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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. 1542**
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18 **Operator: Aera Energy, LLC (A0610)**
19 **Field Names: Belridge, South, Lost Hills, and Belridge, North**
20 **County: Kern**
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1 **I. Introduction**

2 The State Oil and Gas Supervisor (**Supervisor**), acting through the Geologic Energy
3 Management Division (**CalGEM**), and under the authority of Division 3 of the Public Resources
4 Code (**PRC**; commencing with PRC section 3000) and title 14 of the California Code of
5 Regulations (**Regulations**), may impose a civil penalty on a person who violates any statutory
6 provision of the PRC, or any regulation that implements those statutory provisions. (PRC, §
7 3236.5.)

8 Based on CalGEM's records, Aera Energy, LLC (**Operator**) is the "operator" (as defined
9 in PRC, § 3009) and is responsible for the Wells and associated Production Facilities identified
10 on **Attachment A**, incorporated herein (the "**Wells**" and "**Facilities**"). As described in more
11 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
14 violations requiring remedial work and for which the Supervisor has determined imposition of a
15 civil penalty is appropriate. Therefore, pursuant to PRC sections 3013, 3106, 3224, 3225, 3226,
16 3236.5, and 3270 and Regulations section 1777, the Supervisor is ordering Operator to (1)
17 perform remedial work to bring the Wells and Facilities into compliance and (2) pay an
18 administrative civil penalty for the violations.

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

21 **II. Alleged Acts and Omissions**

22 Based on CalGEM's records, at all times relevant to this Order, Operator was the
23 operator, as defined in PRC section 3009, of the Wells and Facilities. On or about December
24 13, 2024, December 20, 2024, January 2, 2025, January 7, 2025, January 8, 2025, February 3,
25 2025, February 4, 2025, and February 11, 2025, CalGEM conducted inspections of the Wells
26 and Facilities where the violations described below were observed and documented in the
27 Belridge, South, Lost Hills, and Belridge, North Fields. (**Attachments C, D, E, F, G, H, I, J, K, L, M, N,**
28 **O, P, Q, 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 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).)

During the inspections, CalGEM observed a liquid leak 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	Violation Status
0403004854	Belridge III 3222A-3	Resolved
0403063525	Marina 3596-3	Resolved
0403038651	Lost Hills Govt. 4366	Resolved
0403003962	Belridge 3015-11	Resolved
0403059127	SEBU T 3170A-1	Resolved
0403011548	Belridge III 3220A-3	Resolved
0403040716	Lost Hills Two 7314	Resolved
0403024998	Lost Hills One 7088	Resolved
0403057081	14F-20	Active
0403027084	521S2-1	Active
0403040722	511C3-1	Resolved

0403063690	SEBU T 3408B-12	Resolved
0403038932	511C2-1	Active
0403047667	SEBU T 3297A-12	Active
0403065299	SEBU T 3392A-12	Active
0403021075	Belridge III 7099AHZL-3	Resolved
0402986010	Belridge III 3100-3	Resolved
0403004494	Hopkins 3084-4	Active
0402980300	DTR 556C-33	Active
0403025964	DTR 538YHZL-33	Active

As of the date of this Order, CalGEM does not have any records from Operator demonstrating that the 8 "active" violations listed above were corrected. The 12 "resolved" violations listed above were remediated by Operator on or around January 27, 2025, January 29, 2025, February 4, 2025, February 7, 2025, February 24, 2025, February 26, 2025, March 17, 2025, March 25, 2025, and April 21, 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 eleven thousand eight hundred dollars (\$11,800.00) for the twenty (20) violations.

