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STATE OF CALIFORNIA
NATURAL RESOURCES AGENCY
DEPARTMENT OF CONSERVATION
GEOLOGIC ENERGY MANAGEMENT DIVISION

ORDER TO PERFORM REMEDIAL WORK
NO. 1175

Operator: Pioneer Exploration, LLC (P3750)

George S. Reid Unit Lease in Rice Creek Gas Field

Pipeline and Wells:

API 103-00067	API 103-20362
API 103-20363	API 103-20376
API 103-20398	API 103-20380
API 103-20398	

Victor Estate Unit 1 Lease in Rice Creek Gas Field

Wells: API 103-00071	API 103-20321
API 103-20350	API 103-20357

Victor Estate Lease in Rice Creek Gas Field

Wells: API 103-20321	API 103-20323
API 103-20324	API 103-20365
API 103-20381	API 103-20395

Maria Lease in Rice Creek Gas Field

Wells: API 103-20285	API 103-20310
API 103-20285	

DeCou Lease in Rice Creek Gas Field

Wells: API 103-20384	API 103-20386
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Victor Ranch Lease in Rice Creek East Gas Field

Wells: API 103-20169	API 103-20180
API 103-20199	API 103-20221
API 103-20222	API 103-20258
API 103-20262	API 103-20270
API 103-20366	API 103-20368
API 103-20409	

Victor Ranch Lease in Rice Creek Gas Field

Wells: API 103-20265	API 103-20266
API 103-20279	API 103-20281
API 103-20287	API 103-20317
API 103-20320	API 103-20325
API 103-20326	API 103-20327
API 103-20328	API 103-20329
API 103-20333	API 103-20334
API 103-20335	API 103-20336
API 103-20343	API 103-20344
API 103-20346	API 103-20347
API 103-20348	API 103-20350
API 103-20352	API 103-20358
API 103-20359	API 103-20360
API 103-20383	API 103-20385
API 103-20387	API 103-20402

Victor Lease in Rice Creek East Gas Field

Wells: API 103-20189

Godfrey Lease in Rice Creek Gas Field

Wells: API – 103-20390

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I. Introduction

The State Oil and Gas Supervisor (Supervisor), acting through the California 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 order tests and remedial work concerning oil and natural gas field operations which, in his judgment, are necessary to prevent damage to life, health, property, and natural resources (See PRC sections 3106 and 3224).

At all times relevant to this order, Pioneer Exploration, LLC. has been identified as the "operator" (Operator), as defined in PRC section 3009, of the "well(s)" as defined in PRC section 3008, subdivision (a), "pipeline(s)" as defined in Regulations section 1760 and is conducting "operations" as defined in Regulations section 1720, subdivision (f).

CalGEM has determined that numerous field violations associated with Pioneer Exploration, LLC.'s operations exists and Operator has not fully complied with Notices of Violation(s) that have been issued by CalGEM. As such, in this order, the Supervisor is requiring Operator, to perform Required Remedial Actions (See Section V, herein) to address the compliance issues associated with Pioneer Exploration, LLC's facilities.

II. Definitions

PRC section 3008, subdivision (a), defines "Well" to mean, among other things, "any oil or gas well or well for the discovery of oil or gas; any well on lands producing or reasonably presumed to contain oil or gas," and "any well drilled for the purpose of injecting fluids or gas for stimulating oil or gas recovery[.]"

PRC section 3009 defines "Operator" to mean "a person who, by virtue of ownership, or under the authority of a lease or any other agreement, has the right to drill, operate, maintain, or control a well or production facility."

PRC section 3010 defines production facility to mean "any equipment attendant to oil and gas production or injection operations[.]"

Regulations section 1720, subdivision (f), defines "Operations" to mean "any one or all of the activities of an operator covered by Division 3 of the Public Resources Code."

1 **Regulations section 1760** defines "Active gas pipeline" to mean an in-service pipeline
2 that carries gas in gaseous or vapor phase and may contain fractional amounts of liquids,
3 solids, and other non-hydrocarbon gases.

4 **III. State Oil and Gas Supervisor Authority**

5 **PRC section 3013** states that the oil and gas conservation laws (Division 3 of the PRC,
6 commencing with § 3000) "shall be liberally construed to meet its purposes" and grants the
7 Supervisor "all powers" that may be necessary to carry out those purposes.

8 **PRC section 3106, subdivision (a)**, authorizes the Supervisor to "supervise the drilling,
9 operation, maintenance, and abandonment of wells and the operation, maintenance, and
10 removal or abandonment of tanks and facilities attendant to oil and gas production ... so as
11 to prevent, as far as possible, damage to life, health, property, and natural resources; damage
12 to underground oil and gas deposits from infiltrating water and other causes; losses of oil, gas,
13 or reservoir energy, and damage to underground and surface waters suitable for irrigation or
14 domestic purposes by the infiltration of, or the addition of, detrimental substances."

15 **PRC section 3270** requires CalGEM, by regulation, to prescribe minimum facility
16 maintenance standards for all product facilities in the state. The regulations shall include
17 "other facility or equipment maintenance that the supervisor deems important for the proper
18 operation of production facilities and that the supervisor determines are necessary to prevent
19 damage to life, health, property, and natural resources[.]"

20 **PRC section 3224** authorizes the Supervisor to order "remedial work as in his judgment
21 are necessary to prevent damage to life, health, property, and natural resources[.]"

