

Department of Conservation, Geologic Energy Management Division
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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. 1464

Operator: Plegel Oil Company, Inc. (P3920)

Field Name: Richfield

County: Orange

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, Plegel Oil Company, Inc. (**Operator**) is the "operator" (as defined in PRC, § 3009) and is responsible for the Wells and associated Production Facilities identified on **Attachment A**, incorporated herein (the "**Wells**" and "**Facilities**"). As described in more detail below, Operator has not maintained compliance with applicable requirements for operation of the Wells and the Facilities. Operator's failure to comply with the Regulations poses a potential threat to life, health, property, and natural resources and constitute violations requiring remedial work 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 section 1777, the Supervisor is ordering Operator to (1) perform remedial work to bring the Well into compliance and (2) pay an administrative civil penalty for the violations.

Attachment B, incorporated herein, contains a list of definitions and authorities that are applicable to this Order.

II. Alleged Acts and Omissions

Based on CalGEM's records, at all times relevant to this Order, Operator was the operator, as defined in PRC section 3009, of the Wells and Facilities. On or about July 18, 2024, CalGEM conducted an inspection of the Wells and Facilities where the violations described below were observed and documented on the Richfield Field. (**Attachment C**, incorporated herein.)

CalGEM records reflect Operator has not maintained compliance with applicable requirements for operation of the Wells and the Facilities. Operator's lack of adherence to the

Regulations poses a potential threat to life, health, property, and natural resources. The violations at issue are identified below.

A. Failure to maintain productions facilities in good condition and in a manner to prevent leakage or corrosion (Regulations, § 1777, subd. (a).)

Operators are required to maintain production facilities in good condition and in a manner to prevent leakage or corrosion and to safeguard life, health, property, and natural resources and conduct operations in accordance with good oilfield practices. (Regulations, § 1777, subd. (a).)

During the inspection(s), CalGEM observed the following wellheads not being maintained in a good condition and in a manner to prevent leakage or corrosion, in violation of the Regulations, section 1777, subdivision (a):

API	Well Designation
0405906502	Joe J. 1
0405906099	Blattner 3
0405906092	Aha 4
0405906093	Aha 5
0405906090	Aha 2
0405906098	Blattner 2

As of the date of this Order, CalGEM does not have any records from Operator demonstrating that the violations were corrected.

B. Failure to Keep Well Cellar Drained (Regulations, § 1777, (c)(3).)

The well cellar is an excavated area around the wellhead that provides space for equipment at the top of the wellbore. Operators are required to keep well cellars drained. (Regulations, § 1777, subd. (c)(3).)

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

API	Well Designation
0405906100	Blattner 4
0405906504	Joe J. 3
0405906505	Joe J. 4
0405906099	Blattner 3
0405906097	Blattner 1
0405906098	Blattner 2
0405905694	Blattner 5
0405906093	Aha 5
0405906091	Aha 3
0405906092	Aha 4
0405906503	Joe J. 2

As of the date of this Order, CalGEM does not have any records from Operator demonstrating that the violations were 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 seven thousand eight hundred dollars (\$7,800.00.) for the 17 violations.

Violation Description	Number of Violations	Associated Civil Penalty per Violation	Civil Penalty Totals
Regulations, section 1777, subdivision (a): Failure to maintain production facilities in good condition and in a manner to prevent leakage or corrosion	6	\$750.00	\$4,500.00
Regulations, section 1777, subd. (c)(3): Failure to keep well cellar drained	11	\$300.00	\$3,300.00
		Total Civil Penalty:	\$7,800.00

For purposes of this Order, the Supervisor considered relevant circumstances when establishing the amount of the administrative civil penalty, including: characterizing the violations as "minor" (as defined in PRC section 3236.5, subdivision (b)), the eight factors identified in PRC section 3236.5, subdivision (a), and the following aggravating factors: the Wells are located in an urban area, as defined by Regulations section 1760, subdivision (y), are inside a health protection zone, as defined by Regulations section 1765.1, subdivision (b), are environmentally sensitive, as defined by Regulations section 1760, (f), and the Wells are critical wells, as defined by Regulations section 1720.

B. Remedial Work

Pursuant to PRC section 3224, the Supervisor hereby orders Operator to complete remedial work to come into compliance with Regulations section 1777, 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 sections 1773.1, and 1777, **IT IS HEREBY ORDERED** that Operator:

- 1) Pay an administrative civil penalty of seven thousand eight hundred dollars (\$7,800.00.); and
- 2) In accordance with PRC section 3224 and Regulations sections 1777 Operator is required to:
 - a. Repair the wellheads at the following Wells in a manner to prevent leakage or corrosion:

API	Well Designation
0405906502	Joe J. 1
0405906099	Blattner 3
0405906092	Aha 4
0405906093	Aha 5
0405906090	Aha 2

0405906098	Blattner 2
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b. Drain the well cellars, at the following Wells:

API	Well Designation
0405906100	Blattner 4
0405906504	Joe J. 3
0405906505	Joe J. 4
0405906099	Blattner 3
0405906097	Blattner 1
0405906098	Blattner 2
0405905694	Blattner 5
0405906093	Aha 5
0405906091	Aha 3
0405906092	Aha 4
0405906503	Joe J. 2

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

1 Please include the Operator name, Order number, and phrase "Oil and Gas
2 Environmental Remediation Account" on the check itself.

3 Upon performing the required remedial work, please contact Renee Weigand at
4 CalGEM's Southern District via email at renee.weigand@conservation.ca.gov.

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

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

11 Department of Conservation
12 Director's Office of Appeals
13 715 P Street, MS 19-06 (Legal Office, Chief Counsel)
14 Sacramento, California 95814

15
16 Or via electronic mail to:

17 OfficeofAppeals@conservation.ca.gov
18

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

22 If Operator does not file a timely written notice of appeal, or if the Order is affirmed
23 following an appeal, this Order will become a final order and CalGEM may contract for
24 performance of the work, pursuant to PRC section 3226, if, within 30 days of this Order,
25 Operator has not, in good faith, commenced the work ordered. Any costs incurred by
26 CalGEM to obtain compliance with this Order (which may include penalties and interest) will
27 constitute a lien against Operator's real or personal property per PRC section 3423. (PRC, §
28 3356.)

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

19
20
21 DATED: 11/21/2024

Doug Ito

Doug Ito
State Oil and Gas Supervisor