

1 Department of Conservation, Geologic Energy Management Division
Doug Ito
2 STATE OIL AND GAS SUPERVISOR
715 P Street, MS 19-06 (Legal Office)
3 Sacramento, California 95814
Telephone (916) 323-6733
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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. 1680**
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18 **Operator: California Petroleum Group, Inc. (11166)**
19 **Field Names: Strand, Ten Section, Canal, and Midway-Sunset**
20 **Central District, Kern County**
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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, California Petroleum Group, Inc. (**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 and constitutes violations requiring remedial work and for which the Supervisor has determined imposition of a civil penalty is appropriate. Therefore, pursuant to PRC sections 3013, 3106, 3224, 3225, 3226, 3236.5, and 3270 and Regulations sections 1722, 1722.1.1, 1722.9, 1773.1, 1773.3, 1773.5, 1775, and 1777, the Supervisor is ordering Operator to (1) perform remedial work to bring the Wells and Facilities into compliance and (2) pay an administrative civil penalty 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. Between May 2023 and March 2026, CalGEM conducted multiple inspections of the Wells and Facilities where the violations described below were observed and documented in the Strand, Ten Section, Canal, and Midway-Sunset Fields. (**Attachments C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, and R**, incorporated herein.)

CalGEM records reflect Operator has not maintained compliance with applicable requirements for operation of the Wells and the Facilities. Operator's 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 Conduct Operations in Accordance with Good Oilfield Practice.

(Regulations, § 1722, subd. (a).)

Operators are required to conduct operations in accordance with good oilfield practice to prevent leakage or corrosion and to protect life, health, property, and natural resources. (Regulations, § 1722, subd. (a).) Missing bull plugs on the wellhead may lead to leaking around the wellhead. Production facilities include wellheads. Weeds and debris can: (1) obstruct view of the oilfield, which can make detection of leakage difficult; (2) present a fire hazard; and (3) can compromise well integrity.

During the inspections, CalGEM observed weeds surrounding the following Wells, in violation of Regulations, section 1722, subdivision (a):

API	Well Designation	Violation ID	Violation Status	Attachment
0402918592	KCL 56 22	12312947	Resolved	G
0402900120	KCL 56 44-1	12432575	Active	E
0402913273	Adkisson 18	12432089	Active	D
0402918594	KCL 56 33-1	12432579	Active	E

The Operator remediated Violation ID 12312947 on or around November 24, 2025. As of the date of this Order, CalGEM does not have any records from the Operator demonstrating that the remaining violations have been corrected.

During the inspection, CalGEM observed missing bull plugs at the following Well, in violation of Regulations, section 1722, subdivision (a):

API	Well Designation	Violation ID	Violation Status	Attachment
0402913273	Adkisson 18	12432087	Active	D

As of the date of this Order, CalGEM does not have any records from the Operator demonstrating that the violation has been corrected.

B. Failure to Affix Required Well Sign and Display the Required Information.

(Regulations, § 1722.1.1, subd. (a).)

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

During the inspection, CalGEM observed a well sign with the incorrect operator information listed, a well without a sign, and a sign on ground at the following Wells, in violation of Regulations, section 1722.1.1, subdivision (a):

API	Well Designation	Violation ID	Attachment
0402918592	KCL 56 22	12432582	E
0402900120	KCL 56 44-1	12432576	E
0402918594	KCL 56 33-1	12432578	E

As of the date of this Order, CalGEM does not have any records from the Operator demonstrating that the violations have been corrected.

C. Failure to Submit an Adequate Spill Contingency Plan. (Regulations, § 1722.9, subd. (f).)

A Spill Contingency Plan shall be designed to prevent and respond to unauthorized releases and shall include a map of the production facilities covered by the plan. The map shall identify and label the actual or probable location of all permanent tanks, equipment, and pipelines, access roads for emergency response, all out-of-service equipment, all sumps and catch basins, the volume of all tanks and storage container covered by the plan with a list of the type of fluid stored, all designated waterways within one-quarter mile of the facility, the location of secondary containment with access routes, the topography or drainage flow direction, all storm drains within one-quarter mile of the site, and a fluid flow schematic. (Regulations, § 1722.9, subd. (f).)

The Operator's Spill Contingency Plans for the following Facilities fail to include the required map; accordingly, the Operator's Spill Contingency Plans are inadequate, in violation of Regulations, section 1722.9, subdivision (f):

Facility Setting ID	Facility Setting Name	Facility (Component) ID	Facility (Component) Name	Field	Violation ID	Attachment
90293009	KCL 59-24-1 Tank Setting	5949 5950 5951 5952 8319 8700 8702	10 11 52 51 50 17 14	Ten Section	12427685	C
90293010	KCL 59-24-1 Tank Setting	28052 8038 8039	T 12 15(700) 16	Ten Section	12427674	C

As of the date of this Order, CalGEM does not have any records from the Operator demonstrating that the violations have been corrected.