22 **PRC section 3226** states: "[I]f the supervisor determines that an emergency exists, the
23 supervisor may order or undertake the actions he or she deems necessary to protect life,
24 health, property, or natural resources." PRC section 3226 also allows the Supervisor, based the
25 Supervisor's final or affirmed order, to appoint agents to enter the premises and perform
26 necessary remedial work if the operator did not complete the remedial work as ordered. Any
27 amount the Supervisor expends to complete the necessary remedial work constitutes a lien
28 against the operator's real or personal property according to PRC section 3423.

1 **PRC section 3400** states the charges directed to be levied by this article are necessary
2 in the exercise of the police power of the State and to provide a means by which to supervise
3 and protect deposits of oil and gas within the State, in which deposits the people of the State
4 have a primary and supreme interest.

5 **PRC section 3423** states if any person fails to pay any charge or penalty imposed under
6 this chapter at the time that it becomes due and payable, the amount thereof, including
7 penalties and interest, together with any costs in addition thereto, shall thereupon be a
8 perfected and enforceable state tax lien. Such a lien is subject to Chapter 14 (commencing
9 with Section 7150) of Division 7 of Title 1 of the Government Code. For the purpose of this
10 section only, "due and payable" means the date the charges required to be paid pursuant to
11 Section 3420 are assessed under this chapter.

12 **Regulations section 1714** states: "[T]emporary approval to commence . . . operations
13 may be granted by the Supervisor or a representative of the Supervisor when such operations
14 are necessary to avert a threat to life, health, property, or natural resources."

15 **Regulations section 1722, subdivision (a)**, requires that an Operator to conduct all
16 operations "in accordance with good oilfield practice."

17 **Regulations section 1722.1.1 subdivision (a)**, requires each well location shall have
18 posted in a conspicuous place a clearly visible, legible, permanently affixed sign with the
19 name of the operator, name or number of the lease, and number of the well. These signs shall
20 be maintained on the premises from the time drilling operations cease until the well is plugged
21 and abandoned.

22 **Regulations section 1773.1** requires:

23 (a) all production facilities storing and/or processing fluids, except valves, headers,
24 manifolds, pumps, compressors, wellheads, pipelines, flowlines and gathering lines shall have
25 secondary containment.

26 (b) Secondary containment shall be capable of containing the equivalent volume of
27 liquids from the single piece of equipment with the largest gross capacity within the secondary
28 containment.

1 (c) Secondary containment shall be capable of confining liquid for a minimum of 72
2 hours.

3 (d) When not in use for rain water management, rain water valves on a secondary
4 containment shall be closed and secured to prevent unauthorized use.

5 (e) All damage to secondary containment shall be repaired immediately.

6 (f) The requirements of this section are not applicable until six months after the effective
7 date of this regulation.

8 **Regulations section 1773.3** requires:

9 (a) All tanks shall be properly identified with the operator's tank identification number,
10 tank type (production, stock, water, etc.), and with appropriate materials hazard placards or
11 labels.

12 (b) Operators shall inspect in-service tanks at least once a month for the following:

13 (1) Leakage at the base, seams, associated piping, tank shell plugs, or any other
14 fitting that could leak.

15 (2) The presence of corrosion or shell distortions.

16 (3) The general condition of the foundation, including any signs of settling or
17 erosion that may undermine the foundation.

18 (4) The condition of paint coatings, insulation systems and tank grounding system
19 components, if present.

20 (c) Leaking tanks shall be reported to the appropriate CalGEM district office
21 within 48 hours and shall be taken out of service and designated as an Out-of-Service
22 tank.

23 (d) Wooden plugs or screw-in plugs shall not be used for permanent repair.

24 **Regulations section 1773.5, subdivision (a)**, requires, within six months after the
25 determination that a production facility is Out-of-Service, the following:

26 (1) Out-of-Service production facilities shall have fluids, sludge, hydrocarbons,
27 and solids removed and shall be disconnected from any pipelines and other in-
28 service equipment.

(2) Out-of-Service production facilities shall be properly degassed in accordance with local air district requirements.

(3) Clean-out doors or hatches on Out-of-Service tanks shall be removed and a heavy gauge steel mesh grating (less than 1" spacing) shall be secured over the opening to allow for visual inspection and prevent unauthorized access.

(4) Out-of-Service tanks and vessels shall be labeled with Out-of-Service or OOS. "Out-of-Service" or "OOS" shall be painted in bold letters at least one foot high, if possible, on the side of the tank or vessel at least five feet from the ground surface, or as high as possible, along with the date it was taken out of service.

(5) Out-of-Service production facilities shall have valves and fittings removed or secured to prevent unauthorized use.

(6) Pipelines associated with Out-of-Service tanks and pressure vessels shall be removed or flushed, filled with an inert fluid, and blinded.

(b) Out-of-Service production facilities shall not be reactivated unless all needed repairs have been completed and the production facility is in compliance with all applicable testing and inspection requirements.

Regulations section 1774 states: Newly installed pipelines shall be designed, constructed, and all pipelines shall be tested, operated, and maintained in accordance with good oil field practice and applicable standards in California Code of Regulations, title 8, section 6533, or other methods approved by the Supervisor. The Supervisor may require design or construction modifications, and/or additional testing and maintenance if he or she determines that good oil field practices and applicable standards have not been used.

Good oilfield practice includes, but is not limited to:

(a) Utilization of preventative methods such as cathodic protection and corrosion inhibitors, as appropriate, to minimize external and internal corrosion.

(b) Utilization of pipeline coating or external wrapping for new or replaced buried or partially buried pipelines to minimize external corrosion. The coating or external

wrapping should have a high electrical resistance, be an effective moisture barrier, have good adhesion to the pipe, and be able to resist damage during handling.

