

Department of Conservation, Geologic Energy Management Division  
Doug Ito  
STATE OIL AND GAS SUPERVISOR  
715 P Street, MS 19-06 (Legal Office)  
Sacramento, California 95814  
Telephone (916) 323-6733

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

ORDER TO PAY A CIVIL PENALTY AND PERFORM REMEDIAL WORK  
NO. 1454

Operator: Vesta Oil and Gas, LLC (11111)  
Field Name: Lindsey Slough Gas  
County: Solano

## 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, Vesta Oil and Gas, LLC (**Operator**) is the "operator" (as defined in PRC, § 3009) and is responsible for the Production Facility identified on **Attachment A**, incorporated herein (the "**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 requiring remedial work and for which the Supervisor has determined imposition of a civil penalty is appropriate. Therefore, pursuant to PRC sections 3106, 3224, 3226, 3236.5, and 3270 and Regulations sections 1775, the Supervisor is ordering Operator to (1) perform remedial work to bring the Facility into compliance and (2) 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 July 29, 2024, CalGEM conducted an inspection of the Facility where the violation described below was observed and documented on the Lindsey Slough Gas Field. (**Attachment C** incorporated herein.)

CalGEM records reflect Operator has not maintained compliance with applicable requirements for operation of 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.

**A. Failure to maintain tank in good condition and in a manner to prevent leakage or corrosion (Regulations, § 1777, subd. (a)) and failure to remove unused equipment (Regulations, § 1775, 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).) Any production facility that is incapable of containing fluid safely is considered "out-of-service." (Regulations, § 1760, subd. (s).) Within six months of a determination that a production facility is out-of-service, an operator is required to comply with the requirements of Regulations section 1773.5, including removing fluids, sludge, hydrocarbons, and solids removed and must be disconnected from any pipelines; be properly degassed; clean outdoors or hatches removed; and labeled out-of-service. Operators are further required to remove unused equipment and scrap attendant to oilfield operations 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. (Regulations, § 1775, subd. (c).) Trash and other waste materials attendant to oilfield operations shall be removed and disposed of properly. (Regulations, § 1775, subd. (c).)

During the inspection(s), CalGEM observed the following at "0 Tank" (Facility ID 18823): (1) The walls of "0 Tank" corroded away and incapable of containing fluid safely; (2) "0 Tank" connected to a pipeline and not designated as an out-of-service tank; and (3) "0 Tank" in such a condition that it cannot be repaired, and is now unused equipment that is not being stored safely. (**Attachments D and E**, incorporated herein.) Based upon the condition of "0 Tank" it has been more than six months since the tank should have been designated as out-of-service, in violation of Regulations section 1773.5. "0-Tank" is clearly unused and because the tank was not properly taken out-of-service it not being stored in a manner to not cause damage, in violation of Regulations section 1775, subd. (c).) Wildlife may enter "0 Tank" and it is unclear if any fluids were removed from the tank. For purposes of this Order, CalGEM is considering this one violation for failure to remove unused equipment. As of the date of this Order, CalGEM

has no records demonstrating this violation has been corrected.

### 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 five hundred dollars (\$500.00) for the one violation.

Description of Violation	Number of Violations	Total Civil Penalty per Violation
<u>Failure to remove unused equipment</u> <u>(Regulations, § 1775, subd. (c))</u>	1	\$500.00
	<b>Total Civil Penalty:</b>	\$500.00

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)), and the eight factors identified in PRC section 3236.5, subdivision (a).

#### B. Remedial Work

Pursuant to PRC section 3224, the Supervisor hereby orders Operator to complete remedial work to come into compliance with Regulations sections 1775, as outlined below in Operator's Required Actions.

### IV. Operator's Required Actions

For the reasons stated herein, pursuant to PRC sections 3013, 3106, 3224, and 3236.5, and Regulations section 1773.1, **IT IS HEREBY ORDERED** that Operator:

- 1) Pay an administrative civil penalty of five hundred dollars (\$500.00); and
- 2) In accordance with PRC section 3224 and Regulations section 1775, Operator is required to remove "O Tank" and dispose of it properly.

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.

Upon performing the required remedial work, please send an email to contact  
 CalGEM's Northern District via email at [calgemnorthern@conservation.ca.gov](mailto:calgemnorthern@conservation.ca.gov).

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

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

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

Or via electronic mail to:

[OfficeofAppeals@conservation.ca.gov](mailto:OfficeofAppeals@conservation.ca.gov)

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

1 If Operator does not file a timely written notice of appeal, or if the Order is affirmed  
2 following an appeal, this Order will become a final order and CalGEM may contract for  
3 performance of the work, pursuant to PRC section 3226, if, within 30 days of this Order,  
4 Operator has not, in good faith, commenced the work ordered. Any costs incurred by  
5 CalGEM to obtain compliance with this Order (which may include penalties and interest) will  
6 constitute a lien against Operator's real or personal property per PRC section 3423. (PRC, §  
7 3356.)

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

9 Failure to comply with Section IV (Operator's Required Actions) of this Order could  
10 subject Operator to further enforcement action. PRC section 3236 makes it a misdemeanor for  
11 any person who violates, fails, neglects, or refuses to comply with any of the provisions of the  
12 oil and gas conservation laws commencing at PRC section 3000. PRC sections 3236.2 and  
13 3236.3 authorize the Supervisor to seek for civil penalties and injunctive relief for failure to  
14 comply with an order or for violations of any provision in Chapter 1 of Division 3 of the PRC or  
15 any regulation that implements those statutes. PRC section 3236.5 authorizes the Supervisor to  
16 impose a civil penalty on a person who violates any provision in Chapter 1 of Division 3 of the  
17 PRC or any regulation that implements those statutes, and the Supervisor may in the future  
18 impose further civil penalties based on the facts and omissions underlying this order. PRC  
19 section 3237 authorizes the Supervisor to order the plugging and abandonment of a well or  
20 the decommissioning of a production facility if an operator has failed to comply with an order  
21 of the Supervisor within the time provided by the order or has failed to challenge the order on  
22 a timely basis. PRC section 3359 makes it a misdemeanor to fail or neglect to comply with an  
23 order of the Supervisor. Each day's further failure, refusal, or neglect is a separate and distinct  
24 offense. (PRC, § 3359.) By issuance of this Order, the Supervisor does not waive the right to take  
25 further enforcement actions.  
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DATED: 10/17/2024

Doug Ito  
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State Oil and Gas Supervisor