D. Failure to Have Adequate Secondary Containment. (Regulations, § 1773.1, subds. (a) and (b).)

In the event of a spill, secondary containment protects the surrounding area from contamination. Operators are required to have secondary containment for all production facilities storing and/or processing fluids, except valves, headers, manifolds, pumps, compressors, wellheads, pipelines, flowlines, and gathering lines. (Regulations, § 1773.1, subd. (a).) Secondary containment must be capable of containing the equivalent volume of liquids from the single piece of equipment with the largest gross capacity within the secondary containment. (Regulations, § 1773.1, subd. (b).)

During the inspections, CalGEM observed secondary containment with inadequate storage capacity, missing secondary containment, or inadequate berms at the following Facilities, in violation of Regulations, section 1773.1, subdivisions (a) and (b):

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Facility Setting ID	Facility Setting Name	Facility (Component) ID	Facility (Component) Name	Field	Violation ID	Attachment
90293010	KCL 59-24-1 Tank Setting	KCL 59-24-1 Tank Setting	28052 8038 8039	Ten Section	12427673	C
90294191	Adkisson Tank Setting	6742 6743 6744	13454 (G02GF61), 1 (2GF62), 2	Midway -Sunset	12440446	P
90293022	KCL 56 Shared Tank Setting	8680 8681	31 30	Strand	12403919	I

As of the date of this Order, CalGEM does not have any records from the Operator demonstrating that the violations have been corrected.

E. Failure to Repair Secondary Containment. (Regulations, § 1773.1, subd. (e).)

In the event of a spill, secondary containment protects the surrounding area from contamination. Operators are required to repair all damage to secondary containment immediately. (Regulations, § 1773.1, subd. (e).)

During the inspection, CalGEM observed damage to the secondary containment at the following Facility, in violation of Regulations, section 1773.1, subdivision (e):

Facility Setting ID	Facility Setting Name	Facility (Component) ID	Facility (Component) Name	Field	Violation ID	Attachment
90293009	KCL 59-24-1 Tank Setting	5949 5950 5951 5952 8319 8700 8702	10 11 52 51 50 17 14	Ten Section	12427687	C

As of the date of this Order, CalGEM does not have any records from the Operator demonstrating that the violations have been corrected.

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F. Failure to Properly Identify Tank. (Regulations, § 1773.3, subd. (a).)

Operators are required to properly identify tanks with the tank identification number, tank type (production, stock, water, etc.), and with the appropriate material hazard placards or labels. (Regulations, § 1773.3, subd. (a).)

During the inspections, CalGEM observed missing or inadequate tank labels at the following Facilities, in violation of Regulations, section 1773.3, subdivision (a):

Facility Setting ID	Facility Setting Name	Facility (Component) ID	Facility (Component) Name	Violation ID	Violation Status	Attachment
90293009	KCL 59-24-1 Tank Setting	15527	None	12402123	Resolved	J
90293021	KCL 56 Water Tank 44	8023	44	12432595	Active	E
90293022	KCL 56 Shared Tank Setting	8680	31	12432590	Active	E
90293022	KCL 56 Shared Tank Setting	8681	30	12432570	Active	E
90293009	KCL 59-24-1 Tank Setting	8702	14	12402087	Active	K
90293010	KCL 59-24-1 Tank Setting	8039	16	12312992	Resolved	L
90294191	Adkisson Tank Setting	6743	1 (2GF62)	12432082	Active	P
90294191	Adkisson Tank Setting	6744	2	12432078	Active	D

90293022	KCL 56 Shared Tank Setting	8681	30	12313011	Active	M
90293009	KCL 59-24-1 Tank Setting	8702	14	12427691	Active	C

The Operator remediated Violation ID 12402123 and Violation ID 12312992 on or around July 14, 2025. As of the date of this Order, CalGEM does not have any records from the Operator demonstrating that the remaining violations have been corrected.

G. Failure to Maintain Out-of-Service Production Facilities.
(Regulations, § 1773.5, subds. (a)(1), (a)(3), (a)(4), and (a)(5).)

Out-of-Service production facilities shall have fluids, sludge, hydrocarbons, and solids removed and shall be disconnected from any pipelines and other in-service equipment. Clean-out doors or hatches on Out-of-Service tanks shall be removed and a heavy gauge steel mesh grating (less than 1" spacing) shall be secured over the opening to allow for visual inspection and prevent unauthorized access. The Operator shall label Out-of-Service tanks and vessels in bold letters at least one foot high, if possible, on the side of the tank or vessel at least five feet from the ground surface, or as high as possible, along with the date it was taken out of service. Out-of-Service production facilities shall have valves and fittings removed or secured to prevent unauthorized use. (Regulations, § 1773.5, subds. (a)(1), (a)(3), (a)(4), and (a)(5).)