(c) Employment, where practical, of equipment such as low-pressure alarms and safety shut-down devices to minimize spill volume in the event of a leak.

(d) If feasible, locating above ground, preferably on supports or racks, any new pipelines or parts of a pipeline system that are being relocated or replaced.

Regulations section 1774.1 states:

(a) Operators shall visually inspect all aboveground pipelines for leaks and corrosion at least once a year.

(b) Operators shall inspect all active gas pipelines in sensitive areas that are 10 or more years old for leaks or other defects at least once a year, or at a frequency approved by the Supervisor and listed in the operator's Pipeline Management Plan. The operator shall conduct the inspection in accordance with applicable regulatory standards or, in the absence thereof, an accepted industry standard that is specified by the operator and listed in the Pipeline Management Plan.

(c) The Supervisor may order such tests or inspections deemed necessary to establish the reliability of any pipeline system. Repair, replacement, or cathodic protection may be required.

(d) Operators shall conduct pressure testing in accordance with subdivision (f)(2) on any pipeline that has had a leak resulting in the release of a fluid in a quantity that triggers reporting of the release under any regulatory, statutory, or other legal requirement. The pipeline shall not be returned to service unless the pressure testing has been successfully completed. Test results shall be provided to CalGEM for review within seven days following the test.

(e) Pipe clamps, wooden plugs or screw-in plugs shall not be used for permanent repair of pipeline leaks.

(f) The operator 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. The testing frequencies shall be specified in the operator's Pipeline Management Plan. Pipelines less than 10 years old are exempt from the testing requirements of this subdivision. Subject to review and approval by CalGEM, the operator shall identify effective mechanical integrity testing methods based on pipeline type and use. The mechanical integrity testing methodology for compliance with this subdivision shall be specified in the operator's Pipeline Management Plan and shall include at least one of the following:

- (1) Nondestructive testing using ultrasonic or other techniques approved by the Supervisor, to determine wall thickness;
- (2) Pressure testing using:
 - (A) The guidelines recommended by industry standards, such as the American Petroleum Institute, American Society of Mechanical Engineers for oil or gas pipelines; or
 - (B) The method approved by the State Fire Marshal, Pipeline Safety Division for liquid pipelines or US Department of Transportation, Pipeline and Hazardous Materials Safety Administration for gas pipelines.
- (3) Internal inspection devices such as a smart pig, as approved by the Supervisor; or
- (4) Any other method approved by the Supervisor that ensures mechanical integrity so as to protect life, health, property, and natural resources.

Copies of mechanical integrity test results shall be maintained in a local office of the operator for ten years and made available to CalGEM, upon request. The operator shall assess all test results to determine continued safe operations and that risks identified in the Pipeline Management Plan are adequately addressed. The operator shall repair and retest or remove from

1 service any pipeline that fails the mechanical integrity test. The operator shall
2 promptly notify CalGEM in writing of any pipeline taken out of service due to a
3 test failure.

4 (g) Vapor recovery pipelines are exempt from mechanical integrity testing under
5 subdivision (f) if they are equipped with safeguards, such as oxygen detectors and are
6 leak tested at least annually. The operator shall document the safeguards and
7 inspection regime in its Pipeline Management Plan.

8 (h) A county board of Supervisors, a city council, or another state agency may
9 petition the Supervisor to include other pipelines within their jurisdiction as
10 environmentally sensitive or within a sensitive area. The request must be in writing and
11 based on findings of a competent, professional evaluation that shows there is a
12 probability of significant public danger or environmental damage if a leak were to
13 occur.

14 (1) Within 30 days of receipt of a petition, the Supervisor shall notify any
15 affected operator.

16 (2) Within 60 days of notification to the operators, the Supervisor shall
17 schedule a hearing with the petitioner and operators to allow all parties to be
18 heard.

19 (3) Within 30 days after the conclusion of the hearing, the Supervisor shall
20 make a determination as to whether the areas or pipelines should be considered
21 environmentally sensitive.

22 (i) For pipelines that are subject to mechanical integrity testing under subdivision (f),
23 but that were not subject to mechanical integrity testing under subdivision (f) prior to
24 January 1, 2018, mechanical integrity testing is not required to be completed until
25 January 2, 2020. For these pipelines, mechanical integrity testing shall be scheduled,
26 completed, and mechanical integrity test results documented per subdivision (f) prior to
27 January 2, 2020.

28 **Regulations section 1774.2** states:

1 (a) Operators shall prepare a pipeline management plan for all pipelines, and current
2 operators as of October 1, 2018, shall submit a copy of the plan to the Supervisor no later than
3 October 1, 2019. The operator shall maintain an up-to-date copy and provide it to the
4 Supervisor upon request.

5 The plan shall be updated within 90 days whenever pipelines are acquired, installed, altered,
6 or at the request of the Supervisor. Pipelines that have been abandoned to the standards
7 specified in Section 1776(f) are exempt from this requirement.

8 (b) The pipeline management plan shall include the following:

9 (1) A listing of information on each pipeline including, but not limited to: pipeline
10 type, grade, actual or estimated installation date of pipeline, design and operating
11 pressures, and any available leak, repair, inspection and testing history.

12 (2) A description of the testing method and schedule for all pipelines.

13 (3) A description of preventative maintenance performed for associated
14 appurtenances, instrumentation, and equipment (e.g. valves, actuators, gauges,
15 sensors, etc.) to ensure safe pipeline operations.

16 (4) A list and maps of all pipelines that indicate which lines pass through sensitive
17 areas, environmentally sensitive areas, urban areas, and designated waterways. The
18 operator shall clearly indicate where information has been provided about pipelines
19 that are not subject to regulation by CalGEM.

