Docusign Envelope ID: 1ED3A0E5-C4D7-89C0-83AD-3D8137BE64BF

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 A CIVIL PENALTY AND PERFORM REMEDIAL WORK

NO. 1690

Operator: California Resources Production Corporation (C0885)

Field Names: Riverdale, Raisin City, Kettleman North Dome, Cymric, Rio Viejo, Tejon, Tejon, North and N/A*

Counties: Fresno, Kings, and Kern
Central District

*Not located within the administrative boundaries of an oil field

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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 Resources Production Corporation (**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, and 3270 and Regulations sections 1722, 1722.1.1, 1773.3, 1774.1, and 1777, the Supervisor is ordering Operator to (1) pay an administrative civil penalty for the violations and (2) perform remedial work to bring the Wells and Facilities into compliance.

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, March 27, 2025, April 3, 2025, July 30, 2025, September 16, 2025, November 6, 2025, and December 16, 2025, CalGEM conducted inspections of the Wells and Facilities where the violations described below were observed and documented in the Riverdale, Raisin City, Kettleman North Dome,

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Cymric, Rio Viejo, Tejon, Tejon, North fields. (**Attachment C, D, E, F, G, H, I, J, K, L, M, N, O, and P,** incorporated herein.)

These violations reflect that 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.

A. <u>Failure to Affix Required Well Sign (Regulations § 1722.1.1, subd. (a).)</u>

Operators are required to post 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 of the Cymric and Tejon fields, CalGEM observed well signs with incorrect operator information, signs not attached, and no well sign, in violation of Regulations, section 1722.1.1, subdivision (a):

API	Well Designation
0402939314	Anderson-Community 4
0402918650	Tejon A 69-35
0402918643	Tejon A 47-35

As of the date of this Order, CalGEM does not have any records from Operator demonstrating that the violation has been corrected for API 0402939314. The two violations for API 0402918643 and API 0402918650 were remediated by Operator on or around October 23, 2025, and December 5, 2025, respectively.

B. <u>Failure to Properly Identify Tank. (Regulations, § 1773.3, subd. (a).)</u>

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

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During the inspection, CalGEM observed the tank number missing or hazard label inadequate, in violation of Regulations, section 1773.3, subdivision (a), at the following production facilities:

Facility Setting ID	Facility Setting Name	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type
90298361	Unspecified	7572	T500A	Tank
90298361	Unspecified	7573	Unspecified	Tank
90298361	Unspecified	7574	Unspecified	Tank

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

C. <u>Failure to Inspect In-Service Tanks for Leakage. (Regulations, § 1773.3, subd. (b)(1).)</u>

Operators are required to inspect in-service tanks at least once a month for leakage at the base, seams, associated piping, tank shell plugs, or any other fitting that could leak. Operators shall repair the leak to the tank, or the tank should be taken out of service and designated as an Out-of-Service tank.

During the inspections, CalGEM observed leaking at the fittings or seams of the tank, in violation of Regulations, section 1773.3, subdivision (b)(1), at the following production facilities:

Facility Setting ID	Facility Setting Name	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type
90298361	Unspecified	7572	T500A	Tank
90298361	Unspecified	7573	Unspecified	Tank
90298085	Unspecified	422	7606	Tank
90298085	Unspecified	419	7608	Tank

As of the date of this Order, CalGEM does not have any records from Operator demonstrating that the violations for Tank 7572 and Tank 7573 were corrected. The two

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violations for Tank 419 and Tank 422 were remediated by Operator on or around October 14, 2025.

D. Failure to Perform Pipeline Testing. (Regulations § 1774.1, subd. (f).)

Operators shall perform periodic mechanical integrity testing on all active environmentally sensitive pipelines that are gathering lines, and all urban pipelines over 4" in diameter, and all active gas pipelines in sensitive areas. The mechanical integrity testing shall be conducted every two years or at an alternative frequency approved by the Supervisor based on demonstrated wall thickness and remaining service life over a period of at least two years (Regulations, § 1774.1, subd. (f)).

On July 29, 2025, CalGEM requested Operator to submit the required pipeline test data by August 15, 2025. CalGEM did not receive the requested test data, and Operator was issued a Notice of Violation on December 18, 2025, for failure to perform pipeline mechanical integrity testing. (**Attachment Q**, incorporated herein.)