During the inspections, CalGEM observed fluids, sludge, hydrocarbons, and/or solids in Out-of-Service production facilities and Out-of-Service production facilities connected to pipelines at the following Facilities, in violation of Regulations, section 1773.5, subdivision (a)(1):

Facility Setting ID	Facility Setting Name	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type	Violation ID	Attachment
90293022	KCL 56 Shared Tank Setting	8680	31	Tank	12432586	E

1	90293022	KCL 56 Shared Tank Setting	8681	30	Tank	12432568	E
2							
3	90293009	KCL 59- 24-1 Tank Setting	8703	12	Tank	12427678	C
4							
5	90293021	KCL 56 Water Tank 44	8023	44	Tank	12432596	E
6							
7	90293010	KCL 59- 24-1 Tank Setting	8039	16	Tank	12427676	C
8							
9	90293022	KCL 56 Shared Tank Setting	8680	31	Tank	12432587	E
10							
11	90293022	KCL 56 Shared Tank Setting	8681	30	Tank	12432569	E
12							
13	90293009	KCL 59- 24-1 Tank Setting	8704	13	Tank	12427681	C
14							
15	90293009	KCL 59- 24-1 Tank Setting	8703	12	Tank	12427680	C
16							
17	90294191	Adkisson Tank Setting	6742	13454 (G02GF61)	Tank	12432085	D
18							
19							
20							
21							

During the inspections, CalGEM observed Out-of-Service production facilities with clean-out doors or hatches not removed and replaced with the required mesh to prevent unauthorized access while allowing visual inspection at the following Facilities, in violation of Regulations, section 1773.5, subdivision (a)(3):

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Facility Setting ID	Facility Setting Name	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type	Violation ID	Attachment
90294191	Adkisson Tank Setting	6742	13454 (G02GF61)	Tank	12432084	D
90293021	KCL 56 Water Tank 44	8023	44	Tank	12432594	E
90293022	KCL 56 Shared Tank Setting	8680	31	Tank	12432589	E
90293022	KCL 56 Shared Tank Setting	8681	30	Tank	12432566	E
90293009	KCL 59-24-1 Tank Setting	8703	12	Tank	12427677	C

During the inspections, CalGEM observed missing "Out-of-Service" labeling on Out-of-Service tanks at the following Facilities, in violation of Regulations, section 1773.5, subdivision (a)(4):

Facility Setting ID	Facility Setting Name	Facility (Component) ID	Facility (Component) Name	Violation ID	Attachment
90293021	KCL 56 Water Tank 44	8023	44	12432598	E
90293022	KCL 56 Shared Tank Setting	8680	31	12432585	E
90293022	KCL 56 Shared Tank Setting	8681	30	12432567	E

During the inspections, CalGEM observed the valves and/or fittings that were not removed and secured properly to prevent unauthorized use at the following Facilities, in violation of Regulations, section 1773.5, subdivision (a)(5):

Facility Setting ID	Facility Setting Name	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type	Violation ID	Attachment
90294191	Adkisson Tank Setting	6742	13454 (G02GF61)	Tank	12432086	D
90293021	KCL 56 Water Tank 44	8023	44	Tank	12432593	E
90293022	KCL 56 Shared Tank Setting	8680	31	Tank	12432588	E
90293022	KCL 56 Shared Tank Setting	8681	30	Tank	12432572	E
90293009	KCL 59-24-1 Tank Setting	8703	12	Tank	12427679	C
90293009	KCL 59-24-1 Tank Setting	8704	13	Tank	12427682	C

As of the date of this Order, CalGEM does not have any records from the Operator demonstrating that the violations have been corrected.

H. Failure to Remove Oilfield Waste and Refuse. (Regulations, § 1775, subds. (a) and (c).)

Oilfield waste shall be disposed of in such a manner as not to cause damage to life, health, property, freshwater aquifers or surface waters, or natural resources, or be a menace to public safety. (Regulations, § 1775, subd. (a).) Unused equipment and scrap attendant to oilfield operations shall be removed from a production or injection operations area in such a manner as to not cause damage to life, health, or property, or become a public nuisance or a menace to public safety. (Regulations, § 1775, subd. (c).)

During the inspections, CalGEM observed oilfield waste and refuse that had not been disposed of properly at the following Wells, in violation of Regulations, section 1775, subdivisions (a) and (c):

API	Well Designation	Violation ID	Violation Status	Attachment
0402900120	KCL 56 44-1	12312972	Resolved	F
0402918594	KCL 56 33-1	12312963	Resolved	H
0402918595	KCL 56 42-1	12432573	Active	E
0402900293	KCL 59 334X-24	12451139	Active	R
0402984697	Arco 82X-9	12458821	Active	O

The Operator remediated Violation ID 12312972 and Violation ID 12312963 on or around November 20, 2025, and November 24, 2025, respectively. As of the date of this Order, CalGEM does not have any records from the Operator demonstrating that the remaining violations have been corrected.