20 (5) A description of the product transferred in each pipeline.

21 (c) The Supervisor may establish additional requirements or modifications to a pipeline
22 management plan, based on individual circumstances, to ensure life, health, property, and
23 natural resources are protected adequately.

24 (d) A plan prepared pursuant to California Code of Regulations Title 8, Section 6533
25 may fulfill the requirements of this section if the plan is determined to be adequate by the
26 appropriate CalGEM district deputy.

27 **Regulations section 1775, subdivisions (a) and (c),** requires Operator to address oilfield
28 wastes, harmful chemicals, unused equipment, scrap and other trash so as not to cause

1 damage to life, health, property, freshwater aquifers or surface waters, other natural resources,
2 or such that its operations become a public nuisance or a menace to public safety. Unused
3 equipment and scrap attendant to oilfield operations shall be removed from a production or
4 injection operations area and/or stored in such a manner as to not cause damage to life,
5 health, or property, or become a public nuisance or a menace to
6 public safety. Trash and other waste materials attendant to oilfield operations shall be
7 removed and disposed of properly.

8 **Regulations section 1777, subdivision (a),** requires, among other things, that Operators
9 maintain production facilities in good condition and in a manner to prevent leakage or
10 corrosion and to safeguard life, health, property, and natural resources.

11 **Regulations section 1777, subdivision (c)(1),** requires operators to conduct external
12 visual inspections at least once a month of aboveground production facilities, excluding
13 pipelines, for leaks and corrosion. Facilities that are not operating properly or are leaking shall
14 be repaired or replaced.

15 **Regulations section 1777, subdivision (c)(2),** requires weeds and debris be removed
16 from secondary containment areas or catch basins, and the integrity of all berms shall be
17 inspected monthly. Fluids, including rainwater, shall be removed.

18 **Regulations section 1777, subdivision (c)(3),** requires well cellars to be covered and
19 kept drained. Grating or flooring shall be installed and maintained in good condition so as to
20 exclude people and animals. Cellars should be protected from as much runoff water as
21 practical.

22 **Regulations section 1777, subdivision (d),** requires all equipment and facilities in urban
23 areas be enclosed individually or with perimeter fencing in accordance with Section 1778(a)
24 or Section 1778(e) where it is necessary to protect life and property. Enclosures in nonurban
25 areas are to be constructed in accordance with Section 1778(a) or Section 1778(b) where
26 necessary to protect life and property.

27 **Regulations section 1777, subdivision (f),** states: Vehicle access routes to all production
28 facilities must be maintained in a safe and passable condition.

Regulations section 1779 authorizes the Supervisor in individual cases to set forth other requirements where justified or called for.

IV. Alleged Acts/Omissions

During inspections on or about March 7, 2018, April 4, 2018, April 25, 2018, October 18, 2018, October 22, 2018, November 15, 2018, May 8, 2019, July 24, 2019, July 29, 2019, October 22, 2019, October 23, 2019, and October 24, 2019, CalGEM staff observed the following conditions during one and/or all inspections at the Operator's facilities:

- i. George S. Reid Unit Lease, Rice Creek Gas Field:
- i. API 103-00067 –The tank attendant to this facility did not have the required identification which is a violation of Regulations section 1773.3, subdivision(a). Secondary containment was not adequate which is a violation of Regulations section 1773.1, subdivision (a). [See Attachment F – Notice of Violation dated July 26, 2019, hereby incorporated by reference]
 - ii. API 103-00068 - The tank attendant to this facility did not have the identification which is a violation of Regulations section 1773.3, subdivision (a). The tank was leaking and not taken out of service as required per Regulations section 1773.3, subdivision (c).
 - iii. API 103-00068 – A gas leak in violation of Regulations section 1777, subdivision (a) and facility was not maintained as required per Regulations section 1777, subdivision (c).
 - iv. API 103-20362 –The well sign was missing or did not have sufficient operator information which is a violation of Regulations section 1722.1.1, subdivision (a). [See Attachment I – Notice of Violation dated July 26, 2019, hereby incorporated by reference]
 - v. API 103-20376 – Weeds or debris were not removed as required per Regulations section 1777, subdivision (c)(2). [See Attachment L –

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1 Notice of Violation dated August 1, 2019, hereby incorporated by
2 reference]

3 vi. API 103-20380 - The tank at the location did not have identification
4 required per Regulations section 1773.3, subdivision (a), weeds were
5 not removed as required per Regulations section 1777, subdivision
6 (c)(2). [See Attachment J – Notice of Violation dated July 26, 2019,
7 hereby incorporated by reference]

8 vii. API – 103-20398 - No well sign or incorrect Operator information which
9 is a violation of Regulations section 1722.1.1, subdivision (a). [See
10 Attachment K – Notice of Violation dated July 26, 2019, hereby
11 incorporated by reference]

12 viii. Pipeline – Leak in violation of 1777, subdivision (a) which requires
13 facilities be maintained to prevent leakage.

14 ii. Victor Estate Unit 1 Lease, Rice Creek Gas Field:

15 i. API 103-00071 – No identification number on tank as required per
16 Regulations section 1773.3, subdivision (a), leaking tank which is a
17 violation of Regulations section 1773.3, subdivision (c), berm not
18 properly maintained (holes or erosion) as required per Regulations
19 section 1773.1, subdivision (e), and weeds were not removed which is
20 a violation of Regulations section 1777, subdivision (c)(2). [See
21 Attachment G – Notice of Violation dated July 26, 2019, hereby
22 incorporated by reference]

23 ii. API 103-00072 – No identification on tank as required per Regulations
24 section 1773.3, subdivision (a), no secondary containment as required
25 per Regulations section 1773.1, subdivision (a).

