 9 and Regulations section 1777, **IT IS HEREBY ORDERED** that within 30 days, Operator pay
 10 administrative civil penalties of one thousand four hundred dollars (\$1,400.00);

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

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

18 Department of Conservation
 19 CalGEM, Attn: Operational Management Unit
 20 715 P Street, MS 1803
 Sacramento, California 95814

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

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

24 Operator may appeal this Order by filing a timely written notice of appeal with the
 25 Director as described in Article 6 (Appeals and Review) of Division 3 of the PRC, commencing
 26 with PRC section 3350. (PRC, § 3225, subd. (d).) If this Order is mailed to you, the Director must
 27 receive the appeal within fifteen (15) days from the date the Supervisor mails the Order. To file
 28 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. 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 oil and gas conservation laws commencing at PRC section 3000. PRC sections 3236.2 and 3236.3 authorize the Supervisor to seek civil penalties and injunctive relief for failure to comply with an order or for violations of any provision in Chapter 1 of Division 3 of the PRC or any regulation that implements those statutes. PRC section 3236.5 authorizes the Supervisor to impose a civil penalty on a person who violates any provision in Chapter 1 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 section 3237 authorizes the Supervisor to order the plugging and abandonment of a well or the decommissioning of a production facility 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 order on a timely basis. PRC section 3359 makes it a misdemeanor to fail or neglect to comply with an

order of the Supervisor. Each day's further failure, refusal, or neglect is a separate and distinct offense. (PRC, § 3359.) By issuance of this Order, the Supervisor does not waive the right to take further enforcement actions.

DATED: 7/17/2026

Doug Ito

Doug Ito
State Oil and Gas Supervisor