During the inspections, CalGEM observed oilfield waste and refuse that had not been disposed of properly at the following Facilities, in violation of Regulations, section 1775, subdivisions (a) and (c):

Facility Setting ID	Facility Setting Name	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type	Violation ID	Violation Status	Attachment
90293009	KCL 59-24-1 Tank Setting	8702	14	Tank	12402089	Resolved	K
90294191	Adkisson Tank Setting	6743	1 (2GF62)	Tank	12432081	Active	Q
90294191	Adkisson Tank Setting	6744	2	Tank	12432077	Active	Q

90294191	Adkisso n Tank Setting	6742	13454 (G02GF61)	Tank	12432083	Active	D
90293021	KCL 56 Water Tank 44	8023	44	Setting	12432565	Active	E
90293010	KCL 59- 24-1 Tank Setting	28052 8038 8039	T 12 15(700) 16	Setting	12312991	Active	L
90293022	KCL 56 Shared Tank Setting	8680 8681	31 30	Setting	12313010	Active	M
90317703	KCL 59 Lease			Lease	12427695	Active	C

The Operator remediated Violation ID 12402089 on or around July 14, 2025. As of the date of this Order, CalGEM does not have any records from the Operator demonstrating that the remaining violations have been corrected.

I. Failure to Adequately Maintain Bull Plugs on Facilities. (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, but are not limited to, tanks, flowlines, headers, gathering lines, wellheads, heater treaters, pumps, valves, compressors, injection equipment, and pipelines. (PRC, § 3010; Regulations, § 1760, subd. (r).) Missing bull plugs on facilities may lead to leaking. Wooden plugs or screw-in plugs shall not be used for permanent repairs. (Regulations, § 1773.3, subd. (d).)

During the inspections, CalGEM observed missing bull plugs and/or wooden plugs or screw-in plugs at the following Facilities, in violation of Regulations, section 1777, subdivision (a):

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Facility Setting ID	Facility Setting Name	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type	Violation ID	Attachment
90293009	KCL 59-24-1 Tank Setting	8702	14	Tank	12427692	C
90294191	Adkisson Tank Setting	6743	1 (2GF62)	Tank	12432080	D
90294191	Adkisson Tank Setting	6744	2	Tank	12432079	D
90293021	KCL 56 Water Tank 44	8023	44	Tank	12432592	E

As of the date of this Order, CalGEM does not have any records from the Operator demonstrating that the violations have been corrected.

J. Failure to Maintain Production Facilities 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, but are not limited to, tanks, flowlines, headers, gathering lines, wellheads, heater treaters, pumps, valves, compressors, injection equipment, and pipelines. (PRC, § 3010; Regulations, § 1760, subd. (r).)

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

API	Well Designation	Violation ID	Attachment
0402900293	KCL 59 334X-24	12427688	C
0402920683	KCL 59 376-24	12427683	C

0402984697	Arco 82X-9	12458820	○
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As of the date of this Order, CalGEM does not have any records from the Operator demonstrating that the violations have been corrected.

K. Failure to Maintain Tank in Good Condition (Regulations, § 1777, subd. (a).)

Operators are required to maintain production facilities in good condition to safeguard life, health, property, and natural resources and conduct operations in accordance with good oilfield practice. (Regulations, § 1777, subd. (a).) Open tanks and damaged or inadequate screening are a threat to life and health of people and wildlife.

During the inspections, CalGEM observed open tanks and damaged or inadequate screening at the following Facilities, in violation of Regulations, section 1777, subdivision (a):

Facility Setting ID	Facility Setting Name	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type	Violation ID	Attachment
90293009	KCL 59-24-1 Tank Setting	8702	14	Tank	12427690	C
90293009	KCL 59-24-1 Tank Setting	8700	17	Tank	12427694	C

As of the date of this Order, CalGEM does not have any records from Operator demonstrating that the violations have been corrected.

L. Failure to Remove Weeds and/or Debris from Secondary Containment. (Regulations, § 1777, subd. (c)(2).)

In the event of a spill, secondary containment protects the surrounding area from contamination. Required maintenance of production facilities includes removal of weeds and debris from secondary containment areas. (Regulations, § 1777, subd. (c)(2).) Weeds and debris can: (1) obstruct view of the secondary containment, which can make detection of

compromised secondary containment difficult; (2) present a fire hazard; and (3) can compromise containment integrity and capacity.

During the inspections, CalGEM observed weeds and/or debris on or in the secondary containment at the following Facilities, in violation of Regulations, section 1777, subdivision (c)(2):

Facility Setting ID	Facility Setting Name	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type	Violation ID	Violation Status	Attachment
90293009	KCL 59-24-1 Tank Setting	15527	None	Tank	12402122	Resolved	J
90293009	KCL 59-24-1 Tank Setting	8702	14	Tank	12402091	Resolved	K
90293009	KCL 59-24-1 Tank Setting	8703	12	Tank	12402099	Resolved	N
90293022	KCL 56 Shared Tank Setting	8680 8681	31 30	Setting	12313009	Resolved	I
90293021	KCL 56 Water Tank 44	8023	44	Setting	12432564	Active	E
90293022	KCL 56 Shared Tank Setting	8680 8681	31 30	Setting	12432574	Active	E

The Operator remediated Violation ID 12402122, 1240209, and 124020991 on or around July 14, 2025, and Violation ID 12402099 on or around January 6, 2025. As of the date of this Order, CalGEM does not have any records from the Operator demonstrating that the remaining violations have been corrected.