26 iii. API 103-00073 – Gas leak in violation of Regulations section 1777,
27 subdivision (a).

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iv. API 103-20357 - No identification number on tank as required per Regulations section 1773.3, subdivision (a), no secondary containment as required per Regulations section 1773.1, subdivision(a), berm not properly maintained (holes or erosion) as required per Regulations section 1773.1, subdivision (e), and weeds were present in violation of Regulations section 1777, subdivision (c)(2).

iii. Victor Ranch Lease, Rice Creek Gas Field

- i. API 103-00073 - No identification number on tank as required per Regulations section 1773.3, subdivision (a), leaking tank not taken out of service in violation of Regulations section 1773.3, subdivision (c), weeds were present in violation of Regulations section 1777, subdivision (c)(2).
- ii. API 103-00077 - No identification number on tank as required per Regulations section 1773.3, subdivision (a), no secondary containment as required per Regulations section 1773.1, subdivision (a).
- iii. API – 103-20265 – No well sign or incorrect Operator information in violation of Regulations section 1722.1.1, subdivision (a).
- iv. API – 103-20266 - No well sign or incorrect Operator information in violation of Regulations section 1722.1.1, subdivision (a).
- v. API 103-20279 – No identification number on tank as required per Regulations section 1773.3, subdivision (a), no secondary containment as required per Regulations section 1773.1, subdivision (a).
- vi. API 103-20279 - No sign or incorrect operator name as required per Regulations section 1722.1.1, subdivision (a).
- vii. API 103-20281 - No identification number on tank as required per Regulations section 1773.3, subdivision (a), no secondary containment as required per Regulations section 1773.1, subdivision (a).

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- viii. API 103-20281 - No sign or incorrect operator name as required per Regulations section 1722.1.1, subdivision (a).
- ix. API 103-20287 - No identification number on tank as required per Regulations section 1773.3, subdivision (a), no secondary containment as required per Regulations section 1773.1, subdivision (a).
- x. API 103-20317 - No identification number on tank as required per Regulations section 1773.3, subdivision (a), inadequate secondary containment in violation of Regulations section 1773.1, subdivision (b), weeds present in violation of Regulations section 1777, subdivision (c)(2).
- xi. API 103-20320 - No identification number on tank as required per Regulations section 1773.3, subdivision (a), no secondary containment as required per Regulations section 1773.1, subdivision (a), berm not properly maintained as required per Regulations section 1773.1, subdivision (e), weeds present in violation of Regulations section 1777, subdivision (c)(2).
- xii. API 103-20323 - No identification number on tank as required per Regulations section 1773.3, subdivision (a), berm not properly maintained as required per Regulations section 1773.1, subdivision (e), weeds present in violation of Regulations section 1777, subdivision (c)(2).
- xiii. API 103-20325 - No tank identification number as required per Regulations section 1773.3, subdivision (a), berm not properly maintained as required per Regulations section 1773.1, subdivision (e), weeds present in violation of Regulations section 1777, subdivision (c)(2).
- xiv. API – 103-20323 - No sign or incorrect operator name as required per Regulations section 1722.1.1, subdivision (a).

- xv. API 103-20326- No tank identification number as required per Regulations section 1773.3, subdivision (a), berm not properly maintained as required per Regulations section 1773.1, subdivision (e), weeds present in violation of Regulations section 1777, subdivision (c)(2).
- xvi. API 103-20327 - No tank identification number as required per Regulations section 1773.3, subdivision (a), no secondary containment as required per Regulations section 1773.1, subdivision (a), berm not properly maintained as required per Regulations section 1773.1, subdivision (e), weeds present in violation of Regulations section 1777, subdivision (c)(2).
- xvii. API 103-20328 - No tank identification number as required per Regulations section 1773.3, subdivision (a), berm not properly maintained as required per Regulations section 1773.1, subdivision (e), weeds present in violation of Regulations section 1777, subdivision (c)(2).
- xviii. API 103-20329 - No tank identification number as required per Regulations section 1773.3, subdivision (a), berm not properly maintained as required per Regulations section 1773.1, subdivision (e), weeds present in violation of Regulations section 1777, subdivision (c)(2).
- xix. API 103-20333 - No tank identification number as required per Regulations section 1773.3, subdivision (a), leaking tank in violation of Regulations section 1773.3, subdivision (c), berm not properly maintained as required per Regulations section 1773.1, subdivision (e), weeds present in violation of Regulations section 1777, subdivision (c)(2).

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- xx. API 103-20334 - No tank identification number as required per Regulations section 1773.3, subdivision (a), leaking tank in violation of Regulations section 1773.3, subdivision (c), berm not properly maintained as required per Regulations section 1773.1, subdivision (e), weeds present in violation of Regulations section 1777, subdivision (c)(2).
- xxi. API 103-20335 - No tank identification number as required per Regulations section 1773.3, subdivision (a), berm not properly maintained as required per Regulations section 1773.1, subdivision (e), weeds present in violation of Regulations section 1777, subdivision (c)(2).
- xxii. API 103-20336 - No tank identification number as required per Regulations section 1773.3, subdivision (a), berm not properly maintained as required per Regulations section 1773.1, subdivision (e), weeds present in violation of Regulations section 1777, subdivision (c)(2).
- xxiii. API 103-20343 - No tank identification number as required per Regulations section 1773.3, subdivision (a), berm not properly maintained as required per Regulations section 1773.1, subdivision (e), weeds present in violation of Regulations section 1777, subdivision (c)(2).
- xxiv. API 103-20344 - No tank identification number as required per Regulations section 1773.3, subdivision (a), leaking tank in violation of Regulations section 1773.3, subdivision (c), berm not properly maintained as required per Regulations section 1773.1, subdivision (e), weeds present in violation of Regulations section 1777, subdivision (c)(2).

