

1 Department of Conservation, Geologic Energy Management Division
2 Doug Ito
3 STATE OIL AND GAS SUPERVISOR
4 715 P Street, MS 19-06 (Legal Office)
5 Sacramento, California 95814
6 Telephone (916) 323-6733
7 Facsimile (916) 445-9916

8 **STATE OF CALIFORNIA**
9 **NATURAL RESOURCES AGENCY**
10 **DEPARTMENT OF CONSERVATION**
11 **GEOLOGIC ENERGY MANAGEMENT DIVISION**

12
13
14 **EMERGENCY ORDER TO**
15 **PERFORM REMEDIAL WORK**

16
17 **NO. 1603**

18
19
20 **Operator: 25 Hill Properties, Inc. (A0025)**
21
22
23
24
25
26
27
28

1 **Introduction**

2 The State Oil and Gas Supervisor (**Supervisor**), acting through the Geologic Energy
3 Management Division (**CalGEM**), and under the authority of Division 3 of the Public Resources
4 Code (**PRC**; commencing with PRC section 3000) and title 14 of the California Code of
5 Regulations (**Regulations**), may determine that an emergency exists in connection with oilfield
6 operations and, in so determining, may order or undertake the actions the Supervisor deems
7 necessary to protect life, health, property, or natural resources. (PRC, §§ 3013, 3106, 3226.)
8 Further, the Supervisor may order remedial work which, in the Supervisor's judgment, is
9 necessary to prevent damage to life, health, property, and natural resources. (PRC, § 3224.)

10 Based on CalGEM's records, 25 Hill Properties, Inc. (**Operator**) is an "operator" (as
11 defined in PRC, § 3009) of the production facilities identified on **Attachment A**, incorporated
12 herein (**the Facilities**), at issue in this Order. As described in more detail below, CalGEM staff
13 conducted inspections of the Facilities and observed conditions that pose an immediate
14 threat to life, health, property, and natural resources, due to Operator's lack of maintenance,
15 monitoring, reporting, testing, and adherence to safety and decommissioning requirements.
16 Therefore, the Supervisor has determined that an emergency exists and, pursuant to PRC
17 sections 3013, 3106, 3224, 3226, and 3270, and Regulations sections 1770, 1773.3, 1773.5, 1775,
18 1777 and 1778, among others, the Supervisor hereby orders Operator to take immediate
19 action to commence and continue to completion all required actions in Section III of this
20 Order.

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

23 **Alleged Acts/Omissions**

24 Operator has not maintained compliance with applicable requirements for operation
25 and maintenance of the Facilities. CalGEM's records reflect an ongoing failure to address
26 cited violations and a pattern of recurring or repeated violations. Operator's lack of
27 maintenance, monitoring, reporting, testing, and adherence to safety and decommissioning
28 requirements constitutes an emergency which poses an immediate threat to life, health,

1 property, and natural resources. While numerous oil and gas related violations have been
2 observed by CalGEM staff, only those identified as a current emergency threat are addressed
3 herein. The Division reserves the right to pursue additional violations in subsequent
4 administrative actions. The violations at issue are identified below.

5 **A. Failure to properly cover oilfield sump (Regulations, §§ 1770, subd. (b); 1778, subd. (d))**

6 Regulations section 1770, subdivision (b), requires that sumps be "maintained so as to
7 not be a hazard to people, livestock, or wildlife including birdlife." A "sump" is defined as "an
8 open pit or excavation serving as a receptacle for collecting and/or storing fluids such as
9 mud, hydrocarbons, or waste waters attendant to oil or gas field drilling or producing
10 operations." (Regulations, § 1760, subd. (w).)

11 CalGEM staff conducted an inspection of the Jameson Trust Lease, Midway-Sunset Oil
12 Field, on February 5, 2026, and observed evidence of "Jameson Trust Sump" (90290658)
13 uncovered, with the screening covering the sump partially removed, in violation of Regulations
14 section 1778, subdivision (d). (See **Attachment C**, incorporated herein.) Pursuant to Regulations
15 section 1770, subdivision (b)(3), where the sump "contains oil or a mixture of oil and water [it]
16 shall be covered with screening to restrain entry of wildlife in accordance with Section
17 1778(d)." In turn, Regulations section 1778, subdivision (b), requires wire fencing to be
18 constructed following certain specifications; subdivision (d) requires screening of no greater
19 than 2-inch nominal mesh, which is strong enough to prevent entry of wildlife, and not contact
20 the sump; and subdivision (e) allows other materials to be used to restrict access, if approved
21 by the Supervisor. CalGEM staff observed deceased wildlife within the uncovered sump in
22 violation of Regulations section 1778 subdivision (d). (**Attachment D**, incorporated herein.)