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; Leaking Wellheads (Regulations, § 1777, subd. (a).)	8	\$500.00	\$4,000.00
Failure to Maintain Production Facilities in Good Condition and in a Manner to Prevent Leakage or Corrosion; Leaking Wellheads	9	\$600.00	\$5,400.00

(Regulations, § 1777, subd. (a).)			
Failure to Maintain Production Facilities in Good Condition and in a Manner to Prevent Leakage or Corrosion; Leaking Wellheads (Regulations, § 1777, subd. (a).)	2	\$700.00	\$1,400.00
Failure to Maintain Production Facilities in Good Condition and in a Manner to Prevent Leakage or Corrosion; Leaking Wellheads (Regulations, § 1777, subd. (a).)	1	\$1,000.00	\$1,000.00
		Total Civil Penalty:	\$11,800.00

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 following: the size of the leak, whether the violation has been remediated, and if the well is a critical well, as defined by Regulations section 1720, subdivision (a).

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, 3224, 3225, 3226, and 3236.5, and Regulations section 1777, **IT IS HEREBY ORDERED** that within 30 days, Operator:

- 1) Pay an administrative civil penalty of eleven thousand eight hundred dollars (\$11,800.00); 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:

Repair the following wellheads in a manner to prevent leakage or corrosion:

API	Well Designation
0403057081	14F-20
0403027084	521S2-1
0403038932	511C2-1
0403047667	SEBU T 3297A-12
0403065299	SEBU T 3392A-12
0403004494	Hopkins 3084-4
0402980300	DTR 556C-33
0403025964	DTR 538YHZL-33

Upon performing the required remedial work, please contact CalGEM's Central District via email at 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

1 receive the appeal within fifteen (15) days from the date the Supervisor mails the Order. To file
2 an appeal, a written notice of appeal may be sent via U.S. mail to:

3 Department of Conservation
4 Director's Office of Appeals
5 715 P Street, MS 19-06 (Legal Office, Chief Counsel)
6 Sacramento, California 95814

7 Or via electronic mail to:

8 OfficeofAppeals@conservation.ca.gov

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

12 If Operator does not file a timely written notice of appeal, or if the Order is affirmed
13 following an appeal, this Order will become a final order and CalGEM may contract for
14 performance of the work, pursuant to PRC section 3226, if, within 30 days of this Order,
15 Operator has not, in good faith, commenced the work ordered. Any costs incurred by
16 CalGEM to obtain compliance with this Order (which may include penalties and interest) will
17 constitute a lien against Operator's real or personal property per PRC section 3423. (PRC, §
18 3356.)

19 **VI. Other Potential Actions to Enforce This Order**

20 Failure to comply with Section IV (Operator's Required Actions) of this Order could
21 subject Operator to further enforcement action. PRC section 3236 makes it a misdemeanor for
22 any person who violates, fails, neglects, or refuses to comply with any of the provisions of the
23 oil and gas conservation laws commencing at PRC section 3000. PRC sections 3236.2 and
24 3236.3 authorize the Supervisor to seek for civil penalties and injunctive relief for failure to
25 comply with an order or for violations of any provision in Chapter 1 of Division 3 of the PRC or
26 any regulation that implements those statutes. PRC section 3236.5 authorizes the Supervisor to
27 impose a civil penalty on a person who violates any provision in Chapter 1 of Division 3 of the
28 PRC or any regulation that implements those statutes, and the Supervisor may in the future

1 impose further civil penalties based on the facts and omissions underlying this order. PRC
2 section 3237 authorizes the Supervisor to order the plugging and abandonment of a well or
3 the decommissioning of a production facility if an operator has failed to comply with an order
4 of the Supervisor within the time provided by the order or has failed to challenge the order on
5 a timely basis. PRC section 3359 makes it a misdemeanor to fail or neglect to comply with an
6 order of the Supervisor. Each day's further failure, refusal, or neglect is a separate and distinct
7 offense. (PRC, § 3359.) By issuance of this Order, the Supervisor does not waive the right to take
8 further enforcement actions.

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11 DATED: 7/3/2025

DocuSigned by:

Doug Ito

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Doug Ito
State Oil and Gas Supervisor