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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, Renaissance Petroleum, LLC (**Operator**) is the "operator" (as defined in PRC section 3009) of "injection well" (as defined in Regulations section 1720.1, subdivision (f)) "Vivian Rosenmund 4" (API 0411121934) (**the Well**). As described in more detail below, under applicable provisions of Regulations sections 1724.10 and 1724.10.1, to maintain uninterrupted approval for injection activity, Operator was required to complete Mechanical Integrity Testing (MIT) Part One on the Well by May 18, 2022, and failed to timely do so. As a result, Operator automatically lost approval to continue injection operations. (Regulations, § 1724.10, subd. (i)(4).) Following May 18, 2022, Operator was therefore required to cease injection into the Well, immediately notify CalGEM that it had not performed MIT Part One on the Well, and disconnect the injection lines from the Well, and failed to do so in violation of Regulations sections 1724.6, 1724.10, 1724.10.1, 1724.13, and 1777.

Therefore, pursuant to PRC sections 3013, 3106, 3224, and 3236.5, and Regulations sections 1724.6, 1724.10, 1724.10.1, 1724.13, and 1777, the Supervisor is ordering Operator to within thirty (30) days of this Order pay civil penalties totaling eighteen thousand six hundred dollars (\$18,600.00) imposed for violations of Regulations sections 1724.6, 1724.10, 1724.10.1, 1723.13, and 1777.

Attachment A contains a list of definitions and authorities that are applicable to this Order.

II. Alleged Acts/Omissions

To maintain uninterrupted injection approval for injection wells that as of April 1, 2019, were approved for injection and were also subject to periodic casing pressure testing

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requirements, MIT Part One was required to be successfully completed on each such injection well every five (5) years. (Regulations, §§ 1724.10, subd. (i)(4), 1724.10.1, subd. (e).) In performing the testing, Operators must notify CalGEM at least 48 hours in advance and provide the digital copies of surveys and test results within sixty (60) days. (Regulations, § 1724.10, subd. (i)(1)-(2).) An operator must cease injection into an injection well and immediately notify CalGEM if, among other reasons, MIT Part One has not been timely performed or the results of such testing have not been provided as required. (Regulations, §§ 1724.6, subd. (e), 1724. 10, subd. (i)(4), 1724.10.1, subd. (a), 1724.13, subd. (a)(1).) Further, operators must disconnect injection lines from the injection well if there is no current injection approval from CalGEM. (Regulations, §§ 1724.13, subd. (c), 1777, subd. (c)(4).) Each day an operator injects into an injection well without approval constitutes a separate violation. (Regulations, § 1724.13, subd. (c).)

CalGEM's records indicate that the Well was subject to periodic casing pressure testing requirements as of April 1, 2019, and that Operator had successfully performed a standard annular pressure test on the Well on May 18, 2017. As required by the associated project approval letter, to maintain injection approval, Operator was required to perform a successful MIT Part One on the Well by May 18, 2022, which was five (5) years from the date of the last test, and failed to do so. As a result, Operator automatically lost approval for injection into the Well at that time. Following this automatic loss of injection approval, Operator was required to cease injection into the Well, immediately notify CalGEM of its failure to timely perform a successful MIT Part One, and disconnect the Well from any injection lines.

Based on Operator's self-reported injection activity, Operator continued injection into the Well until October 2024 following the loss of injection approval. In addition, on June 7, 2024, CalGEM staff conducted an inspection of the Well and observed the injection lines to be connected and capable of allowing injection. (See **Attachment B**, incorporated herein.) CalGEM is exercising its discretion to limit the scope of this Order to unauthorized injection which occurred after April 1, 2024, which amounts to ninety-two (92) days of injection without approval based on Operator's injection reports.

 Following the loss of injection approval for the Well, Operator also failed to notify CalGEM of ceasing injection into the Well, having not timely performed a successful MIT Part One, a well status change, and failed to demonstrate that injection lines had been disconnected from the Well. On October 31, 2024, CalGEM sent a Notice of Violation alerting Operator that it was in violation of MIT Part One requirements. (Attachment C, incorporated herein.) On November 6, 2024, CalGEM staff witnessed a successful MIT Part One performed on the Well, and on November 20, 2024, CalGEM approved Operator to re-connect the injection lines and resume injection into the Well.

III. Civil Penalties

Based on the foregoing Alleged Acts and Omissions and pursuant to PRC section 3236.5, by this Order the Supervisor imposes on Operator administrative civil penalties totaling eighteen thousand six hundred dollars (\$18,600.00) as follows:

Violation Description	Number of Violations	Total Civil Penalty per violation
Injection into a well without injection approval (collectively, Regulations, §§ 1724.6, subd. (e), 1724.10, subd. (i)(4), 1724.10.1, subd. (a) & (e), 1724.13, subd. (a)(1))	92	\$200.00
Failure to disconnect injection lines from a well without injection approval (collectively, Regulations, §§ 1724.13, subd. (c), 1777, subd. (c)(4))	1	\$200.00
	Total Civil Penalties:	\$18,600.00

For purposes of this Order, the Supervisor considered relevant circumstances when establishing the amount of the administrative civil penalties, 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 extended and ongoing period of noncompliance as well as the mandated regulatory assessment of daily penalties for unauthorized

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injection pursuant to Regulations section 1724.13, subsection (c).

Nothing in this Order is intended or shall be construed to limit or preclude CalGEM from taking any action authorized by law, including imposing additional civil penalties for unauthorized injection into the Well that occurred on or before April 1, 2024.

IV. Operator's Required Actions

For the reasons stated herein, pursuant to the PRC sections 3013, 3106, 3224, and 3236.5, and Regulations sections 1724.6, 1724.10, 1724.10.1, 1724.13, and 1777, **IT IS HEREBY ORDERED** that Operator pay civil penalties in the amount of eighteen thousand six hundred dollars (\$18,600.00).

Operator is required to pay the civil penalties amount within **thirty (30) days** from the date this Order is issued. Daily violations and penalties may continue to accrue if these requirements are not addressed to CalGEM's satisfaction.

To remit payment of the civil penalties 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. When filling out the "order number" field, please type the order number followed by the letter "O."

To remit payment of the civil penalties 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 18-03

Sacramento, California 95814

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

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Please contact Amir Mohseni Moghaddam via email at

<u>Amir.MohseniMoghaddam@conservation.ca.gov</u> with any questions concerning the violations.

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 the 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

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.

VI. Other Potential Actions to Enforce This Order

Failure to comply with Section IV (Operator's Required Actions) of this Order could subject Operator to further enforcement action. PRC section 3236 makes it a misdemeanor for any person who violates, fails, neglects, or refuses to comply with any of the provisions of the oil and gas conservation laws commencing at PRC section 3000. 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

1	order on a timely basis. PRC section 3359 makes it a misdemeanor to fail or neglect to compl			
2	with an order of the Supervisor. Each day's further failure, refusal, or neglect is a separate and			
3	distinct offense. (PRC, § 3359.)			
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6	DATED: _	3/7/2025	Doug Ito	
7			Doug Ito State Oil and Gas Supervisor	
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