1	Department of Conservation, Geologic Energy Management Division
2	Doug Ito STATE OIL AND GAS SUPERVISOR
3	715 P Street, MS 19-06 (Legal Office) Sacramento, California 95814
4	Telephone (916) 323-6733
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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	ORDER TO PAY A CIVIL PENALTY AND PERFORM REMEDIAL WORK
15	NO. 1508
16	
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18	Operator: Columbine Associates (C7075)
19	Field Name: Esperanza
20	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.)

8 Based on CalGEM's records, Columbine Associates (**Operator**) is the "operator" (as 9 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 10 11 more detail below, Operator has not maintained compliance with applicable requirements for 12 operation of the Wells and the Facilities. Operator's failure to comply with the Regulations 13 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 14 15 civil penalty is appropriate. Therefore, pursuant to PRC sections 3106, 3224, 3225, 3226, 3236.5, 16 and 3270 and Regulations section 1777, the Supervisor is ordering Operator to (1) perform 17 remedial work to bring the Wells and Facilities into compliance and (2) pay an administrative 18 civil penalty for the violations.

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

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# II. <u>Alleged Acts and Omissions</u>

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 October 22,
2024, CalGEM conducted an inspection of the Wells and Facilities where the violations
described below were observed and documented in the Esperanza Field. (Attachment C,
incorporated herein.)

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

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

# A. <u>Failure to maintain production facilities in good condition and in a manner to prevent</u> <u>leakage or corrosion. (Regulations, § 1777, subd. (a).)</u>

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).) Production facilities include wellheads. (PRC, § 3010; Regulations, § 1760,
subd. (r).)

During the inspection, CalGEM observed the following wellhead 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):

ΑΡΙ	Well Designation
0405905537	Dometal 4

(Attachment D, incorporated herein.)

As of the date of this Order, CalGEM does not have any records from Operator

demonstrating that the violation has been corrected.

# B. 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, CalGEM observed weeds and/or debris on or in the secondary
containment, in violation of Regulations, section 1777, subdivision (c)(2), at the following
production facilities:

1		Facility Setting ID	Facility Setting Name	District	Facility (Component)	Facility (Component)	Facility (Component)	
2					ID	Name	Туре	
3 4		90295542	Domental Lease Tank Setting	Southern	13268	Wash Tank	Tank	
5			I	<u> </u>				
6		(Attachment E, incorporated herein.)						
7								
8		As of the date of this Order, CalGEM does not have any records from Operator						
9	de	monstrating	that the violatic	n has beer	n corrected.			
10	C. Failure to Keep Well Cellar Drained. (Regulations, § 1777, subd. (c)(3).)							
11		The wel	l cellar is an exco	avated are	a around the we	ellhead that provid	es space for	
12	eq	uipment at	the top of the w	ellbore. Op	erators are requi	ired to keep well c	ellars drained.	
13	(Re	egulations, §	} 1777, subd. (c)(	3).)				
14		During 1	the inspection, C	alGEM obs	erved fluids in th	e well cellar, in vio	lation of	
15	Re	gulations, se	ection 1777, subc	d. (c)(3), at	the following We	ells:		
16								
17				ΑΡΙ	Well Design	nation		
18	0405905537 Dometal 4							
19			04	405921114	Dometo	al 7		
20			04	405920931	Dometo	al 6		
21			04	405905535	Dometo	al 2		
22								
23	(Attachments F, G, H, and I incorporated herein.)							
24								
25	As of the date of this Order, CalGEM does not have any records from Operator							
26	de	monstrating	that the violatic	ons were co	rrected.			
27	///	,						
28	///	,						
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	Orc	der to Pay a Ci	vil Penalty and Perfc	orm Remedial				
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### III. <u>Civil Penalty/Remedial Work</u>

# A. <u>Civil Penalty</u>

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Based on the foregoing Alleged Acts and Omissions and pursuant to PRC section

4 3236.5, by this Order the Supervisor imposes on Operator an administrative civil penalty

5 totaling two thousand three hundred fifty dollars (\$2,350.00) for the six violations.

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7	Violation Description	Number of Violations	Associated Civil Penalty per Violation	Civil Penalty Totals	
8	Failure to Maintain Production Facilities in Good Condition and in a Manner to Prevent				
9	Leakage or Corrosion; Leaking Wellheads				
10	(Regulations, § 1777, subd. (a).)	1	\$550.00	\$550.00	
11	Well 0405905537				
12	Failure to remove weeds and/or debris from				
13	secondary containment (Regulations, § 1777, subd. and (c)(2).)	1	\$600.00	\$600.00	
14	Facility ID 13268	·	<i>\\</i>	<i>4000.00</i>	
15	Failure to Keep Well Cellar Drained				
16	(Regulations, § 1777, subd. (c)(3).)				
17	Well 0405905537	4	\$300	\$1,200.00	
18	Well 0405921114 Well 0405920931		<i><b>4000</b></i>	φ <i>1,200.00</i>	
19	Well 0405905535				
20			Total Civil Penalty:	\$2,350.00	
21	L		i chidhy.		
22	For purposes of this Order, the Supervisor consid	ered relevant	circumstances w	hen establishing	
23	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

25 section 3236.5, subdivision (a), and the following: the tank is environmentally sensitive, as

26 defined by Regulations section 1760, subdivision (f), and the Wells are a critical well, as defined

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27 by Regulations section 1720, subdivision (a).