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- xxv. API – 103-20346 - No tank identification number as required per Regulations section 1773.3, subdivision(a), berm not properly maintained as required per Regulations section 1773, subdivision(e), weeds present in violation of Regulations section 1777, subdivision (c)(2).
- xxvi. API – 103-20347 - No tank identification number as required per Regulations section 1773.3, subdivision(a), leaking tank in violation of Regulations section 1773.3, subdivision (c), berm not properly maintained as required per Regulations section 1773.1, subdivision(e), weeds present in violation of Regulations section 1777, subdivision (c)(2).
- xxvii. API – 103-20348 - No tank identification number as required per Regulations section 1773.3, subdivision(a), no secondary containment as required per Regulations section 1773.1, subdivision(a).
- xxviii. API 103-20352 - No tank identification number as required per Regulations section 1773.3, subdivision(a), berm not properly maintained as required per Regulations section 1773.1, subdivision (e), weeds present in violation of Regulations section 1777, subdivision (c)(2).
- xxix. API 103-20358 - No tank identification number as required per Regulations section 1773.3, subdivision(a), no secondary containment as required per Regulations section 1773.1, subdivision (a).
- xxx. API 103-20358 – No well sign or incorrect operator information in violation of Regulations section 1722.1, subdivision (a).
- xxxi. API 103-20359 - No tank identification number as required per Regulations section 1773.3, subdivision (a), berm not properly maintained as required per Regulations section 1773.1, subdivision (e),

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weeds present in violation of Regulations section 1777, subdivision (c)(2).

xxxii. API 103-20360 - No tank identification number as required per Regulations section 1773.3, subdivision (a), berm not properly maintained as required per Regulations section 1773.1, subdivision (e), weeds present in violation of Regulations section 1777, subdivision (c)(2).

xxxiii. API – 103-20363 - No tank identification number as required per Regulations section 1773.3, subdivision (a), berm not properly maintained as required per Regulations section 1773.1, subdivision (e), weeds present in violation of Regulations section 1777, subdivision (c)(2).

xxxiv. API 103-20383 - No tank identification number as required per Regulations section 1773.3(a), berm not properly maintained as required per Regulations section 1773.1, subdivision (e), weeds present in violation of Regulations section 1777, subdivision (c)(2).

xxxv. API 103-20385 - No tank identification number as required per Regulations section 1773.3, subdivision (a), berm not properly maintained as required per Regulations section 1773.1, subdivision (e), weeds present in violation of Regulations section 1777, subdivision (c)(2).

xxxvi. API 103-20387 - No sign or incorrect operator name as required per Regulations section, subdivision 1722.1.1 (a).

xxxvii. API 103-20402 - no secondary containment as required per Regulations section 1773.1, subdivision (a).

xxxviii. API 103-20402 - No well sign or incorrect Operator information in violation of Regulations section 1722.1.1, subdivision (a), gas leak in violation of Regulations section 1777, subdivision (a).

iv. Victor Ranch Lease, Rice Creek East Gas Field

- i. API – 103-20169 - No sign or incorrect operator name as required per Regulations section 1722.1.1, subdivision (a).
- ii. API 103-20180 – No tank identification number as required per Regulations section 1773.3, subdivision (a), no secondary containment as required per Regulations section 1773.1, subdivision (a).
- iii. API 103-20180 – No sign or incorrect operator name as required per Regulations section 1722.1.1, subdivision (a).
- iv. API – 103-20199 – No secondary containment in violation of Regulations section 1773.1, subdivision (a).
- v. API – 103-20199 – No sign or incorrect operator name in violation of well sign requirements in Regulations section 1772.1.1, subdivision (a)
- vi. API 103-20221 – No identification on tank in violation of Regulations section 1773.3, subdivision (a), no secondary containment as required per Regulations section 1773.1, subdivision (a).
- vii. API 103-20221 – No well sign as required per Regulations section 1722.1.1, subdivision (a).
- viii. API 103-20222 – No well sign or incorrect operator name in violation of Regulations section 1772.1.1, subdivision (a).
- ix. API 103-20258 – No identification number on tanks in violation of Regulations section 1773.3, subdivision (a), no secondary containment as required per Regulations section 1773.1, subdivision (a), oilfield refuse in violation of regulations section 1775, subdivision (c).
- x. API 103-20258 – No well sign or incorrect operator name in violation of Regulations section 1772.1.1, subdivision (a).
- xi. API 103-20262 – No secondary containment in violation of Regulations section 1773.1, subdivision (a).