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M. Failure to Keep Well Cellar Covered and 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 covered and drained. (Regulations, § 1777, subd. (c)(3).)

During the inspections, CalGEM observed fluids in the well cellar at the following Wells, in violation of Regulations, section 1777, subdivision (c)(3):

API	Well Designation	Violation ID	Violation Status	Attachment
0402900120	KCL 56 44-1	12312973	Resolved	F
0402918592	KCL 56 22	12312946	Resolved	G
0402918594	KCL 56 33-1	12312964	Resolved	H
0402849697	Arco 82X-9	12458822	Active	O
0402918597	KCL 56 53-1	12432583	Active	E

The Operator remediated Violation ID 12312973 on or around June 29, 2023, Violation ID 12312964 on or around January 6, 2025, and Violation ID 12312946 on or around November 24, 2025. As of the date of this Order, CalGEM does not have any records from the Operator demonstrating that the remaining violations have been corrected.

During the inspections, CalGEM observed well cellars not properly covered at the following Wells, in violation of Regulations, section 1777, subdivision (c)(3):

API	Well Designation	Violation ID	Violation Status	Attachment
0402918597	KCL 56 53-1	12432584	Active	E
0402918592	KCL 56 22	12432581	Active	E
0402918594	KCL 56 33-1	12432577	Active	E
0402913273	Adkisson 18	12432088	Active	D

As of the date of this Order, CalGEM does not have any records from the Operator demonstrating that the violations have been corrected.

N. Failure to Properly Enclose Production Facility. (Regulations, § 1777, subd. (d).)

All equipment and facilities in urban areas shall be enclosed individually or with perimeter fencing where it is necessary to protect life and property. Enclosures in nonurban areas shall be constructed where necessary to protect life and property. (Regulations, § 1777, subd. (d).)

During the inspection, CalGEM observed an inadequate perimeter fencing at the following Facility, in violation of Regulations, section 1777, subdivision (d):

Facility Setting ID	Facility Setting Name	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type	Violation ID	Attachment
90293009	KCL 59-24-1 Tank Setting	5949	10	Setting	12427686	C
		5950	11			
		5951	52			
		5952	51			
		8319	50			
		8700	17			
		8702	14			

As of the date of this Order, CalGEM does not have any records from the Operator demonstrating that the violation has been corrected.

III. Civil Penalty/Remedial Work

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 forty thousand five hundred fifty-five dollars (\$40,555.00) for the 86 violations.

Violation Description	Number of Violations	Associated Civil Penalty per Violation	Civil Penalty Totals
Failure to Conduct Operations in Accordance with Good Oilfield Practices; Wells Open at Surface (Regulations, § 1722, subd. (a).) 0402900293 0402920683	2	\$750	\$1,500

1				
2	Failure to Remove Weeds from Wells (Regulations, § 1722, subd. (a).)			
3	0402918592	4	\$310	\$1,240
4	0402900120			
5	0402913273			
6	0402918594			
7	Failure to Adequately Maintain Bull Plugs on Well (Regulations, § 1722, subd. (a).)	1	\$200	\$200
8	0402913273			
9	Failure to Affix Well Sign Displaying the Required Information (Regulations, § 1722.1.1, subd. (a).)	1	\$165	\$165
10	0402918592			
11	Failure to Affix Well Sign (Regulations, § 1722.1.1, subd. (a).)	2	\$220	\$440
12	0402900120			
13	0402918594			
14	Failure to Submit Adequate Spill Contingency Plan (Regulations, § 1722.9, subd. (f).)	2	\$240	\$480
15	90293009			
16	90293010			
17	Failure to Have Adequate Secondary Containment (Regulations, § 1773.1, subd. (a).)	2	\$960	\$1,920
18	90294191			
19	90293022			
20	Failure to Have Adequate Secondary Containment (Regulations, § 1773.1, subd. (b).)	1	\$1,260	\$1,260
21	90293010			
22	Failure to Repair Secondary Containment (Regulations, § 1773.1, subd. (e).)	1	\$960	\$960
23	90293009			
24	Failure to Properly Identify Tank (Regulations, § 1773.3, subd. (a).)			
25	15527	5	\$180	\$900
26	8023			
27	8680			
28	8681			
	8702			

1	Failure to Properly Identify Tank (Regulations, § 1773.3, subd. (a).)			
2	8039			
3	6743	5	\$220	\$1,100
4	6744			
	8681			
	8702			
5	Failure to Maintain Out-of-Service Production Facilities			
6	(Regulations, § 1773.5, subd. (a)(1).)			
7	8680	3	\$750	\$2,250
8	8681			
9	8703			
10	Failure to Maintain Out-of-Service Production Facilities			
11	(Regulations, § 1773.5, subd. (a)(1).)			
12	6742			
13	8023	7	\$380	\$2,660
14	8039			
15	8680			
16	8681			
17	8703			
18	8704			
19	Failure to Maintain Out-of-Service Production Facilities			
20	(Regulations, § 1773.5, subd. (a)(3).)			
21	6742	1	\$950	\$950
22	Failure to Maintain Out-of-Service Production Facilities			
23	(Regulations, § 1773.5, subd. (a)(3).)			
24	8023			
25	8680	4	\$280	\$1,120
26	8681			
27	8703			
28	Failure to Maintain Out-of-Service Production Facilities			
	(Regulations, § 1773.5, subd. (a)(4).)			
	8023	3	\$205	\$615
	8680			
	8681			
	Failure to Maintain Out-of-Service Production Facilities			
	(Regulations, § 1773.5, subd. (a)(5).)			
	6742	6	\$280	\$1,680
	8023			
	8680			
	8681			