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1	B. <u>Remedial Work</u>					
2	Pursuant to PRC section 3224, the Supervisor hereby orders Operator to complete					
3	remedial work to come into compliance with Regulations section 1777, as outlined below in					
4	Operator's Required Actions.					
5	IV. Operator's Required Actions					
6	For the reasons stated herein, pursuant to PRC sections 3013, 3106, 3224, 3225, and					
7	3236.5, and Regulations section 1777, IT IS HEREBY ORDERED that within 30 days, Operator:					
8	1) Pay an administrative civil penalty of two thousand three hundred fifty dollars					
9	(\$2,350.00); and					
10	To remit payment of the civil penalty online, please visit					
11	https://www.govone.com/PAYCAL/Home/SelectAgency and select "California Department					
12	of Conservation Geologic Energy Management Division," then follow the instructions on the					
13	screen.					
14	To remit payment of the civil penalty by mail, please send a check payable to					
15	"Department of Conservation" to the following address:					
16	Department of Conservation					
17	CalGEM, Attn: Operational Management Unit					
18	715 P Street, MS 1803					
19	Sacramento, California 95814					
20	Please include the Operator name, Order number, and phrase "Oil and Gas					
21	Environmental Remediation Account" on the check itself.					
22	2) In accordance with PRC section 3224 and Regulations section 1777 Operator is					
23	required to:					
24	a. Remove weeds, vegetation and debris from the secondary containment					
25	at the following production facilities:					
26	///					
27	///					
28	///					
	6					
	Order to Pay a Civil Penalty and Perform Remedial Work No. 1508					

Facility Setting ID	Facility Setting	g Name	District	Facility (Component) ID	(Cor	acility mponent) Name	Facility (Component) Type	
90295542	Domental Lec Setting		Southern	13268	Wc	ash Tank	Tank	
	b. Repai	r the follo	wing well	nead in a manne	r to pr	event leal	age or	
	Corros	ion:						
		A	PI	Well Designation	on			
		04059	05537	Dometal 4				
	c. Drain	the well of	cellar, at th	ne following Wells	5:	-		
		Α	PI	Well Designation	on			
		04059	05537	Dometal 4		-		
		04059	21114	Dometal 7				
		0405920931		Dometal 6				
		04059	05905535 Dometal					
Upon performing the required remedial work, please contact Renee Weigand at								
CalGEM's Southern District via email at <u>Renee.Weigand@conservation.ca.gov</u> .								
V. <u>Operator's Appeal Rights</u>								
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								
receive the	an appeal, a written notice of appeal may be sent via U.S. mail to:							
	, a written notic	e oi upp	Department of Conservation					
			ervation					
		of Conse						
	Department Director's Of	of Conse fice of Ap	opeals	fice, Chief Couns	el)			
	Department Director's Of	of Conse fice of Ap MS 19-06	opeals (Legal Of	fice, Chief Couns	el)			

1 Or via electronic mail to: <u>OfficeofAppeals@conservation.ca.gov</u>

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.

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

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### VI. Other Potential Actions to Enforce This Order

14 Failure to comply with Section IV (Operator's Required Actions) of this Order could 15 subject Operator to further enforcement action. PRC section 3236 makes it a misdemeanor for 16 any person who violates, fails, neglects, or refuses to comply with any of the provisions of the 17 oil and gas conservation laws commencing at PRC section 3000. PRC sections 3236.2 and 18 3236.3 authorize the Supervisor to seek for civil penalties and injunctive relief for failure to 19 comply with an order or for violations of any provision in Chapter 1 of Division 3 of the PRC or 20 any regulation that implements those statutes. PRC section 3236.5 authorizes the Supervisor to 21 impose a civil penalty on a person who violates any provision in Chapter 1 of Division 3 of the 22 PRC or any regulation that implements those statutes, and the Supervisor may in the future 23 impose further civil penalties based on the facts and omissions underlying this order. PRC 24 section 3237 authorizes the Supervisor to order the plugging and abandonment of a well or 25 the decommissioning of a production facility if an operator has failed to comply with an order 26 of the Supervisor within the time provided by the order or has failed to challenge the order on 27 a timely basis. PRC section 3359 makes it a misdemeanor to fail or neglect to comply with an 28 order of the Supervisor. Each day's further failure, refusal, or neglect is a separate and distinct

Order to Pay a Civil Penalty and Perform Remedial Work No. 1508

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1	offense. (PRC, § 3359.) By issuance c	of this Order, the Supervisor does not waive the right to take					
2	further enforcement actions.						
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5	3/7/2025	Doug Ito					
6		Doug Ito State Oil and Gas Supervisor					
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