Operator's failure to perform pipeline mechanical integrity testing and failure to submit pipeline mechanical integrity data as required, for the following production facility, is in violation of Regulations section 1774.1, subdivision (f):

Facility Setting ID	Facility Setting Name	Field	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type
90318159	165610 - Gathering Line from Mission C Grp to Fac	Tejon, North	18403	165610 (3")	Pipeline Segment

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

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E. Failure to Maintain Bolts on Wellhead. (Regulations § 1777, subd. (a).)

The wellhead is equipment secured to the upper part of a well, located above the casing and is held in place by a series of bolts. Damaged or missing bolts on the wellhead may lead to leaking around the wellhead. Production facilities include wellheads. (PRC, § 3010; Regulations, § 1760, subd. (r).) 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, § 1722, subd. (a); 1777, subd. (a).)

During the inspections, CalGEM observed bolts missing from the wellheads at the following wells, in violation of Regulations, section 1777, subdivision (a):

API	Well Designation
0402918650	Tejon A 69-35
0401905662	Young 88-9

The two violations were remediated by Operator on or around December 5, 2025, and June 1, 2026.

F. Failure to Maintain Wellheads 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 inspection conducted on or around September 30, 2025, CalGEM observed a liquid leak at the following wellhead, and the well therefore not being maintained in a good condition and in a manner to prevent leakage or corrosion, in violation of the Regulations, section 1777, subdivision (a):

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API	Well Designation
0402918653	Tejon A 89-35

Based on CalGEM's records, the violation was remediated on or around October 15, 2025.

G. 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 inspection, CalGEM observed weeds and/or debris on or in the secondary containment, in violation of Regulations, section 1777, subdivision (c)(2), at the following production facility:

Facility Setting ID	Facility Setting Name	Field	County	District	Facility Type
90298002	Unspecified	Rio Viejo	Kern	Central	Setting

The one violation was remediated by Operator on or around September 11, 2025.

H. Failure to Keep Well Cellar Covered and Kept 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 kept drained. (Regulations, § 1777, subd. (c)(3).)

During the inspections conducted on or about September 16, 2025, September 30, 2025, and November 6, 2025, CalGEM observed well cellars with inadequate coverings and

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fluids in the well cellar, in violation of Regulations, section 1777, subd. (c)(3), at the following wells:

API	Well Designation
0403100316	22
0402918640	Tejon A 37-35
0402918652	Tejon A 79-35
0401905471	N.C.C. 1-11
0401905483	N.C.C. 6-10
0401905484	N.C.C. 7-10

Based on CalGEM's records, the violations for API 0402918640 and API 0402918652 were remediated on or around October 23, 2025, the violation for API 0403100316 was remediated on or around December 9, 2025, and the violations for API 0401905471, API 0401905483, and API 0401905484 were remediated on or around June 3, 2026.

I. <u>Failure to Maintain Access Route. (Regulations, § 1777, subd. (f).)</u>

Vehicle access routes to all production facilities must be maintained in a safe and passable condition. (Regulations, § 1777, subd. (f).)

During the inspection, CalGEM observed the access route in an unsafe and unpassable condition to access the well pad, in violation of Regulations, section 1777, subd. (f), at the following well:

API	Well Designation
0402918636	Tejon A 25-35

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

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III. Civil Penalties/Remedial Work

A. 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 sixteen thousand one hundred seventy-five dollars ($16,175.00) for the 22 violations.

Violation Description	Number of Violations	Associated Civil Penalty per Violation	Civil Penalty Totals
Failure to Affix Required Well Sign (Regulations, § 1722.1.1, subd. (a).) API 0402939314	1	$150.00	$150.00
Failure to Affix Required Well Sign (Regulations, § 1722.1.1, subd. (a).) API 0402918650 API 0402918643	2	$75.00	$150.00
Failure to Keep Well Cellar Covered; (Regulations, § 1777, subd. (c)(3).) API 0402918640 API 0402918652	2	$300.00	$600.00
Failure to Keep Well Cellar Drained (Regulations, § 1777, subd. (c)(3).) API 0403100316 API 0401905471 API 0401905483 API 0401905484	4	$450.00	$1,800.00
Failure to Properly Identify and Label Tank (Regulations, § 1773.3, subd. (a).) Tank 7572 Tank 7573 Tank 7574	3	$300.00	$900.00
Failure to Inspect and Repair Leak at Tank (Regulations, § 1773.3, subd. (b)(1).) Tank 7572 Tank 7573	2	$1,500.00	$3,000.00
Failure to Inspect and Repair Leak at Tank (Regulations, § 1773.3, subd. (b)(1).) Tank 429 Tank 422	2	$1,125.00	$2,250.00

