

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. 1534**

**Operator: The Termo Company (T1200)**

**Field Name: Mountain View**

**County: 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, The Termo Company (**Operator**) is the "operator" (as defined in PRC, § 3009) and is responsible for the Well and the associated Production Facility identified on **Attachment A**, incorporated herein (the "**Well**" and "**Facility**"). As described in more detail below, Operator has not maintained compliance with applicable requirements for operation of the Well and the Facility. Operator's failure to comply with the Regulations poses a potential threat to life, health, property, and natural resources and constitutes a violation requiring remedial work and for which the Supervisor has determined imposition of a civil penalty is appropriate. Therefore, pursuant to PRC sections 3013, 3106, 3225, 3236.5, and 3270 and Regulations section 1777, the Supervisor is ordering Operator to: (1) determine the cause and source of the leak that resulted in fluid accumulation in the cellar of the Well; (2) provide a report to CalGEM describing the cause and source of the leak at the Well and the work undertaken to remediate the cause of the leak; and (3) pay an administrative civil penalty for the violation.

**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 Well and Facility. On or about February 12, 2025, CalGEM conducted an inspection of the Well and Facility where the violation described below was observed and documented in the Mountain View Field. (**Attachment C**, incorporated herein.)

CalGEM records reflect Operator has not maintained compliance with applicable requirements for operation of the Well and the Facility. Operator's lack of adherence to the Regulations poses a potential threat to life, health, property, and natural resources. The violation at issue is 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).) Production facilities include any equipment attendant to oil and gas production or injection operations, and not limited to wellheads. (PRC, § 3010; Regulations, § 1760, subd. (r).)

During the inspection, CalGEM observed production facilities not being maintained in good condition and in a manner to prevent leakage or corrosion, in violation of Regulations, section 1777, subd. (a), as a leak was causing fluid to accumulate in the cellar of the following Well:

API	Well Designation
0402914644	Brite 88-16

The violation for fluid in the cellar was remediated by Operator on or around March 12, 2025.

**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 five hundred dollars (\$500.00) for the violation.

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Violation Description	Number of Violations	Associated Civil Penalty per Violation	Civil Penalty Totals
Failure to Maintain Production Facilities in Good Condition and in a Manner to Prevent Leakage or Corrosion (Regulations, § 1777, subd. (a).)	1	\$500.00	\$500.00
		<b>Total Civil Penalty:</b>	\$500.00

For purposes of this Order, the Supervisor considered relevant circumstances when establishing the amount of the administrative civil penalty, including: characterizing the violation as "minor" (as defined in PRC section 3236.5, subdivision (b)), the eight factors identified in PRC section 3236.5, subdivision (a), the persistence of the violation, economic benefit to the violator resulting from the violation, and that the well is within a health protection zone..

#### **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.

#### **IV. Operator's Required Actions**

For the reasons stated herein, pursuant to PRC sections 3013, 3106, 3225, 3236.5, and 3270, and Regulations section 1777, **IT IS HEREBY ORDERED** that within 30 days, Operator:

1) Pay an administrative civil penalty of five hundred dollars (\$500.00); and

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 the letter "O."

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.

- 2) In accordance with PRC section 3224 and Regulations section 1777 Operator is required to: (1) determine the cause and source of the leak that resulted in fluid accumulation in the cellar at the following Well; and (2) provide a report to CalGEM describing the cause and source of the leak at the following Well and the work undertaken to remediate the cause of the leak:

API	Well Designation
0402914644	Brite 88-16

Please submit the report describing the cause, source, and remediation work to CalGEM's Central District via email at [calgemcentralenvironmental@conservation.ca.gov](mailto:calgemcentralenvironmental@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)

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

4 If Operator does not file a timely written notice of appeal, or if the Order is affirmed  
5 following an appeal, this Order will become a final order and CalGEM may contract for  
6 performance of the work, pursuant to PRC section 3226, if, within 30 days of this Order,  
7 Operator has not, in good faith, commenced the work ordered. Any costs incurred by  
8 CalGEM to obtain compliance with this Order (which may include penalties and interest) will  
9 constitute a lien against Operator's real or personal property per PRC section 3423. (PRC, §  
10 3356.)

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

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

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DATED: 6/11/2025

Doug Ito  
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State Oil and Gas Supervisor