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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 **EMERGENCY ORDER TO PERFORM REMEDIAL WORK**  
15 **AND DECOMMISSION FACILITIES**

16  
17 **NO. 1394**

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21 **Operator: Griffin Resources, LLC (G3583)**

1 **I. 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**), shall order remedial work as in his judgment is necessary to prevent  
6 damage to life, health, property, and natural resources. (PRC, § 3224)

7 Based on CalGEM's records, Griffin Resources, LLC (**Operator**) is or was an "operator"  
8 (as defined in PRC, § 3009) and is responsible for the tanks and associated production facilities  
9 comprising the "KCL Tank Setting" at the Fruitvale Oil Field (the **Facilities**), located at 5401  
10 Office Park Drive, Bakersfield, California. On April 24, 2024, CalGEM inspectors observed a  
11 significant quantity of oil on the ground in multiple areas at the Facilities, along with leaking  
12 tanks and multiple other violations. Inspectors noted the presence of dirt which had been  
13 added on top of the standing pools of oil, and a number of pipes dumping oil into an  
14 uncovered culvert with oil spilling and splashing onto the ground. The Facilities are located in  
15 an environmentally sensitive area (as defined in Regulations section 1760, subdivision (f)). The  
16 surrounding area is comprised of a residential development, parks, and commercial centers,  
17 and borders an active drainage canal.

18 The oil spills, standing oil, leaking tanks, and other violations at the Facilities, as well as  
19 Operator's lack of maintenance and adherence to safety and decommissioning requirements  
20 present an immediate danger to the surrounding area, threatening life, health, property, and  
21 natural resources. The Supervisor has determined that an emergency exists, and that  
22 emergency remedial work is necessary to prevent damage to life, health, property, and  
23 natural resources. Therefore, pursuant to PRC sections 3013, 3106, 3224, 3226, and 3270, and  
24 Regulations sections 1773.1, 1773.3, 1773.5, 1775, and 1777, among others, the Supervisor is  
25 ordering Operator to take immediate action.

26 **Attachment A**, incorporated herein, contains a list of definitions and authorities that are  
27 applicable to this order.

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1 **II. Factual and Procedural Summary**

2 On April 24, 2024, CalGEM inspectors arrived on site to witness a scheduled pipeline test.  
3 While on site, CalGEM performed an inspection of the Facilities, which are connected to the  
4 pipeline scheduled for testing. CalGEM inspectors observed a host of violations at the Facilities,  
5 including multiple oil spills, fire hazards, oil refuse, tanks lacking secondary containment, and a  
6 large quantity of standing crude oil on the ground. Two photographs taken by a CalGEM  
7 inspector on April 24, 2024 are included as **Attachment B**, depicting in both images standing oil  
8 on the ground and splash stains from spilled oil, as well as the application of dirt to cover oil on  
9 the ground (second image). CalGEM notified the California Governor's Office of Emergency  
10 Services (CalOES) about the site conditions.

11 On April 26, 2024, CalGEM inspected the Facilities again, and performed a drone  
12 survey. CalGEM confirmed and further documented multiple violations including: 1) Oil spills; 2)  
13 Fire hazards; 3) Oil refuse; 4) Leaking tanks with no or insufficient secondary containment.

14 **1) Oil spills**

15 CalGEM observed oil spills in five distinct areas of the ground at the Facilities.  
16 Approximately 2,900 square feet of ground area was impacted by spilled oil at the time of  
17 inspection. A diagram depicting the areas where spilled oil was observed is included herein as  
18 **Attachment C**. In many areas, fresh dirt had been applied over the top of oil spills. CalGEM  
19 also observed crude oil staining around the Facilities, suggesting ongoing leaks of long  
20 duration.

21 **2) Fire hazards**

22 CalGEM observed multiple fire hazards at the Facilities. The entire floor of a utility shed  
23 at the site was flooded with crude oil. This is depicted in the first image in **Attachment B**.  
24 CalGEM observed electrical lines running through pools of crude oil at the site. Pumps at the  
25 site, which may turn on automatically, also pose a significant and immediate risk of fire due to  
26 the presence of crude oil on the ground at the pump sites.

