

1 Department of Conservation, Geologic Energy Management Division
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8 **STATE OF CALIFORNIA**
9 **NATURAL RESOURCES AGENCY**
10 **DEPARTMENT OF CONSERVATION**
11 **GEOLOGIC ENERGY MANAGEMENT DIVISION**
12 **ORDER TO PAY A CIVIL PENALTY AND PERFORM REMEDIAL WORK**
13 **NO. 1474**
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16 **Operator: Alexander Oil Co. (A1000)**

17 **Field Name: Huntington Beach**

18 **County: Orange**
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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, Alexander Oil Co. (**Operator**) is the "operator" (as defined in PRC, § 3009) and is responsible for the Well and Production Facilities identified on **Attachment A**, incorporated herein ("**Facility**"). As described in more detail below, Operator has not maintained compliance with applicable requirements for operation of the Facility. Operator's failure to comply with the Regulations poses a potential threat to life, health, property, and natural resources and constitute a violation for which the Supervisor has determined imposition of a civil penalty is appropriate. Therefore, pursuant to PRC sections 3106, 3224, 3225, 3226, 3236.5, and 3270 and Regulations section 1777, the Supervisor is ordering Operator to 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 Facility. On or about September 30, 2024, CalGEM conducted an inspection of the Facility where the violations described below were observed and documented on the Huntington Beach 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 remove weeds and/or debris from secondary containment (Regulations § 1777, subd. (c)(2).)

In the event of a spill, secondary containment protects the surrounding area from contamination. Required maintenance of production facilities includes removal of weeds and debris from secondary containment areas. (Regulations, § 1777, subd. (c)(2).) Weeds and debris can: (1) obstruct view of the secondary containment, which can make detection of compromised secondary containment difficult; (2) present a fire hazard; and (3) can compromise containment integrity and capacity.

During the inspection(s), CalGEM observed weeds in the secondary containment, in violation of Regulations, section 1777, subdivision (c)(2), at the following production facilities:

Facility ID	Facility Name	Facility Type
19555	Southwestern Clarifier	Clarifier
19556	Southeastern Clarifier	Clarifier
19557	Eastern Middle Clarifier	Clarifier
19558	Northern Clarifier	Clarifier
8540	West Stock Tank #2	Tank
8541	Wash Tank #1	Tank

The violation was remediated by Operator on or around October 29, 2024.

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 fluids in the well cellar, in violation of Regulations, section 1777, subd. (c)(3), at the following Well:

API	Well Designation
0405901602	Harvey 1

As of the date of this Order, CalGEM does not have any records from Operator demonstrating that the violation has been corrected.

I. 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 four hundred dollars (\$400.00.) for the 2 violations.

Violation Description	Number of Violations	Associated Civil Penalty per Violation	Civil Penalty Totals
Failure to remove weeds and/or debris from secondary containment (Regulations, § 1777, subd. and (c)(2))	1	\$600.00	\$600.00
Failure to Keep Well Cellar Drained (Regulations, § 1777, (c)(3).)	1	\$400.00	\$400.00
		Total Civil Penalty:	\$1,000.00

For purposes of this Order, the Supervisor considered relevant circumstances when establishing the amount of the administrative civil penalty, including: characterizing the violations as "minor" (as defined in PRC section 3236.5, subdivision (b)), the eight factors identified in PRC section 3236.5, subdivision (a). The aggravating factor of the well and facilities being located in an environmentally sensitive area. The mitigating factor of the weed violation being resolved.

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.

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III. Operator's Required Actions

For the reasons stated herein, pursuant to PRC sections 3013, 3106, 3224, 3225, and 3236.5, and Regulations sections 1777, **IT IS HEREBY ORDERED** that Operator:

- 1) Pay an administrative civil penalty of one thousand dollars (\$1,000.00); and
- 2) In accordance with PRC section 3224 and Regulations section 1777, Operator is required to drain the well cellar at the following well:

API	Well Designation
0405901602	Harvey 1

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 contact Renee Weigand at CalGEM's Southern District via email at renee.weigand@conservation.ca.gov.

IV. Operator's Appeal Rights

Operator may appeal this Order by filing a timely written notice of appeal with the Director as described in Article 6 (Appeals and Review) of Division 3 of the PRC, commencing with PRC section 3350. (PRC, §§ 3225, subd. (d).) If this Order is mailed to you, the Director must

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

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

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

14 If Operator does not file a timely written notice of appeal, or if the Order is affirmed
15 following an appeal, this Order will become a final order and CalGEM may contract for
16 performance of the work, pursuant to PRC section 3226, if, within 30 days of this Order,
17 Operator has not, in good faith, commenced the work ordered. Any costs incurred by
18 CalGEM to obtain compliance with this Order (which may include penalties and interest) will
19 constitute a lien against Operator's real or personal property per PRC section 3423. (PRC, §
20 3356.)

21 **V. Other Potential Actions to Enforce This Order**

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

impose a civil penalty on a person who violates any provision in Chapter 1 of Division 3 of the PRC or any regulation that implements those statutes, and the Supervisor may in the future impose further civil penalties based on the facts and omissions underlying this order. PRC section 3237 authorizes the Supervisor to order the plugging and abandonment of a well or the decommissioning of a production facility if an operator has failed to comply with an order of the Supervisor within the time provided by the order or has failed to challenge the order on a timely basis. PRC section 3359 makes it a misdemeanor to fail or neglect to comply with an order of the Supervisor. Each day's further failure, refusal, or neglect is a separate and distinct offense. (PRC, § 3359.) By issuance of this Order, the Supervisor does not waive the right to take further enforcement actions.

DATED: 1/9/2025

Doug Ito
Doug Ito
State Oil and Gas Supervisor