1	8703 8704			
2	Failure to Remove Oilfield Waste and			
3	Refuse			
4	(Regulations, § 1775, subd. (a) and	3	\$460	\$1,380
5	(c).)			
6	0402900120			
7	0402918594			
8	0402918595			
9	Failure to Remove Oilfield Waste and			
10	Debris			
11	(Regulations, § 1775, subd. (a) and			
12	(c).)			
13	8702	8	\$480	\$3,840
14	6743			
15	6744			
16	6742			
17	90393021			
18	90293010			
19	90293022			
20	90317703			
21	Failure to Remove Oilfield Waste and			
22	Refuse			
23	(Regulations, § 1775, subd. (a) and	1	\$975	\$975
24	(c).)			
25	0402900293			
26	Failure to Remove Oilfield Waste and			
27	Refuse			
28	(Regulations, § 1775, subd. (a) and	1	\$1,950	\$1,950
29	(c).)			
30	0402984697			
31	Failure to Adequately Maintain Bull			
32	Plugs on Production Facilities			
33	(Regulations, § 1777, subd. (a).)			
34	8702	4	\$380	\$1,520
35	6743			
36	6744			
37	8023			
38	Failure to Maintain Production			
39	Facilities in a Manner to Prevent			
40	Leakage or Corrosion; Leaking Well	1	\$800	\$800
41	(Regulations, § 1777, subd. (a).)			
42	0402984697			

1	Failure to Maintain Tank in Good Condition; Open Tanks and Inadequate Screening (Regulations, § 1777, subd. (a).)	2	\$760	\$1,520
2	8700			
3	8702			
4	Failure to Remove Weeds and/or Debris from Secondary Containment (Regulations, § 1777, subd. and (c)(2).)	6	\$760	\$4,560
5	15527			
6	8702			
7	8703			
8	90293022			
9	90293021			
10	Failure to Keep Well Cellar Covered and Drained (Regulations, § 1777, subd. (c)(3).)	3	\$180	\$540
11	0402900120			
12	0402918592			
13	0402918594			
14	Failure to Keep Well Cellar Covered and Drained (Regulations, § 1777, subd. (c)(3).)	5	\$200	\$1,000
15	0402918597			
16	0402918592			
17	0402918594			
18	0402913273			
19	Failure to Keep Well Cellar Covered and Drained (Regulations, § 1777, subd. (c)(3).)	1	\$480	\$480
20	0402984697			
21	Failure to Properly Enclose Facility (Regulations, § 1777, subd. (d).)	1	\$2,550	\$2,550
22	90293009			
23			Total Civil Penalty:	\$40,555.00

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" or "major" (as defined in PRC section 3236.5, subdivision (b)) and the eight factors identified in PRC section 3236.5, subdivision (a).

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B. Remedial Work

Pursuant to PRC sections 3224 and 3226, the Supervisor hereby orders Operator to complete remedial work to come into compliance with Regulations sections 1722, 1722.1.1, 1722.9, 1773.1, 1773.3, 1773.5, 1775, and 1777, as outlined below in Operator's Required Actions.

IV. Operator's Required Actions

For the reasons stated herein, pursuant to PRC sections 3013, 3106, 3224, 3225, 3226, and 3236.5, and Regulations sections 1722, 1722.1.1, 1773.1, 1773.3, 1773.5, 1775 and 1777, **IT IS HEREBY ORDERED** that within 30 days, Operator:

- 1) Pay an administrative civil penalty of forty thousand, five hundred and fifty-five dollars (\$40,555.00); and

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.

- 2) In accordance with PRC section 3224 and Regulations sections 1722, 1722.1.1, 1722.9, 1773.1, 1773.3, 1773.5, 1775, and 1777 Operator is required to:

- a. Clean up well sites covered in weeds, per Regulations, section 1722, subdivision (a):

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API	Well Designation
0402918592	KCL 56 22
0402900120	KCL 56 44-1
0402913273	Adkisson 18
0402918594	KCL 56 33-1

- b. Replace missing bull plugs at the following well, per Regulations, section 1722, subdivision (a):

API	Well Designation
040291373	Adkisson 18

- c. Correct well signs, per Regulations, section 1722.1.1, subdivision (a):

API	Well Designation
0402918592	KCL 56 22
0402900120	KCL 56 44-1
0402918594	KCL 56 33-1

- d. Provide Spill Contingency Plan maps, per Regulations, section 1722.9, subdivision (f):

Facility Setting ID	Facility Setting Name	Facility (Component) ID	Facility (Component) Name	District	Field
90293009	KCL 59-24-1 Tank Setting	5949	10	Central	Ten Section
		5950	11		
		5951	52		
		5952	51		
		8319	50		
		8700	17		
		8702	14		
90293010	KCL 59-24-1 Tank Setting	28052	T 12	Central	Ten Section
		8038	15(700)		
		8039	16		

Note: Regulations section 1773.5, subdivision (b), prohibits Out-of-Service production facilities from being reactivated until all needed repairs have been completed and the production facility is in compliance with all applicable testing and inspection requirements.