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1           **3) Oil refuse**

2           During the drone survey, CalGEM observed several chemical barrels with no secondary  
3 containment, and a large quantity of refuse at the site. Some of the chemical barrels also  
4 appear to be leaking. An image taken by drone is included herein as **Attachment D** depicting  
5 the barrels. During the inspection of the site, CalGEM observed additional chemical barrels  
6 and pails scattered throughout the Facilities, with no secondary containment, missing lids, and  
7 situated among discarded refuse. An image taken by CalGEM inspectors is also included in  
8 **Attachment D.**

9           **4) Leaking tanks with no or insufficient secondary containment**

10          During the inspection, CalGEM identified two tanks which contained produced water.  
11 CalGEM determined that the larger tank, identified as Tank ID 7226 in CalGEM's WellSTAR  
12 system, is at approximately 90% of its capacity, which is approximately 5,000 BBL (barrels).  
13 CalGEM used a FLIR camera to perform this inspection and estimate the water level in the  
14 tank. CalGEM also observed oil on the ground around the tank. At this tank, 7226, the  
15 secondary containment is insufficient. Berming is minimal, at less than six inches in some areas.  
16 CalGEM calculated that this equates to a secondary containment of approximately 750 BBL.  
17 Berming sufficient to contain the fluid currently present in the tank (over 4,000 BBL) would need  
18 to be at least three feet, four inches high. The failure of 7226 would likely result in the  
19 contamination of the Kern River, and the flooding of Truxton Avenue and Lake Truxton Park.

20          CalGEM determined that the second tank, identified as Tank ID 7224 in WellSTAR, is  
21 nearing 100% of its capacity. Secondary containment is entirely compromised at 7224. There is  
22 no capacity for containment due to the apparent removal of berming immediately adjacent  
23 to the tank's southern edge. CalGEM inspectors also observed a slow water leak in the piping  
24 to the tank. This tank also poses a significant risk to the Kern River, as well as Truxton Avenue  
25 and Lake Truxton Park.

26          The Facilities are located in an environmentally sensitive area, in close proximity to  
27 residential development, parks, commercial centers, and border an active drainage canal.  
28 The southern border of the Facilities is 48 feet from the canal, and the oil spill is 240 feet from

1 the canal. The two tanks with insufficient secondary containment, which are full of produced  
2 water, are located 239 and 319 feet from the canal. The northern border of the Facilities is 729  
3 feet from the Kern River.

4 **III. Alleged Acts and Omissions**

5 Based on CalGEM's records, at all times relevant to this Order, Operator was the  
6 "operator" of the Facilities as defined in PRC section 3009.

7 Operator has not maintained compliance with applicable requirements for operation  
8 of the Facilities. Operators are required to maintain production facilities in good condition, and  
9 in a manner to prevent leakage or corrosion and to safeguard life, health, property, and  
10 natural resources. (Regulations, § 1777(a)). CalGEM records reflect ongoing failure to address  
11 cited violations and a pattern of recurring or repeated violations. Operator's lack of  
12 maintenance and adherence to safety and decommissioning requirements poses a potential  
13 threat to life, health, property, and natural resources. The violations at issue are identified  
14 below.

15 **1. Leaking Facilities and Poor Facility Maintenance (Regulations, § 1777, subd. (a))**

16 CalGEM conducted inspections of the Facilities on April 24 and 26, 2024, and observed  
17 multiple oil spills, fire hazards, oil refuse, and leaking facilities. CalGEM identified over 2,900  
18 square feet of ground area impacted by oil spills and witnessed puddles of standing crude oil  
19 in multiple locations at the Facilities. Inspectors noted dirt applied on top of oil spills, crude oil  
20 staining from past leaks, and a litany of other issues. CalGEM also noted multiple fire hazards,  
21 including electrical lines running through puddles of crude oil and pumps surrounded by  
22 standing crude oil. Regulations section 1777, subdivision (a) requires operators to maintain  
23 production facilities in good condition and in a manner to prevent leakage or corrosion and  
24 to safeguard life, health, property, and natural resources. CalGEM's inspections indicate that  
25 Operator is not maintaining the Facilities in a good condition and is taking little to no action to  
26 prevent leakage or corrosion, or to safeguard life, health, property, or natural resources.

