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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. 1622**
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18 **Operator: Harvest Petroleum, Inc. (11072)**
19 **Field Names: Lost Hills, Northwest and Bounde Creek Gas**
20 **Counties: Glenn and Kern**
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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, Harvest Petroleum, 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 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 1773.1 and 1777, the Supervisor is ordering Operator to (1) perform remedial work to bring the Wells and Facilities into compliance and (2) pay administrative civil penalties for the violations.

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

II. Alleged Acts and Omissions

Based on CalGEM's records, at all times relevant to this Order, Operator was the operator, as defined in PRC section 3009, of the Wells and Facilities. On or about June 20, 2025, September 10, 2025, and December 18, 2025, CalGEM conducted inspections of the Wells and Facilities where the violations described below were observed and documented in the Bounde Creek Gas and Lost Hills, Northwest Fields. (**Attachments C, D, and E**, incorporated herein.)

1 These violations reflect Operator has not maintained compliance with applicable
 2 requirements for operation of the Wells and the Facilities. Operator's lack of adherence to the
 3 Regulations poses a potential threat to life, health, property, and natural resources.

4 **A. Failure to maintain tank in good condition and in a manner to prevent leakage or**
 5 **corrosion (Regulations, § 1777, subd. (a).)**

6 Operators are required to maintain production facilities in good condition and in a
 7 manner to prevent leakage or corrosion and to safeguard life, health, property, and natural
 8 resources and conduct operations in accordance with good oilfield practices. (Regulations, §
 9 1777, subd. (a).) Tanks are production facilities. (Regulations, § 1760, subd. (r).) During the
 10 inspection on September 10, 2025, CalGEM observed corrosion and indication of previous
 11 liquid leaks from the following tanks in violation of Regulations section 1777, subdivision (a):

Facility Setting ID	Facility Setting Name	District	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type
90297710	Union Bank Setting	Central	28094	OOS Baker Tank	Tank
90297710	Union Bank Setting	Central	1996	3	Tank

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

19 **B. Failure to Have Adequate Secondary Containment. (Regulations, § 1773.1, subds. (a) &**
 20 **(b).)**

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

1 During the inspections, CalGEM observed inadequate secondary containment, in
 2 violation of Regulations, section 1773.1, subdivisions (a) and (b), at the following production
 3 facilities:

Facility Setting ID	Facility Setting Name	District	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type
90297715	Texaco Tank Setting	Central	N/A	Berm	Setting
90318419	0402120273 Setting	Northern	18631	0065	Tank

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

11 **C. Failure to Properly Remove Oilfield Wastes (Regulations, § 1775, subd. (a).)**

12 Operators are required to properly dispose of oilfield wastes, including but not limited to
 13 oil, water, chemicals, mud, and cement, in a manner so as not to cause damage to life,
 14 health, property, freshwater aquifers or surface waters, or natural resources, or be a menace
 15 to public safety. (Regulations, § 1775, subd. (a).)
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17 During the inspection on June 20, 2025, CalGEM observed oilfield wastes that had not
 18 been properly disposed, in violation of Regulations, section 1775, subdivision (a), at the
 19 following production facility:

Facility Setting ID	Facility Setting Name	District	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type
90321867	Texaco Fee	Central	N/A	N/A	Lease

24 As of the date of this Order, CalGEM does not have any records from Operator
 25 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 three thousand six hundred dollars (\$3,600.00) for the five violations.

Violation Description	Number of Violations	Associated Civil Penalty per Violation	Civil Penalty Totals
Failure to Maintain Tank in Good Condition and in a Manner to Prevent Leakage or Corrosion; Leaking Tanks (Regulations, § 1777, subd. (a).) 90297710	2	\$1000	\$2000
Failure to Have Adequate Secondary Containment (Regulations, § 1773.1, subd. (a).) 90297715	1	\$600	\$600
Failure to Have Adequate Secondary Containment (Regulations, § 1773.1, subd. (a).) 90318419	1	\$400	\$400
Failure to Properly Dispose Oilfield Wastes (Regulations, § 1775, subd. (a).) 90321867	1	\$600	\$600
		Total Civil Penalties:	\$3,600

For purposes of this Order, the Supervisor considered relevant circumstances when establishing the amount of the administrative civil penalty, including: characterizing the violations as “minor” (as defined in PRC section 3236.5, subdivision (b)), the eight factors identified in PRC section 3236.5, subdivision (a).