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Failure to Perform Mechanical Integrity Testing (Regulations, § 1774.1, subd. (f).) Pipeline 18403	1	$5,000.00	$5,000.00
Failure to Maintain Bolts on Wellhead (Regulations, § 1777, subd. (a).) API 0402918650 API 0401905662	2	$150.00	$300.00
Failure to Maintain Production Facilities in Good Condition and in a Manner to Prevent Leakage or Corrosion; Leaking Wellheads (Regulations, § 1777, subd. (a).) API 0402918653	1	$225.00	$225.00
Failure to Remove Weeds and/or Debris from Secondary Containment (Regulations, § 1777, subd. and (c)(2).) Facility ID 90298002	1	$300.00	$300.00
Failure to Maintain Access Route. (Regulations, § 1777, subd. (f).) API 0402918636	1	$1,500.00	$1,500.00
		Total Civil Penalties:	**$16,175.00**

For purposes of this Order, the Supervisor considered relevant circumstances when establishing the amount of the administrative civil penalty, including: characterizing the failure to perform mechanical integrity testing violation as "major" as defined in (PRC section 3236.5, subdivision (b)), the eight factors identified in PRC section 3236.5, subdivision (a), the Operator's culpability, the fact that the violation remains active, and the Operator has economically benefitted by avoiding the cost of regular pipeline maintenance. The cost of performing a test on this pipeline is estimated to be more than $5,000.00. This pipeline traverses underneath California Highway 99, and the southern terminus of the pipeline is adjacent to the junction of California Highway 99 and Interstate 5, both major thoroughfares. A leak or fire resulting from a leak presents a significant threat to life, health, environment, and property. For these reasons, the Supervisor deems $5,000.00 as an appropriate civil penalty for this one violation.

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As for the remaining 21 violations, 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), and whether the wells are environmentally sensitive, as defined by Regulations section 1760, subdivision (f).

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 1773.1 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, 3236.5, and 3270 and Regulations sections 1722, 1722.1.1, 1773.3, 1774.1, and 1777, **IT IS HEREBY ORDERED** that within 30 days, Operator:

1) Pay an administrative civil penalty sixteen thousand one hundred seventy-five dollars ($16,175.00); and

2) In accordance with PRC section 3224 and Regulations sections 1722.1.1, 1773.1, 1773.3, 1774.1, and 1777 Operator is required to:

a. Replace and affix well sign with correct information:

API	Well Designation
0402939314	Anderson-Community 4

b. Properly identify tanks with tank identification number and include hazard label at the following production facilities:

Facility Setting ID	Facility Setting Name	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type
90298361	Unspecified	7572	T500A	Tank
90298361	Unspecified	7573	Unspecified	Tank

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90298361	Unspecified	7574	Unspecified	Tank

c. Repair leaks at the following production facilities:

Facility Setting ID	Facility Setting Name	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type
90298361	Unspecified	7572	T500A	Tank
90298361	Unspecified	7573	Unspecified	Tank

d. Perform pipeline mechanical integrity testing and submit the test data for the following production facility:

Facility Setting ID	Facility Setting Name	Field	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type
90318159	165610 - Gathering Line from Mission C Grp to Fac	Tejon, North	18403	165610 (3")	Pipeline Segment

e. Remove agricultural crops and clear the area impeding the access route to the following well:

API	Well Designation
0402918636	Tejon A 25-35

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

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:

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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.

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 and CalGEM may contract for performance of the work, pursuant to PRC section 3226, if, within 30 days of this Order, Operator has not, in good faith, commenced the work ordered. 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.)

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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 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: 10/28/2026

Cari Anderson

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