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1                   **2. Failure to Comply with Secondary Containment Requirements (Regulations, §**  
2                   **1773.1)**

3                   During its inspections, CalGEM observed two tanks filled with produced water both  
4 lacking adequate secondary containment. One tank, 7226, had insufficient secondary  
5 containment to contain more than a fraction of its fluid capacity. Another tank, 7224, had no  
6 secondary containment in place at all.

7                   Regulations section 1773.1, subdivision (a) mandates that "all production facilities  
8 storing and/or processing fluids...shall have secondary containment." Regulations section  
9 1773.1, subdivision (b) mandates that secondary containment "shall be capable of containing  
10 the equivalent volume of liquids from the single piece of equipment with the largest gross  
11 capacity within the secondary containment." Neither of Operator's in-service tanks at the  
12 Facilities contain sufficient secondary containment to comply with these requirements. In fact,  
13 CalGEM's records indicate that one of the tanks, 7224, previously had secondary containment  
14 in place which was removed; nonetheless, the tank is currently in service and near capacity  
15 with produced water.

16                   **3. Failure to Comply with Tank Maintenance and Inspection Requirements**  
17                   **(Regulations, § 1773.3)**

18                   Regulations section 1773.3, subdivision (b), requires operators to inspect in-service tanks  
19 at least once a month for leakage, corrosion, and other maintenance issues. Regulations  
20 section 1773.3, subdivision (c), requires operators to report leaking tanks to the CalGEM district  
21 office within 48 hours, to take the leaking tank out of service, and to designate it as an Out-of-  
22 Service tank.

23                   During its recent inspection, CalGEM observed both tanks in use, full of produced water,  
24 with evidence of ongoing leaks. CalGEM observed crude oil staining at the base of the tanks  
25 and throughout the Facilities, indicating past leaks, and the recent application of dirt over  
26 spilled oil next to tanks, indicating that Operator identified at least one leak at a tank and  
27 covered it with dirt. As of the date of this Order, CalGEM does not have any records from  
28 Operator reporting a leaking tank or indicating that either tank was taken out of service or

1 properly designated as an Out-of-Service tank.

2 **4. Failure to Properly Dispose of Oilfield Waste and Refuse (Regulations, § 1775)**

3 Regulations section 1775, subdivision (a), requires operators to dispose of oilfield wastes,  
4 including but not limited to oil, water, chemicals, mud, and cement, "in such a manner as not  
5 to cause damage to life, health, property, freshwater aquifers or surface waters, or natural  
6 resources, or be a menace to public safety." The spilled oil on the ground, crude oil staining,  
7 and dirt applied on top of spilled oil which CalGEM observed during its inspections indicate  
8 that Operator is not properly disposing of oilfield wastes at the Facilities. Regulations section  
9 1775, subdivision (a), also requires disposal sites for oilfield wastes to conform to State Water  
10 Resources Control Board and appropriate California Regional Water Quality Control Board  
11 regulations. Operator stated to CalGEM staff that covering spilled oil with dirt was its regular  
12 practice at the Facilities and questioned the existence of any violations stemming from spilled  
13 oil at the site following the recent application of dirt, indicating that Operator is not complying  
14 with State Water Resources Control Board and Regional Water Quality Control Board  
15 regulations for disposal of oilfield wastes.

16 Regulations section 1775, subdivision (c), requires unused equipment and scrap  
17 attendant to oilfield operations to be removed from the operations area or stored in a manner  
18 such as not to cause damage to life, health, or property, or become a public nuisance or  
19 menace to public safety, and for trash and other waste materials attendant to oilfield  
20 operations to be removed and disposed of properly. CalGEM observed a large quantity of  
21 unused equipment, scrap, and refuse at the Facilities, including chemical barrels and pails  
22 scattered throughout the site, indicating that Operator is not properly removing refuse and  
23 trash from the Facilities.