B. Remedial Work

Pursuant to PRC sections 3224 and 3226, the Supervisor hereby orders Operator to complete remedial work for facility ID 90297710 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, and 3236.5, and Regulations sections 1773.1 and 1777, **IT IS HEREBY ORDERED** that within 30 days, Operator:

- 1) Pay administrative civil penalties of three thousand six hundred dollars (\$3,600.00); and

To remit payment of the civil penalties online, please visit <https://www.govone.com/PAYCAL/Home/SelectAgency> and select "California Department of Conservation Geologic Energy Management Division," then follow the instructions on the screen. When filling out the "order number" field, please type the order number followed by the letter "O."

To remit payment of the civil penalties by mail, please send a check payable to "Department of Conservation" to the following address:

Department of Conservation
 CalGEM, Attn: Operational Management Unit
 715 P Street, MS 1803
 Sacramento, California 95814

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 1773.1 and 1777 Operator is required to:

a. Stop all leaks from the following tank:

Facility Setting ID	Facility Setting Name	District	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type
90297710	Union Bank Setting	Central	1996	3	Tank

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;

- b. Repair secondary containment, at the following production facility, capable of containing liquid for a minimum of 72 hours and capable of containing the equivalent volume of liquid from equipment with largest gross capability within the secondary containment as required in Regulations, section 1773.1:

Facility Setting ID	Facility Setting Name	District	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type
90297715	Texaco Tank Setting	Central	N/A	Berm	Setting
90318419	0402120273 Setting	Northern	18631	0065	Tank

- c. Properly dispose of oilfield wastes at the following production facility, as required in Regulations, section 1775:

Facility Setting ID	Facility Setting Name	District	Facility (Component) ID)	Facility (Component) Name)	Facility (Component) Type
90321867	Texaco Fee	Central	N/A	N/A	Lease

Upon performing the required remedial work, please contact CalGEM's Central and Northern Districts via email at CalGEMCentralEnvironmental@conservation.ca.gov and CalGEMNorthern@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:

1 Department of Conservation
2 Director's Office of Appeals
3 715 P Street, MS 19-06 (Legal Office, Chief Counsel)
4 Sacramento, California 95814

5 Or via electronic mail to:

6 OfficeofAppeals@conservation.ca.gov

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

10 If Operator does not file a timely written notice of appeal, or if the Order is affirmed
11 following an appeal, this Order will become a final order and CalGEM may contract for
12 performance of the work, pursuant to PRC section 3226, if, within 30 days of this Order,
13 Operator has not, in good faith, commenced the work ordered. Any costs incurred by
14 CalGEM to obtain compliance with this Order (which may include penalties and interest) will
15 constitute a lien against Operator's real or personal property per PRC section 3423. (PRC, §
16 3356.)

17 **VI. Other Potential Actions to Enforce This Order**

18 Failure to comply with Section IV (Operator's Required Actions) of this Order could
19 subject Operator to further enforcement action. PRC section 3236 makes it a misdemeanor for
20 any person who violates, fails, neglects, or refuses to comply with any of the provisions of the
21 oil and gas conservation laws commencing at PRC section 3000. PRC sections 3236.2 and
22 3236.3 authorize the Supervisor to seek for civil penalties and injunctive relief for failure to
23 comply with an order or for violations of any provision in Chapter 1 of Division 3 of the PRC or
24 any regulation that implements those statutes. PRC section 3236.5 authorizes the Supervisor to
25 impose a civil penalty on a person who violates any provision in Chapter 1 of Division 3 of the
26 PRC or any regulation that implements those statutes, and the Supervisor may in the future
27 impose further civil penalties based on the facts and omissions underlying this order. PRC
28 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

1 of the Supervisor within the time provided by the order or has failed to challenge the order on
2 a timely basis. PRC section 3359 makes it a misdemeanor to fail or neglect to comply with an
3 order of the Supervisor. Each day's further failure, refusal, or neglect is a separate and distinct
4 offense. (PRC, § 3359.) By issuance of this Order, the Supervisor does not waive the right to take
5 further enforcement actions.

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DATED: 4/22/2026

Doug Ito
Doug Ito
State Oil and Gas Supervisor