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- xii. API 103-20262 – No well sign or incorrect operator name in violation of Regulations section 1722.1.1, subdivision (a).
- xiii. API 103-20265 – No secondary containment in violation of Regulations section 1773.1, subdivision, subdivision (a).
- xiv. API 103-20270 - No well sign or incorrect Operator information in violation of Regulations section 1722.1.1, subdivision (a).
- xv. API – 103-20366 - No identification number on tanks in violation of Regulations section 1773.3, subdivision(a), no secondary containment as required per Regulations section 1773.1(a).
- xvi. API 103-20366 - No well sign or incorrect Operator information in violation of Regulations section 1722.1.1, subdivision (a).
- xvii. API 103-20368 - No well sign or incorrect Operator information in violation of Regulations section 1722.1.1, subdivision (a).
- v. Victor Lease, Rice Creek East Gas Field
 - i. API 103-20189 – No identification number on tank in violation of Regulations section 1773.3, subdivision (a), out-of-service date not posted in violation of Regulations section 1773.5, subdivision (a)(4), no secondary containment in violation of Regulations section 1773.1, subdivision (a).
 - ii. API 103-20189 – No sign or incorrect operator name in violation of Regulations Section 1722.1.1, subdivision (a).
 - iii. API 103-20409 - No identification number on tank in violation of Regulations section 1773.3, subdivision (a), no secondary containment in violation of Regulations section 1773.1, subdivision (a), leaking tank in violation of Regulations section 1773.3, subdivision (c).
 - iv. API 103-20409 - No well sign or incorrect Operator information in violation of Regulations section 1722.1.1, subdivision (a).
- vi. Maria Lease, Rice Creek Gas Field

- i. API 103-20285 – Oilfield waste 1775, subdivision (a) and oilfield refuse 1775, subdivision (c). [See Attachment E – Notice of Violation dated May 30, 2019, hereby incorporated by reference]
- ii. API 103-20310 No identification number on tank in violation of Regulations section 1773.3, subdivision (a), berm not maintained (holes or erosion) Regulations section 1773.1, subdivision (e), weeds present in violation of Regulations section 1777, subdivision (c)(2), oilfield waste and oilfield refuse violations. [See Attachment D – Notice of Violation dated May 30, 2019, hereby incorporated by reference]
- vii. Victor Estate Lease, Rice Creek Gas Field
- i. API 103-20321- Weeds were not removed which is a violation of Regulations section 1777, subdivision (c)(2). [See Attachment A – Notice of Violation dated January 29, 2018, hereby incorporated by reference and Attachment A-1, Notice of Violation dated July 26, 2019, hereby incorporated by reference]
- ii. API 103-20321 – No well sign or incorrect operator information in violation of Regulations section 1772.1.1, subdivision (a). [See Attachment A – Notice of Violation dated January 29, 2018, hereby incorporated by reference and Attachment A-1, Notice of Violation dated July 26, 2019, hereby incorporated by reference]
- iii. API 103-20324 - No identification number on tank in violation of Regulations section 1773.3, subdivision (a), leaking tank in violation of Regulations section 1773.3, subdivision (c), berm not maintained (holes or erosion) Regulations section 1773.1, subdivision (e), weeds present in violation of Regulations section 1777, subdivision (c)(2).
- iv. API 103-20350 – No access to well pad in violation of Regulations section 1777, subdivision (f). [See Attachment H – Notice of Violation dated July 26, 2019, hereby incorporated by reference]

- v. API 103-20360 - No well sign or incorrect operator information in violation of Regulations section, subdivision 1772.1.1 (a).
- vi. API 103-20365 - No tank identification number as required per Regulations section 1773.3, subdivision (a), berm not properly maintained as required per Regulations section 1773.1, subdivision (e), weeds present in violation of Regulations section 1777, subdivision (c)(2).
- vii. API 103-20381- No identification number on tank in violation of Regulations section 1773.3, subdivision (a), Leaking tank in violation of Regulations section 1773.3, subdivision (c), berm not maintained (holes or erosion) Regulations section 1773.1, subdivision (e), weeds present in violation of Regulations section 1777, subdivision (c)(2).
- viii. API 103-20395 - No well sign or incorrect operator information in violation of Regulations section 1772.1.1, subdivision (a), gas leak in violation of Regulations section 1777, subdivision (a).
- viii. DeCou Lease, Rice Creek Gas Field
- i. API 103-20384 - No identification number on tank in violation of Regulations section 1773.3, subdivision (a), weeds present in violation of Regulations section 1777, subdivision (c)(2). [See Attachment C – Notice of Violation dated May 30, 2019, hereby incorporated by reference]
- ii. API 103-20386 - No identification number on tank in violation of Regulations section 1773.3, subdivision (a), weeds present in violation of Regulations section 1777, subdivision (c)(2). [See Attachment B – Notice of Violation Dated May 30, 2019, hereby incorporated by reference]
- ix. Godfrey Lease, Rice Creek Gas Field

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- i. API 103-20390 - No identification number on tank in violation of Regulations section 1773.3, subdivision (a), no secondary containment in violation of Regulations section 1773.1, subdivision (a).
- ii. API 103-20390 - No well sign or incorrect operator information in violation of Regulations section 1772.1.1, subdivision (a).

V. Required Remedial Actions

For the reasons described above in this order, the Supervisor hereby determines that remedial work is necessary to prevent damage to life, health, property, and natural resources. Therefore, pursuant to PRC sections 3013, 3106, 3222, 3224, and 3226, and Regulations sections 1714, 1722, 1773, 1775, and 1777, among others, **the Supervisor hereby orders Operator, Pioneer Exploration, LLC.:**

1. Within 30 days of the date of this order:

- a. At each well location ensure a clearly visible, legible, permanently affixed sign with the name of the operator, name or number of the lease, and number of the well is posted in a conspicuous place consistent with Regulations section 1722.1.1 for all wells associated with Pioneer Exploration, LLC.'s operations in the above referenced oil and gas fields. These signs shall be maintained consistent with the regulations until the wells are properly plugged and abandoned.
- b. Repair leaks in a manner consistent with Regulations section 1777 for all wells, tanks, and infrastructure associated with Pioneer Exploration, LLC.'s operations in the above reference oil and gas fields.
- c. Cover and drain all well cellars associated with Pioneer Exploration, LLC.'s operations in the above referenced oil and gas fields and continuously maintain cellars in a manner consistent with Regulations section 1777, subdivision (c)(3).

