

Department of Conservation, Geologic Energy Management Division
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STATE OF CALIFORNIA
NATURAL RESOURCES AGENCY
DEPARTMENT OF CONSERVATION
GEOLOGIC ENERGY MANAGEMENT DIVISION

ORDER TO PAY CIVIL PENALTIES
NO. 1668

Operator: J.P. Oil Company LLC (J0225)

Field Name: Rio Bravo

County: Kern

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, J.P. Oil Company LLC (**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 sections 1722.1 and 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 October 21, 2025, and November 12, 2025, CalGEM conducted inspections of the Wells and Facilities where the violations described below were observed and documented in the Rio Bravo Field. (**Attachments C, D, and E** incorporated herein.)

CalGEM records reflect Operator has not maintained compliance with applicable requirements for operation of the Wells and the Facilities. These violations pose a potential threat to life, health, property, and natural resources.

A. Failure to Post a Legible Sign with Proper Information (Regulations § 1722.1.1, subd. (a))

Operators are required to maintain a posted sign that is clearly visible, legible, and permanently affixed with the name of the operator, name or number of the lease, and number of the well in a conspicuous place. These signs shall be maintained on the premises from the time drilling operations cease until the well is plugged and abandoned. (Regulations § 1722.1.1, subd. (a).)

During the inspections, CalGEM observed a posted sign without the correct operator's name at API 0402916682, an illegible well sign at API 0402916699, and a missing well sign at API 0402916624, in violation of Regulations § 1722.1.1, subd. (a):

API	Well Designation
0402916682	Caldwell 1
0402916699	Ruhl 1
0402916624	Osborn 3 4

The three violations were remediated by Operator on or around February 24, 2026, and March 4, 2026.

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 and free of any fluids. Additionally, well cellars shall be properly covered to prevent people and animals from being trapped in the cellar. (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 wells:

API	Well Designation
0402916699	Ruhl 1
0402916700	Ruhl 2

The two violations were remediated by Operator on or around March 4, 2026.

During the inspection, CalGEM observed the cellar was not properly covered, in violation of Regulations, section 1777, subd. (c)(3), at the following wells:

API	Well Designation
0402916699	Ruhl 1
0402916702	Ruhl 4

The two violations were remediated by Operator on or around March 2, 2026 and March 4, 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 two thousand three hundred dollars (\$2,300.00) for the seven violations.

Violation Description	Number of Violations	Associated Civil Penalty per Violation	Civil Penalty Totals
Failure to Post a Legible Sign in a Conspicuous Place for Critical and Environmentally Sensitive Well in Health Protection Zone (Regulations § 1722.1.1, subd. (a)) API 0402916699	1	\$350.00	\$350.00
Failure to Post a Legible Sign in a Conspicuous Place in Health Protection Zone (Regulations § 1722.1.1, subd. (a)) API 0402916624 API 0402916682	2	\$300.00	\$600.00
Failure to Keep Well Cellar Drained and/or Properly Covered for Critical and Environmentally Sensitive Well in Health Protection Zone (Regulations, § 1777, subd. (c)(3).) API 0402916702	1	\$350.00	\$350.00

Failure to Keep Well Cellar Drained and Properly Covered in Health Protection Zone (Regulations, § 1777, subd. (c)(3).)	1	\$300.00	\$300.00
API 0402916700			
Failure to Keep Well Cellar Drained and Properly Covered for Critical and Environmentally Sensitive Well in Health Protection Zone (Regulations, § 1777, subd. (c)(3).)	2	\$350.00	\$700.00
API 0402916699			
		Total Civil Penalties:	\$2,300.00

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), the Wells are inside a health protection zone, as defined by Regulations section 1765.1, subdivision (b), are environmentally sensitive, as defined by Regulations section 1760, subdivision (f), and the Wells are critical wells, as defined by Regulations section 1720, subdivision (a).

IV. Operator's Required Actions

For the reasons stated herein, pursuant to PRC sections 3013, 3106, 3225, and 3236.5, and Regulations sections 1722.1.1 and 1777, **IT IS HEREBY ORDERED** that within 30 days, Operator pay administrative civil penalties of two thousand three hundred dollars (\$2,300.00);

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

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 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. 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 for civil penalties and injunctive relief for failure to

1 comply with an order or for violations of any provision in Chapter 1 of Division 3 of the PRC or
2 any regulation that implements those statutes. PRC section 3236.5 authorizes the Supervisor to
3 impose a civil penalty on a person who violates any provision in Chapter 1 of Division 3 of the
4 PRC or any regulation that implements those statutes, and the Supervisor may in the future
5 impose further civil penalties based on the facts and omissions underlying this order. PRC
6 section 3237 authorizes the Supervisor to order the plugging and abandonment of a well or
7 the decommissioning of a production facility if an operator has failed to comply with an order
8 of the Supervisor within the time provided by the order or has failed to challenge the order on
9 a timely basis. PRC section 3359 makes it a misdemeanor to fail or neglect to comply with an
10 order of the Supervisor. Each day's further failure, refusal, or neglect is a separate and distinct
11 offense. (PRC, § 3359.) By issuance of this Order, the Supervisor does not waive the right to take
12 further enforcement actions.

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14
15 DATED: 8/12/2026

Doug Ito

Doug Ito
State Oil and Gas Supervisor