

1 Department of Conservation, Geologic Energy Management Division
2 Doug Ito
3 STATE OIL AND GAS SUPERVISOR
4 715 P Street, MS 19-06 (Legal Office)
5 Sacramento, California 95814
6 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 NO. 1518**

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17 **Operator: Aera Energy LLC (A0610)**

18 **Field Names: Belridge, South, Lost Hills, Belridge, North, and Midway-Sunset**

19 **County: Kern**
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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, Aera Energy LLC (**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 for which the Supervisor has determined imposition of a civil penalty is appropriate. Therefore, pursuant to PRC sections 3013, 3106, 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 Wells and Facilities. On or about July 31, 2024, September 17, 2024, September 18, 2024, October 7, 2024, October 8, 2024, October 14, 2024, October 15, 2024, October 25, 2024, and October 28, 2024, CalGEM conducted inspections of the Wells and Facilities where the violations described below were observed and documented in the Belridge, South, Lost Hills, Belridge, North, and Midway-Sunset. (**Attachments C, D, E, F, G, H, I, J, K, L, N, O, P, and Q** incorporated herein.) CalGEM conducted re-inspections of these Wells and Facilities on or around October 15, 2024, October 28, 2024, February 3, 2025, and February 11, 2025, CalGEM (**Attachments M, R, S, T, and U** 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 bolts on wellhead. (Regulations § 1777, subd. (a).)

The wellhead is equipment secured to the upper part of a well, located above the casing and is held in place by a series of bolts. Damaged or missing bolts on the wellhead may lead to leaking around the wellhead. Production facilities include wellheads. (PRC, § 3010; Regulations, § 1760, subd. (r).) 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 inspection, CalGEM observed bolts missing from the wellhead at the following well, in violation of Regulations, section 1777, subdivision (a):

API	Well Designation
0402972768	Wilbert C-30

This violation was remediated by Operator on or around November 20, 2024.

B. Failure to maintain production 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).) Production facilities include wellheads. (PRC, § 3010; Regulations, § 1760, subd. (r).)

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During the inspections, CalGEM observed liquid leaks at the following wellheads, and the wells therefore 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	Status of Violation
0403032649	Belridge III 7006C-3	Resolved - on or around November 8, 2024
0403039596	Belridge V 7362B-2	Resolved - on or around November 8, 2024
0403048778	Lost Hills One 7021C	Resolved - on or around November 4, 2024
0403026538	Lost Hills One 6023	Resolved - on or around November 22, 2024
0403008633	DTR 12SDE-34	Resolved - on or around November 12, 2024
0403003808	DTR 11RAA-34	Resolved – on or around February 11, 2025
0403034080	DTR 518KHZL-33	Resolved - on or around November 15, 2024
0402966641	DTR 28M-33	Resolved – on or around February 11, 2025
0402977594	DTR 28C-33	Resolved - on or around October 28, 2024
0403013250	DTR 538Z1-34	Resolved - on or around November 12, 2024
0403033388	DTR 538XHZL-33	Resolved - on or around October 28, 2024
0402980035	DTR 68W-33	Resolved - on or around November 12, 2024
0403052715	Unspecified 564N4-35	Resolved – on or around February 3, 2025

API	Well Designation	Status of Violation
0403052707	Unspecified 964S-35	Resolved – on or around February 3, 2025
0403028987	Unspecified 549N2-35	Resolved - on or around February 3, 2025

As of the date of this Order all these violations have been remediated by Operator.

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 twelve thousand two hundred fifty dollars (\$12,250.00) for the sixteen violations.

Violation Description	Number of Violations	Associated Civil Penalty per Violation	Civil Penalty Totals
Failure to maintain bolts on wellhead. (Regulations, § 1777, subd. (a).) Well 0402972768	1	\$350.00	\$350.00
Failure to Maintain Production Facilities in Good Condition and in a Manner to Prevent Leakage or Corrosion; Leaking Wellheads (Regulations, § 1777, subd. (a).) Well 0403032649 Well 0403039596 Well 0403048778 Well 0403026538 Well 0403008633 Well 0403003808 Well 0402977594 Well 0403052715 Well 0403052707	9	\$750.00	\$6,750.00
Failure to Maintain Production Facilities in Good Condition and in a Manner to Prevent Leakage or Corrosion; Leaking Wellheads (Regulations, § 1777, subd. (a).)	1	\$650.00	\$650.00

Violation Description	Number of Violations	Associated Civil Penalty per Violation	Civil Penalty Totals
Well 0402966641			
Failure to Maintain Production Facilities in Good Condition and in a Manner to Prevent Leakage or Corrosion; Leaking Wellheads (Regulations, § 1777, subd. (a).) Well 0403034080 Well 0403033388 Well 0402980035 Well 0403028987	4	\$1,000.00	\$4,000.00
Failure to Maintain Production Facilities in Good Condition and in a Manner to Prevent Leakage or Corrosion; Leaking Wellheads (Regulations, § 1777, subd. (a).) Well 0403013250	1	\$500.00	\$500.00
		Total Civil Penalty:	\$12,250.00

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 extent of harm caused and persistence of the violations.

III. Operator's Required Actions

For the reasons stated herein, pursuant to PRC sections 3013, 3106, 3225, 3226, 3236.5, and 3270 and Regulations section 1777, **IT IS HEREBY ORDERED** that within 30 days, Operator pay an administrative civil penalty of twelve thousand two hundred fifty dollars (\$12,250.00).

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. When filling out the "order number" field, please type the order number followed by

1 the letter "O."

2 To remit payment of the civil penalty by mail, please send a check payable to
3 "Department of Conservation" to the following address:

4 Department of Conservation
5 CalGEM, Attn: Operational Management Unit
6 715 P Street, MS 1803
7 Sacramento, California 95814

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

10 **IV. Operator's Appeal Rights**

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

16 Department of Conservation
17 Director's Office of Appeals
18 715 P Street, MS 19-06 (Legal Office, Chief Counsel)
19 Sacramento, California 95814

20 Or via electronic mail to:

21 OfficeofAppeals@conservation.ca.gov

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

26 If Operator does not file a timely written notice of appeal, or if the Order is affirmed
27 following an appeal, this Order will become a final order. Any costs incurred by CalGEM to
28 obtain compliance with this Order (which may include penalties and interest) will

1 constitute a lien against Operator's real or personal property per PRC section 3423. (PRC, §
2 3356.)

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

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

21
22 4/24/2025

23 DATED: _____

Elizabeth Yura

Elizabeth Yura on behalf of _____

Doug Ito
State Oil and Gas Supervisor