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- d. Ensure that vehicle access routes to all production facilities are maintained in a safe and passable condition consistent with Regulations section 1777, subdivision (f).
- e. All tanks associated with Pioneer Exploration LLC.'s operations in the above referenced oil and gas fields shall be properly identified with the operator's tank identification number, tank type (production, stock, water, etc.), and with appropriate materials hazard placards or labels consistent with Regulations section 1773.3, subdivision (a).
- f. Take pipeline located in the George S. Reid Unit, Rice Creek Gas Field, out-of-service consistent with Regulations section 1773.5.
- g. Submit a pipeline management plan for pipeline(s) associated with Pioneer Exploration LLC.'s operations in the above referenced oil and gas fields consistent with Regulations section 1774.2.
- h. Weeds and debris shall be removed from secondary containment areas or catch basins for all facilities associated with Pioneer Exploration, LLC.'s operations in the above referenced oil and gas fields, and the integrity of all berms shall be inspected monthly thereafter consistent with Regulations section 1777, subdivision (c)(2) which includes the removal of fluids, including rainwater, in a manner that complies with any applicable local, state, or federal storage, transport and/or disposal laws.
- i. All oilfield wastes, including but not limited to oil, water, chemicals, mud, and cement shall be disposed of in such a manner as not to cause damage to life, health, property, freshwater aquifers or surface waters, or natural resources, or be a menace to public safety consistent with Regulations section 1775, subdivision (a) and any other applicable local, state, or federal storage, transport and/or disposal laws.
- j. Unused equipment and scrap attendant to oilfield operations shall be removed from a production or injection operations area and/or stored in

such a manner as to not cause damage to life, health, or property, or become a public nuisance or a menace to public safety. Trash and other waste materials attendant to oilfield operations shall be removed and disposed of properly consistent with Regulations section 1775, subdivision (c).

2. Within 60 days of the date of this order:

- a. All leaking tanks associated with Pioneer Exploration, LLC.'s operations in the above referenced oil and gas fields shall be taken out of service consistent with Regulations section 1773.5 and designated as an out-of-service tank consistent with Regulations section 1773.3, subdivision (c).
- b. Comply with out-of-service requirements in a manner consistent with Regulations section 1773.5 for all facilities associated with Pioneer Exploration, LLC.'s operations in the above referenced oil and gas fields.
- c. All production facilities storing and/or processing fluids, except valves, headers, manifolds, pumps, compressors, wellheads, pipelines, flowlines and gather lines shall have secondary containment consistent with Regulations section 1773.1. Secondary containment shall be capable of containing the equivalent volume of liquids from the single piece of equipment with the largest gross capacity within the secondary containment for a minimum of 72 hours, all damage to secondary containment shall be repaired immediately, and secondary containment shall otherwise meet and be maintained in a manner that is in compliance with the regulatory requirements in Regulations section 1773.1.

3. Contact Colin Lawson, CalGEM Northern District at (916) 334-3665, no later than 60 days from the date of this order to schedule a follow-up inspection immediately following completion of the work.

VI. 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

1 with PRC section 3350. If this order is mailed to you, the Director must receive the appeal
2 within (15) days from the date the Supervisor mails the order. To file an appeal, a written
3 notice of appeal may be sent via U.S. mail to:

4 Department of Conservation
5 Director's Office of Appeals
6 801 K Street, MS 24-03 (Legal Office, Appeals Advisor)
7 Sacramento, California 95814-3530

8 Or via electronic mail:

9 CalGEMAppeals@conservation.ca.gov

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

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

19 If Operator submits a timely written notice of appeal, it, and interested parties, will
20 receive notice of the appeal hearing date, time, and place. Following the hearing, Operator,
21 and interested parties, will receive a written decision that affirms, sets aside, or modifies the
22 appealed order.

23 If the work is not immediately commenced and continued to completion within the
24 above referenced timelines for the work, the Supervisor may appoint necessary agents to
25 enter the premises and perform the work consistent with PRC section 3226. Any amount the
26 Supervisor expends will constitute a lien against Operator's real and/or personal property.
27 (PRC, § 3226.)

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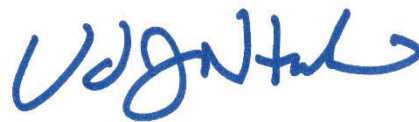
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1 **VII. Other Potential Actions to Enforce This Order**

2 Failure to comply with Section V (Operator's Required Actions) of this order could
3 subject Operator to further enforcement action. The Supervisor could deny approval of
4 proposed well operations until compliance is achieved, order the plugging and
5 abandonment of the associated well, and/or assess a civil penalty. (PRC, §§ 3203, subd. (c),
6 3236.5, 3237, subd. (a)(3)(C).)

7 PRC section 3236 makes it a misdemeanor for any person who violates, fails, neglects,
8 or refuses to comply with any of the provisions of the oil and gas conservation laws
9 commencing at PRC section 3000. The misdemeanor is punishable by a fine of not less than
10 one hundred dollars (\$100) nor more than one thousand dollars (\$1,000), or by imprisonment
11 not exceeding six months, or by both the fine and imprisonment for each separate offense.
12 PRC section 3359 makes it a misdemeanor to fail or neglect to comply with an order of the
13 Supervisor. Each day's further failure, refusal, or neglect is a separate and distinct offense.
14 (PRC, § 3359.)

15
16 DATED: April 10, 2020



Uduak-Joe Ntuk
State Oil and Gas Supervisor