23 Failure to maintain a sump poses a threat to domestic animals and/or wildlife. Sumps
24 are designed to collect and/or store fluids that may contain crude oil, the chemical
25 constituents of which are poisonous and can affect organisms through ingestion, inhalation, or
26 external exposure. Proper maintenance may include pumping or draining the sump.

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

1 **B. Failure to maintain Out-of-Service tank (Regulations, § 1773.5)**

2 According to CalGEM's records, Tank OOS Tank 21, was removed from service on March 7,
3 2019. Regulations section 1773.5 subdivision (a) requires the following within six months after
4 the determination that a production facility is Out-of-Service (1) fluids, sludge, hydrocarbons,
5 and solids are to be removed and the facility shall be disconnected from any pipelines or
6 other in-service equipment; (2) facilities shall be properly degassed in accordance with local
7 air district requirements; (3) clean-out doors or hatches on tanks shall be removed and a
8 heavy gauge steel mesh grating (less than 1" spacing) secured over the opening to allow for
9 visual inspection and prevent unauthorized access; (4) tanks and vessels are to be labeled
10 with Out-of-Service or OOS and it must be painted in bold letters at least one foot high, if
11 possible, on the side of the tank or vessel at least five feet from the ground surface along with
12 the date it was taken out of service; (5) valves and fittings are to be removed or secured to
13 prevent unauthorized use; and (6) pipelines associated with out of service facilities are to be
14 removed or flushed, filled with an inert fluid, and blinded. Subdivision (b) prohibits Out-of-
15 Service production facilities from being reactivated unless all needed repairs have been
16 completed and the production facility is in compliance with all applicable testing and
17 inspection requirements. OOS Tank 21 (90294953) is an Out-of-Service tank subject to
18 Regulations section 1773.5 as an out-of-service production facility. (Regulations, § 1760, subd.
19 (r) ["'Production facility' means any equipment attendant to oil and gas production...including
20 but not limited to, tanks, flowlines, headers, gathering lines, wellheads"].) CalGEM staff
21 conducted inspections on February 4, 2026, and February 5, 2026, and observed the ground
22 saturated with and covered in oil over several large areas at and around the OOS Tank 21 in
23 violation of Regulations sections 1773.5, 1777, and 1775. (See **Attachments E and F**
24 incorporated herein.) The pools of oil contained various dead wildlife, including small animals
25 such as birds and rodents. Further, CalGEM observed oil staining over the paint on the tank.
26 The tank was first noted by CalGEM staff as freshly painted in 2021, after the tank was removed
27 from service, indicating that the tank has since been in use. (See **Attachment F.**) Moreover,
28

1 CalGEM staff observed that the tank's cap was removed in violation of Regulations section
2 1773.5 subdivision (a)(5). (**Attachment E.**)

3 Failure to maintain production facilities and prevent leaks and spills, by complying with
4 regulations section 1773.5, can result in the release of hazardous materials into the
5 environment, potentially contaminating soil, air, groundwater and/or drinking water, or
6 otherwise presenting a public nuisance. Oil spills and leaks also pose a threat to domestic
7 animals and/or wildlife as well as creates a fire hazard for the reasons noted above. Moreover,
8 failure to report leaks impedes CalGEM's ability to effectively supervise oil and gas production
9 operations.

10 As of the date of this Order, CalGEM does not have any indication that the Out-of-
11 Service tank has become compliant with Out-of-Service facility requirements of regulations
12 section 1773.5 nor the spilled oil remediated.

13 **1. Failure to properly dispose of oilfield waste and refuse (Regulations, § 1775)**

14 Regulations section 1775, subdivision (a), requires that "oilfield wastes, including but not
15 limited to oil, water, chemicals, mud, and cement, shall be disposed of in such a manner as
16 not to cause damage to life, health, property, freshwater aquifers or surface waters, or natural
17 resources, or be a menace to public safety."

18 Failure to properly dispose of oilfield waste and refuse can result in the release of
19 hazardous materials into the environment, potentially contaminating soil, air, groundwater
20 and/or drinking water, or otherwise presenting a public nuisance. Oilfield waste also poses a
21 threat to livestock and/or wildlife as well as creates a fire hazard for the reasons noted above.

