

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. 1519**

**Operator: California Resources Production Corporation (C0885)**  
**Field Names: Willows-Beehive Bend Gas, Belridge South, and Tejon North**  
**County: Glenn, and Kern**

## 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, California Resources Production Corporation (**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, 3225, 3226, 3236.5, and 3270 and Regulations sections 1773.1 and 1777, the Supervisor is ordering Operator to (1) perform remedial work to bring the Wells and Facilities 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 August 29, 2024, September 25, 2024, October 2, 2024, and November 5, 2024, CalGEM conducted inspections of the Wells and Facilities where the violations described below were observed and documented on the Willows-Beehive Bend Gas, Belridge South, and Tejon North Fields. (**Attachments C, D, E, F, G, H, and I** incorporated herein.)

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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 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).)

During the inspection, 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
0403036223	Orchard SB22-7

(Attachment C, incorporated herein.)

This violation was remediated by Operator on or around November 12, 2024.

**B. Failure to Have Adequate Secondary Containment (Regulations, § 1773.1, subds. (a) & (b).)**

In the event of a spill, secondary containment protects the surrounding area from contamination. Operators are required to have secondary containment for all production facilities storing and/or processing fluids, except valves, headers, manifolds, pumps, compressors, wellheads, pipelines, flowlines, and gathering lines. (Regulations, § 1773.1, subd. (a).) Secondary containment must be capable of containing the equivalent volume of liquids from the single piece of equipment with the largest gross capacity within the secondary containment. (Regulations, § 1773.1, subd. (b).)

During the inspections, CalGEM observed inadequate secondary containment, in violation of Regulations, section 1773.1, subdivision (b), at the following production facilities:

Facility (Component) ID	Facility (Component) Name	Facility Component Type
25544	T-12225	Tank
23922	T-13595	Tank

(Attachments D and E, incorporated herein.)

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

**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 inspections, CalGEM observed fluids in the well cellar, in violation of Regulations, section 1777, subd. (c)(3), at the following Wells:

API	Well Designation
0402920438	ROC-KCL G 47-24
0402920436	ROC-KCL G 38-24
0402920464	ROC-KCL G 34-25
0402908080	ROC-KCL G 23-25

(Attachments F, G, H, and I incorporated herein.)

As of the date of this Order, CalGEM does not have any records from Operator demonstrating that the violation associated API 0402908080 was corrected.

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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 two thousand nine hundred fifty dollars (\$2,950.00) for the seven violations.

Violation Description	Number of Violations	Associated Civil Penalty per Violation	Civil Penalty Totals
Regulations, § 1777, subd. (a) (Leaking Wellhead)  API 0403036223	1	\$750.00	\$750.00
Regulations, § 1773.1, subds. (a) & (b) (Inadequate Secondary Containment)  (T-13595)	1	\$400.00	\$400.00
Regulations, § 1773.1, subds. (a) & (b) (Inadequate Secondary Containment)  (T-12225)	1	\$600.00	\$600.00
Regulations, § 1777, (c)(3) (Fluids in Cellar)  API 0402940464	1	\$200.00	\$200.00
Regulations, § 1777, (c)(3) (Fluids in Cellar)  API 0402920436 API 0402920438	2	\$300.00	\$600.00
Regulations, § 1777, (c)(3) (Fluids in Cellar)  API 0402908080	1	\$400.00	\$400.00
		<b>Total Civil Penalty:</b>	\$2,950.00

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 mitigating factor if the violation was timely resolved.

**B. Remedial Work**

Pursuant to PRC section 3224, the Supervisor hereby orders Operator to complete remedial work to come into compliance with Regulations sections 1773.1 and 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, 3225, and 3236.5, and Regulations sections 1773.1, and 1777, **IT IS HEREBY ORDERED** that Operator:

- 1) Pay an administrative civil penalty of two thousand nine hundred fifty dollars (\$2,950.00); and
- 2) In accordance with PRC section 3224 and Regulations sections 1773.1 and 1777 Operator is required to:
  - a. Repair secondary containment at the following production facilities, capable of containing liquid for a minimum of 72 hours and capable of containing the equivalent volume of liquid from equipment with largest gross capability within the secondary containment as required in Regulations, section 1773.1:

Facility (Component) ID	Facility (Component) Name	Facility Component Type
25544	T-12225	Tank
23922	T-13595	Tank

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b. Drain the cellars of the following Well:

API	Well Designation
0402908080	ROC-KCL G 23-25

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 the respective district, Erwin Sison at CalGEM's Northern District via email at [calgemnorthern@conservation.ca.gov](mailto:calgemnorthern@conservation.ca.gov) and David Cookey-Gam at CalGEM's Central District via email at [CalGEMCentral@conservation.ca.gov](mailto:CalGEMCentral@conservation.ca.gov).

**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 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](mailto: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.

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.)

#### **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 sections 3236.2 and 3236.3 authorize the Supervisor to seek for civil penalties and injunctive relief for failure to comply with an order or for violations of any provision in Chapter 1 of Division 3 of the PRC or 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: 4/24/2025

*Elizabeth Yura*  
Elizabeth Yura on behalf of  
 Doug Ito  
 State Oil and Gas Supervisor