Operator is required to submit required testing and inspection information to CalGEM for review prior to reactivation of the tanks pursuant to Regulations section 1773.4;

e. Correct secondary containment violations, per Regulations, section 1773.1, subdivisions (a) and (b), at the following production facilities:

Facility Setting ID	Facility Setting Name	Facility (Component) ID	Facility (Component) Name	District	Field
90293010	KCL 59-24-1 Tank Setting	28052 8038 8039	T 12 15(700) 16	Central	Ten Section
90294191	Adkisson Tank Setting	6742 6743 6744	13454 (G02GF61),1 (2GF62),2	Central	Midway-Sunset
90293022	KCL 56 Shared Tank Setting	8680 8681	31 30	Central	Strand

f. Correct damage to the secondary containment, per Regulations, section 1773.1, subdivision (e), at the following production facility:

Facility Setting ID	Facility Setting Name	Facility (Component) ID	Facility (Component) Name	District	Field
90293009	KCL 59-24-1 Tank Setting	5949 5950 5951 5952 8319 8700 8702	10 11 52 51 50 17 14	Central	Ten Section

g. Correct missing or inadequate tank labels, per Regulations, section 1773.3, subdivision (a), at the following production facilities:

Facility Setting ID	Facility Setting Name	District	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type
90293009	KCL 59-24-1 Tank Setting	Central	15527	None	Tank

90293021	KCL 56 Water Tank 44	Central	8023	44	Tank
90293022	KCL 56 Shared Tank Setting	Central	8680	31	Tank
90293022	KCL 56 Shared Tank Setting	Central	8681	30	Tank
90293009	KCL 59-24-1 Tank Setting	Central	8702	14	Tank
90293010	KCL 59-24-1 Tank Setting	Central	8039	16	Tank
90294191	Adkisson Tank Setting	Central	6743	1 (2GF62)	Tank
90294191	Adkisson Tank Setting	Central	6744	2	Tank
90293022	KCL 56 Shared Tank Setting	Central	8681	30	Tank
90293009	KCL 59-24-1 Tank Setting	Central	8702	14	Tank

h. Remove fluids, sludge, hydrocarbons and/or solids and disconnect pipelines, per Regulations, section 1773.5, subdivision (a)(1), at the following production facilities:

Facility Setting ID	Facility Setting Name	District	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type
90293022	KCL 56 Shared Tank Setting	Central	8680	31	Tank
90293022	KCL 56 Shared Tank Setting	Central	8681	30	Tank
90293009	KCL 59-24-1 Tank Setting	Central	8703	12	Tank

90293021	KCL 56 Water Tank 44	Central	8023	44	Tank
90293010	KCL 59-24-1 Tank Setting	Central	8039	16	Tank
90293022	KCL 56 Shared Tank Setting	Central	8680	31	Tank
90293022	KCL 56 Shared Tank Setting	Central	8681	30	Tank
90293009	KCL 59-24-1 Tank Setting	Central	8703	12	Tank
90293009	KCL 59-24-1 Tank Setting	Central	8704	13	Tank
90294191	Adkisson Tank Setting	Central	6742	13454 (G02GF61)	Tank

- i. Remove doors or hatchways from facility and secure mesh in hatch opening, per Regulations, section 1773.5, subdivision (a)(3), at the following production facilities:

Facility Setting ID	Facility Setting Name	District	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type
90294191	Adkisson Tank Setting	Central	6742	13454 (G02GF61)	Tank
90293021	KCL 56 Water Tank 44	Central	8023	44	Tank
90293022	KCL 56 Shared Tank Setting	Central	8680	31	Tank
90293022	KCL 56 Shared Tank Setting	Central	8681	30	Tank
90293009	KCL 59-24-1 Tank Setting	Central	8703	12	Tank

- j. Correct missing labels of tank names/numbers, per Regulations, section 1773.5, subdivision (a)(4), at the following production facilities:

Facility Setting ID	Facility Setting Name	District	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type
90293021	KCL 56 Water Tank 44	Central	8023	44	Tank

90293022	KCL 56 Shared Tank Setting	Central	8680	31	Tank
90293022	KCL 56 Shared Tank Setting	Central	8681	30	Tank

k. Secure valves and/or fittings, per Regulations, section 1773.5, subdivision (a)(5), at the following production facilities:

Facility Setting ID	Facility Setting Name	District	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type
90294191	Adkisson Tank Setting	Central	6742	13454 (G02GF61)	Tank
90293021	KCL 56 Water Tank 44	Central	8023	44	Tank
90293022	KCL 56 Shared Tank Setting	Central	8680	31	Tank
90293022	KCL 56 Shared Tank Setting	Central	8681	30	Tank
90293009	KCL 59-24-1 Tank Setting	Central	8703	12	Tank
90293009	KCL 59-24-1 Tank Setting	Central	8704	13	Tank

l. Properly dispose of oilfield waste and debris, per Regulations, section 1775, subdivisions (a) and (c), at the following wells and production facilities:

API	Well Designation
0402900120	KCL 56 44-1
0402918594	KCL 56 33-1
0402918595	KCL 56 42-1
0402900293	KCL 59 334X-24
0402984697	Arco 82X-9

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Facility Setting ID	Facility Setting Name	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type	Violation ID	Violation Status	Attachment
90293009	KCL 59-24-1 Tank Setting	8702	14	Tank	12402089	Resolved	K
90294191	Adkisson Tank Setting	6743	1 (2GF62)	Tank	12432081	Active	Q
90294191	Adkisson Tank Setting	6744	2	Tank	12432077	Active	Q
90294191	Adkisson Tank Setting	6742	13454 (G02GF61)	Tank	12432083	Active	D
90293021	KCL 56 Water Tank 44	8023	44	Setting	12432565	Active	E
90293010	KCL 59-24-1 Tank Setting	28052 8038 8039	T 12 15(700) 16	Setting	12312991	Active	L
90293022	KCL 56 Shared Tank Setting	8680 8681	31 30	Setting	12313010	Active	M
90317703	KCL 59 Lease			Lease	12427695	Active	C

m. Replace missing or inadequate bull plugs at the following facilities, per Regulations, section 1777, subdivision (a):

Facility Setting ID	Facility Setting Name	District	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type
90293009	KCL 59-24-1 Tank Setting	Central	8702	14	Tank
90294191	Adkisson Tank Setting	Central	6743	1 (2GF62)	Tank

90294191	Adkisson Tank Setting	Central	6744	2	Tank
90293021	KCL 56 Water Tank 44	Central	8023	44	Tank

n. Repair the wellheads at the following Wells in a manner to prevent leakage or corrosion, per Regulations, section 1777, subdivision (a):

API	Well Designation
0402900293	KCL 59 334X-24
0402920683	KCL 59 376-24
0402984697	Arco 82X-9

o. Install or repair netting or screening as required the following tanks, per Regulations section 1777, subdivision (a):

Facility Setting ID	Facility Setting Name	District	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type
90293009	KCL 59-24-1 Tank Setting	Central	8702	14	Tank
90293009	KCL 59-24-1 Tank Setting	Central	8700	17	Tank

p. Remove weeds and/or debris on or in the secondary containment, per Regulations, section 1777, subdivision (c)(2), at the following production facilities:

Facility Setting ID	Facility Setting Name	Facility (Component) ID	Facility (Component) Name	District	Facility (Component) Type
90293009	KCL 59-24-1 Tank Setting	5949	10	Central	Tank
		5950	11		
		5951	52		
		5952	51		
		8319	50		
		8700	17		
90293009	KCL 59-24-1	8702	14	Central	Tank
		5949	10		
		5950	11		
		5951	52		

		5952 8319 8700 8702	51 50 17 14		
90293009	KCL 59-24-1 Tank Setting	5949 5950 5951 5952 8319 8700 8702	10 11 52 51 50 17 14	Central	Tank
90293022	KCL 56 Shared Tank Setting	8680 8681	31 30	Central	Setting
90293022	KCL 56 Shared Tank Setting	8680 8681	31 30	Central	Setting
90293021	KCL 56 Water Tank 44	8023	44	Central	Setting
90323876	KCL 56 Lease			Central	Lease

q. Drain well cellar, per Regulations, section 1777, subdivision (c)(3), at the following Wells:

API	Well Designation
0402918597	KCL 56 53-1
0402918592	KCL 56 22
0402918594	KCL 56 33-1
0402900120	KCL 56 44-1
0402849697	Arco 82X-9

r. Cover well cellar, per Regulations, section 1777, subdivision (c)(3), at the following Wells:

API	Well Designation
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0402918597	KCL 56 53-1
0402918592	KCL 56 22
0402918594	KCL 56 33-1
0402913273	Adkisson 18

- s. Enclose facility with perimeter fencing, per Regulations, section 1777, subdivision (d), at the following facility:

Facility Setting ID	Facility Setting Name	Facility (Component) ID	Facility (Component) Name	District	Facility (Component) Type
90293009	KCL 59-24-1 Tank Setting	5949 5950 5951 5952 8319 8700 8702	10 11 52 51 50 17 14	Central	Setting

Upon performing the required remedial work, please contact CalGEM's Central District via email at CalGEMCentralEnvironmental@conservation.ca.gov.

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

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

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DATED: 9/23/2026

Doug Ito
Doug Ito
State Oil and Gas Supervisor