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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 A CIVIL PENALTY AND PERFORM REMEDIAL WORK

NO. 1688

Operator: Power Run Oil, LLC (P4153)

Field Names: Howard Townsite, South Rosecrans, Torrance

Los Angeles County, Southern District

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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 an administrative 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, Power Run Oil, 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 and constitute 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, 3270, and 3285 and Regulations sections 1765.6, 1765.7, 1765.8 and 1765.9, 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 violation.

Attachment B, incorporated herein, contains a list of definitions and authorities that are applicable to this Order.

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 April 11, 2025, CalGEM issued a Notice to Operators requiring that all operators submit an annual sensitive receptor inventory and map by July 1, 2025, and annually thereafter, in accordance with requirements in PRC section 3285(a) and (b), and CCR sections 1765.6, 1765.7, 1765.8 and 1765.9. (**Attachment C,** incorporated herein.) Each operator must report all wellheads, proposed wellheads, and production facilities operated in a field. Wellheads and production

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facilities in a health protection zone (HPZ) are reported according to CCR sections 1765.6(a)(1) and (a)(2), 1765.7 and 1765.8. Wellheads and production facilities outside an HPZ are reported according to CCR sections 1765.6(a)(3) and 1765.9(a). Alternatively, operators may inventory production facilities on a Piping and Instrumentation Diagram so long as all information required in CCR section 1765.7(a)(2) and (4) is provided.

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.

PRC section 3285, subdivision (a), provides that every Operator must provide CalGEM, an annual sensitive receptor inventory list, map and/or statement for operations within 3,200 feet of the operator's wellheads and production facilities by field according to the parameters of the Regulations by July 1, 2025, and annually thereafter, by July 1 of each year. Operator failed to submit the requested information by both annual due dates. Furthermore, on or about July 28, 2025, CalGEM issued a Notice of Violation for the Operator's failure to comply with PRC 3285, for failing to submit the required annual sensitive receptor inventory list, map and/or statement for the Operator's wellheads and production facilities in the Howard Townsite, Rosecrans, South and Torrance fields. (**Attachments D & E,** incorporated herein.)

As of today's date, Operator has failed to respond to the Supervisor's request and CalGEM does not have any record of Operator's sensitive receptor inventory list, statement, map, or diagram for the Operator's wellheads and production facilities in the Howard Townsite, South Rosecrans and Torrance fields. Therefore, Operator's failure to comply with the requirements is a violation of PRC section 3285, subdivision (a).

II. 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 one thousand two hundred dollars ($1,200.00.)

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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 the eight factors identified in PRC section 3236.5, subdivision (a).

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 1765.6, 1765.7, 1765.8m and 1765.9, as outlined below in Operator's Required Actions.

Operator's Required Actions

For the reasons stated herein, pursuant to PRC sections 3013, 3106, 3224, 3225, 3226, 3236.5, 3270, and 3285 and Regulations sections 1765.6, 1765.7, 1765.8 and 1765.9, **IT IS HEREBY ORDERED** that within 30 days, Operator:

1) Pay an administrative civil penalty of one thousand two hundred dollars ($1,200.00.); 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, 3226, and 3285 and Regulations sections 1765.6, 1765.7, 1765.7, 1765.8 and 1765.9, Operator is required to submit the required

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documents meeting the requirements of PRC section 3285, subdivision (a.) and include the following:

(1) A list of all sensitive receptors within 3,200 feet of an operator's wellheads and production facilities by field. For each sensitive receptor listed, the operator shall provide all of the following:

(A) The distance from the sensitive receptor to each wellhead or production facility that is located within 3,200 feet of that specific receptor. The well shall be identified by API number, and the production facility shall also be explicitly identified. Latitude and longitude shall also be provided for the wellhead and production facility.

(B) The type of sensitive receptor.

(C) A map showing each sensitive receptor's location in relation to the operator's wellheads and production facilities.

(2) A statement from each operator based on their sensitive receptor inventory that provides the operator's determination as to whether their wellheads and production facilities are located within 3,200 feet of a sensitive receptor. An operator who has identified sufficient sensitive receptors such that their entire operation is located within a health protection zone may cease adding new sensitive receptors to their inventory and make a determination that all of their wellheads and production facilities are located within a health protection zone."

Please see **Attachment C**, page 3, for instructions on uploading required documentation to WellSTAR. Please contact Christopher Smart at CalGEM's Southern District via email at Christopher.Smart@conservation.ca.gov to confirm acceptance and approval.

III. 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

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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.)

IV. 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 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

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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: 10/27/2026

Cari Anderson

Cari Anderson
CalGEM Enforcement Chief, on behalf of the State Oil and Gas Supervisor