22 As of the date of this Order, CalGEM does not have any records from Operator
23 demonstrating that the oilfield waste has been properly disposed of or that the violation has
24 been remediated.

25 **Operator's Required Emergency Remedial Actions**

26 For the reasons described above in this Order, the Supervisor has determined that an
27 emergency exists, and immediate action is necessary to protect life, health, property, and
28 natural resources. Therefore, pursuant to PRC sections 3013, 3106, 3224, 3226, and 3270, and

1 Regulations sections 1770, 1771, 1773.1, 1773.3, 1775, and 1777, among others, **IT IS HEREBY**
2 **ORDERED** that Operator immediately:

- 3 **(1) Ensure the Jameson Trust Sump is completely covered with appropriate screening**
4 **and secured in place in accordance with Regulations sections 1770, subdivision (b)**
5 **and 1778, subdivision (d).**
- 6 **(2) Drain OOS Tank 21 and remove oil, produced water, and other fluids from the site in**
7 **accordance with Regulations section 1775, subdivision (a).**
- 8 **(3) Bring the tank into compliance with CalGEM's Out-of-Service tank requirements**
9 **under Regulations section 1773.5.**

10 For any questions about the Required Actions and to verify performance thereof,
11 please contact Cameron Campbell via electronic mail at
12 Cameron.Campbell@conservation.ca.gov.

13 **Operator's Appeal Rights**

14 Operator may appeal this Order by filing a timely written notice of appeal with the
15 Director as described in Article 6 (Appeals and Review) of Division 3 of the PRC, commencing
16 with PRC section 3350. (PRC, § 3225, subd. (d).) If this Order is mailed to you, the Director must
17 receive the appeal within fifteen (15) days from the date the Supervisor mails the Order. To file
18 an appeal, a written notice of appeal may be sent via U.S. mail to:

19
20 Department of Conservation
21 Director's Office of Appeals
22 715 P Street, MS 19-06 (Legal Office, Chief Counsel)
23 Sacramento, California 95814

24 Or via electronic mail: officeofappeals@conservation.ca.gov.

25 If Operator files a timely written notice of appeal, Operator will be informed of the
26 appeal hearing date, time, and place. Following the hearing, Operator will receive a written
27 decision that affirms, sets aside, or modifies the appealed order.

28 CalGEM may contract for performance of the work consistent with PRC section 3226.

1 Any amount the CalGEM expends will constitute a lien against Operator's real and/or personal
2 property. (PRC, §§ 3226, 3356).

3 An appeal of this Order will not operate as a stay. ((PRC, § 3350, subd. (b)(1).)

4 Therefore, **Operator must immediately perform the emergency work described herein.** If
5 Operator believes that it will be irretrievably injured by performing the work required by this
6 Order pending the outcome of the appeal, if any, Operator may seek an order from the
7 appropriate Superior Court restraining CalGEM from enforcing the Order pending the
8 outcome of the appeal. (PRC, § 3350, subd. (b)(4).)

9 **Other Potential Actions to Enforce This Order**

10 Failure to comply with Section III (Operator's Required Actions) of this Order could
11 subject Operator to further enforcement action. PRC section 3236 makes it a misdemeanor for
12 any person who violates, fails, neglects, or refuses to comply with any of the provisions of the
13 oil and gas conservation laws commencing at PRC section 3000. PRC section 3236.5 authorizes
14 the Supervisor to impose a civil penalty on a person who violates any provision in Chapter 1 of
15 Division 3 of the PRC or any regulation that implements those statutes, and the Supervisor may
16 in the future impose further civil penalties based on the facts and omissions underlying this
17 Order.

18 PRC section 3237 authorizes the Supervisor to order the plugging and abandonment of
19 a well or the decommissioning of a production facility if an operator has failed to comply with
20 an order of the Supervisor within the time provided by the order or has failed to challenge the
21 order on a timely basis. PRC section 3359 makes it a misdemeanor to fail or neglect to comply
22 with an order of the Supervisor.

23 Each day's further failure, refusal, or neglect is a separate and distinct offense. (PRC, §
24 3359.

25
26 DATED: 2/24/2026

DocuSigned by:
Lindsey Miller
6FA9CA2FBB67434...

Lindsey Miller
Enforcement Chief on behalf of
State Oil and Gas Supervisor