24 **IV. Operator's Required Actions (Emergency)**

25 Based on information, belief, and a review of the above referenced facts, and in  
26 accord with the legal authorities described in this Order, the Supervisor has determined that  
27 an emergency exists, and immediate action is necessary to protect life, health, property, and  
28 natural resources. Therefore, **IT IS HEREBY ORDERED**, pursuant to PRC sections 3013, 3106, 3224,

1 3226, and 3270, and Regulations sections 1773.1, 1773.3, 1773.5, 1775, and 1777, among others,  
2 that Operator shall perform the work and acts identified below:

- 3 **(1) Immediately take all measures to stop leaks of oil, produced water, and other fluids**  
4 **at the Facilities.**
- 5 **(2) Drain all production equipment at the Facilities and remove oil, produced water,**  
6 **and other fluids from the site.**
- 7 **(3) Remove tanks 7226 and 7224 from service and designate them as Out-of-Service**  
8 **tanks. Within six months of the date of this order, bring each tank into compliance**  
9 **with Out-of-Service tank requirements, in accordance with Regulations section**  
10 **1773.5.**
- 11 **(4) Remove the temporary "Baker" storage tank present at the Facilities from service,**  
12 **and remove it from the site.**
- 13 **(5) Disconnect all pumps and electrical cables in contact with crude oil.**
- 14 **(6) Remove and dispose of all oil refuse from the site, including barrels and chemicals in**  
15 **compliance with state, local, and federal regulations.**

16 Following the completion of Required Actions 2-3, do not reconnect the tanks to wells  
17 or production facilities or otherwise remove the tanks from Out-of-Service status without written  
18 approval from CalGEM. For any questions about the Required Actions and to verify  
19 performance thereof, please contact Cameron Campbell in CalGEM's Central District via  
20 electronic mail: [Cameron.Campbell@conservation.ca.gov](mailto:Cameron.Campbell@conservation.ca.gov).

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

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

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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:

6 [CalGEMAppeals@conservation.ca.gov](mailto:CalGEMAppeals@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 the order is affirmed following Operator's appeal, CalGEM may contract for  
11 performance of the work, pursuant to PRC section 3226, if, within 30 days of this order,  
12 Operator has not, in good faith, commenced the work ordered. Any costs incurred by  
13 CalGEM to obtain compliance with this order, which may include penalties and interest, any  
14 civil penalties imposed will constitute a state tax lien against Operator's real or personal  
15 property per PRC section 3423. (PRC, § 3356).

16 An appeal of this order will not operate as a stay of any remedial actions which are  
17 issued pursuant to the Supervisor's emergency order authority according to PRC section 3226.  
18 (PRC, § 3350, subd. (b)(1).) Therefore, **Operator must immediately perform the emergency**  
19 **work described herein.** If the work is not immediately commenced and continued to  
20 completion, the Supervisor may appoint necessary agents to enter the premises and perform  
21 the work. Any costs incurred by CalGEM to obtain compliance with this order will constitute a  
22 lien against Operator's real or personal property per PRC section 3423. (PRC, § 3356.) If  
23 Operator believes it will be irretrievably injured by performing the work required by this Order  
24 pending the appeal's outcome, Operator may seek an order from the appropriate Superior  
25 Court restraining CalGEM from enforcing the Order pending the outcome of the appeal.  
26 (PRC, § 3350, subd. (b)(4).)

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

2 Failure to comply with Section IV (Operator's Required Actions) of this order could  
3 subject Operator to further enforcement action. If an operator fails to comply with an order of  
4 the Supervisor, the Supervisor may deny approval of proposed well operations until the  
5 operator complies with the order, consistent with PRC section 3203, subdivision (c). The  
6 Supervisor may in the future impose civil penalties based on the facts and omissions underlying  
7 this order per PRC sections 3236.2 or 3236.5 which authorize the Supervisor to impose a civil  
8 penalty on a person who violates any provision in Chapter 1 of Division 3 of the PRC or any  
9 regulation that implements those statutes. The Supervisor may also apply to a superior court for  
10 an order directing compliance with this order pursuant to PRC section 3236.3.

11 PRC section 3236 makes it a misdemeanor for any person who violates, fails, neglects,  
12 or refuses to comply with any of the provisions of the oil and gas conservation laws  
13 commencing at PRC section 3000. PRC section 3359 makes it a misdemeanor to fail or neglect  
14 to comply with an order of the Supervisor and each day's further failure, refusal, or neglect to  
15 comply with the order is a separate and distinct offense.

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19 DATED: 5/10/2024

*Douglas ITO*  
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Doug Ito  
State Oil and Gas Supervisor