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8 **STATE OF CALIFORNIA**
9 **NATURAL RESOURCES AGENCY**
10 **DEPARTMENT OF CONSERVATION**
11 **GEOLOGIC ENERGY MANAGEMENT DIVISION**
12 **ORDER TO PAY A CIVIL PENALTY AND PERFORM REMEDIAL WORK**
13 **NO. 1446**
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16 **Operator: Warren E&P, Inc. (W0325)**

17 **Field Name: Wilmington**

18 **County: Los Angeles**
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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, Warren E&P, 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. Therefore, pursuant to PRC sections 3106, 3224, 3226, 3236.5, and 3270 and Regulations sections 1777, the Supervising is ordering Operator to 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. On or about May 3, 2024, CalGEM conducted an inspection of the Wells and Facilities where the violations described below were observed and documented on the Wilmington Field. (**Attachment C**, 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 Keep Well Cellar Drained (Regulations, § 1777, (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 drained. (Regulations, § 1777, subd. (c)(3).)

During the inspection, CalGEM observed oily fluids, in violation of Regulations, section 1777, subd. (c)(3), at the following Wells:

API	Well Designation
0403722455	WTU 1894
0403703834	WTU 1470
0403703833	WTU 1414
0403703815	WTU 1519

The four violations were remediated by Operator on or around July 23, 2024.

B. 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, subds. (a) and (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, subdivisions (a) and (c)(2), at the following production facilities:

Facility ID	Facility Type	Facility Name
14177	Tank	T-750 Clean Water
14178	Tank	T-620 Water Clarifier (North)

1	14179	Tank	T-630 Water Clarifier (South)
2	14180	Tank	T-610 Water Clarifier (West)
3	14181	Tank	T-930 Produced Water/Injection Tank
4	14182	Tank	T-940 Produced Water/Injection Tank
5	14183	Tank	V-820 OOS EAST (former Oxygen Stripper)
6	14184	Tank	V-910 OOS WEST (former Oxygen Stripper)
7	14185	Tank	T-310 Storage/Recycle West
8	14186	Tank	T-320 Storage/Recycle East
9	14187	Tank	T-410 Shipping/Sales Oil North
10	14188	Tank	T-420 Shipping/Sales Oil South
11	16066	Vessel	WTU FWKO V-110 (East)
12	16067	Vessel	WTU FWKO V-120 (West)
13	16068	Tank	WTU Heater Treater East V-210
14	16069	Tank	WTU Heater Treater West V-220
15	16070	Tank	WTU Oil Heat Exchanger East
16	16071	Tank	WTU Oil Heat Exchanger West
17	16072	Tank	V-3764 Gas Scrubber
18	16073	Tank	V-1005 Gas Slug Catcher
19	16074	Tank	V-915 Microturbine Gas Scrubber
20	16075	Tank	V-1121 CEB #1 Suction Scrubber
21	16076	Tank	F-1131 CEB #2 Suction Scrubber
22	16077	Tank	V-1390 VR Suction Scrubber West
23	16078	Tank	V-1320 VR Suction Scrubber East
24	16079	Tank	V-1330 VR Discharge Scrubber
25	17507	Tank	WEMCO EAST
26	17508	Tank	WEMCO WEST
27	19143	Vessel	Gas V-300
28	23059	Vessel	AWT-1
	23060	Vessel	AWT-2
	23061	Vessel	V-3765 Gas Sales
	23062	Vessel	V-3706 Gas Sales
	23063	Vessel	V-3707
	23064	Vessel	V-1 Conditioning Skid
	23065	Vessel	V-2 Conditioning Skid
	23066	Vessel	V-4 Conditioning Skid
	23067	Vessel	V-5 Conditioning Skid
	23068	Vessel	V-7 Conditioning Skid

These production facilities utilize the same secondary containment and was treated as one violation. The violation was remediated by Operator on or around July 23, 2024.

C. Failure to maintain tank 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).) The Regulations, section 1773.3, subdivision (c), requires leaking tanks to be reported to CalGEM within 48 hours and the tank taken out of service and designated as an Out-of-Service Tank.

During the inspection(s), CalGEM observed the following tanks leaking in violation of Regulations section 1777, subdivision (a):

Facility ID	Facility Name	Facility Type
14185	T-310 Storage/Recycle West	Tank

Operator further failed to report the leaking tank to CalGEM within 48 hours, did not take the tank out of service, and did not designate the tank as an Out-of-Service Tank, in violation of Regulations sections 1773, subdivision (c).

The violation was remediated by Operator on or around July 23, 2024.

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 one thousand three hundred sixty dollars (\$1,360.00.) for the six violations.

Type of Violation	Number of Violations	Civil Penalty per violation
Regulations, § 1777, subd. (c)(3) (Oily Fluids in Cellar)	4	\$160.00

Regulations, § 1777, subd. (c)(2) (Inadequate Secondary Containment)	1	\$400.00
Regulations, § 1777, subd. (a) (Leaking tank)	1	\$320.00
	Total Civil Penalty:	\$1,360.00

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" (as defined in PRC section 3236.5, subdivision (b)), the eight factors identified in PRC section 3236.5, subdivision (a), and the following aggravating factors: the Wells and Facilities are located in an urban area, as defined by Regulations section 1760, subdivision (y), are inside a health protection zone, as defined by Regulations section 1765.1, subdivision (b), and are environmentally sensitive, as defined by Regulations section 1760, (f), and the Wells are critical wells, as defined by Regulations section 1720; and the following mitigating factors: the violations have since been remediated.

IV. Operator's Required Actions

For the reasons stated herein, pursuant to PRC sections 3013, 3106, 3224, and 3236.5, and Regulations section 1777, **IT IS HEREBY ORDERED** that Operator pay an administrative civil penalty totaling one thousand three hundred sixty dollars (\$1,360.00) for the six violations.

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.

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.

1 **V. Operator's Appeal Rights**

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

7 Department of Conservation
8 Director's Office of Appeals
9 715 P Street, MS 19-06 (Legal Office, Chief Counsel)
Sacramento, California 95814

10 Or via electronic mail to:

11 OfficeofAppeals@conservation.ca.gov

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

15 If Operator does not file a timely written notice of appeal, or if the Order is affirmed
16 following an appeal, this Order will become a final order and CalGEM may contract for
17 performance of the work, pursuant to PRC section 3226, if, within 30 days of this Order,
18 Operator has not, in good faith, commenced the work ordered. Any costs incurred by
19 CalGEM to obtain compliance with this Order (which may include penalties and interest) will
20 constitute a lien against Operator's real or personal property per PRC section 3423. (PRC, §
21 3356.)

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

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

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15 DATED: 9/27/2024 _____

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Doug Ito
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Doug Ito
State Oil and Gas Supervisor