

Department of Conservation, Geologic Energy Management Division
Doug Ito
STATE OIL AND GAS SUPERVISOR
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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. 1447

Operator: Thomas R. Banks (B0940)

Field Name: Wilmington

County: Los Angeles

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, Thomas R. Banks (**Operator**) is the "operator" (as defined in PRC, § 3009) and is responsible for the Production Facility identified on **Attachment A**, incorporated herein ("**Facility**"). As described in more detail below, Operator has not maintained compliance with applicable requirements for operation of the Facility. Operator's failure to comply with the Regulations poses a potential threat to life, health, property, and natural resources and constitute a violation for which the Supervisor has determined imposition of a civil penalty is appropriate. Therefore, pursuant to PRC sections 3236.5, the Supervisor is ordering Operator to 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.

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 Facility. On or about August 7, 2024, CalGEM conducted an inspection of the Facility where the violation described below was observed and documented at the Wilmington Field. (**Attachment C**, incorporated herein.)

CalGEM records reflect Operator has not maintained compliance with applicable requirements for operation of the Well and the Facility. 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.

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A. Failure to maintain tank in good condition and in a manner to prevent leakage or corrosion (Regulations, § 1777, subd. (a)) and failure to report leaking tank to CalGEM, and failure to take and designate leaking tank out of service (Regulations, § 1773.3, subd. (c).)

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, CalGEM observed the following tank is leaking from the valve in violation of Regulations section 1777, subdivision (a):

Facility ID	Facility Name	Facility Type
14749	Stock Tank 203	Tank

(Attachment D, incorporated herein.)

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 August 19, 2024.

III. Civil Penalty

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 two hundred fifty dollars (\$250.00.) for the one violation.

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Type of Violation	Number of Violations	Total Civil Penalty per violation
Regulations, §§ 1777, subd. (a) and 1773.3 (Leaking Tank)	1	\$250.00
	Total Civil Penalty:	\$250.00

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); the following aggravating factors: the tank is located in an urban area, as defined by Regulations section 1760, subdivision (y), and is inside a health protection zone, as defined by Regulations section 1765.1, subdivision (b); and the mitigating factor of Operator's timely remediation of the violation.

IV. Operator's Required Actions

For the reasons stated herein, pursuant to PRC sections 3013, 3106, and 3236.5. **IT IS HEREBY ORDERED** that Operator to pay an administrative civil penalty of two hundred fifty dollars (\$250.00).

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

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

1 receive the appeal within fifteen (15) days from the date the Supervisor mails the Order. To file
2 an appeal, a written notice of appeal may be sent via U.S. mail to:

3 Department of Conservation
4 Director's Office of Appeals
5 715 P Street, MS 19-06 (Legal Office, Chief Counsel)
6 Sacramento, California 95814

7 Or via electronic mail to:

8 OfficeofAppeals@conservation.ca.gov

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

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

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

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

1 section 3237 authorizes the Supervisor to order the plugging and abandonment of a well or
2 the decommissioning of a production facility if an operator has failed to comply with an order
3 of the Supervisor within the time provided by the order or has failed to challenge the order on
4 a timely basis. PRC section 3359 makes it a misdemeanor to fail or neglect to comply with an
5 order of the Supervisor. Each day's further failure, refusal, or neglect is a separate and distinct
6 offense. (PRC, § 3359.) By issuance of this Order, the Supervisor does not waive the right to take
7 further enforcement actions.

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10 DATED: 10/2/2024 _____

DocuSigned by:
Doug Ito
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Doug Ito
State Oil and Gas Supervisor