

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 PERFORM REMEDIAL WORK**

**No. 1549**

**Operator: CalNRG Operating, LLC (E0455)**

**Field: Torrey Canyon**

## 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 require such tests and remedial work the Supervisor determines necessary.

Based on CalGEM's records, CalNRG Operating, LLC (Operator) is the "operator" (as defined in PRC, § 3009) and is responsible for the Well identified on **Attachment A**, incorporated herein, and any associated production facilities (the "**Well**" and "**Facilities**"). As described in more detail below, Operator has not maintained compliance with applicable requirements for operation of the Well and the Facilities. Operator's failure to comply with the Regulations poses a potential threat to life, health, property, and natural resources and for which the Supervisor has determined tests and remedial work is necessary. (PRC, § 3224.) Therefore, pursuant to PRC sections 3013, 3106, 3224, 3225, 3226, and 3270 and Regulations sections 1722 and 1777, the Supervisor is ordering Operator to perform remedial work to bring the Well and Facilities into compliance and submit reports, as outlined below.

**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 Facilities. CalGEM records reflect Operator has not maintained compliance with applicable requirements for operation of the Well 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.

On or about June 3, 2024, CalGEM conducted an inspection of the Well and Facilities. (**Attachment C**, incorporated herein.) During the inspection CalGEM staff observed the eastern portion of the well pad of the Well has been damaged or collapsed by a landslide.

1 The well pad is an approximate 10-foot by 10-foot concrete slab where the surface well  
2 equipment is located. The well pad is also the location where a well rig would be located to  
3 do any work required on the well. Currently, approximately half of the concrete well pad is  
4 overhanging a cliff face. These conditions have created an unstable slope at the site. While  
5 Operator has indicated that they have begun efforts to stabilize the Well and Facilities, the  
6 details of that plan or the timeline for the work have not been provided to CalGEM.

7 (**Attachment D**, incorporated herein.)

8 Operators are required to "maintain production facilities in good condition and in a  
9 manner to prevent leakage or corrosion and to safeguard, life, health, property, and natural  
10 resources." (**Regulations**, § 1777, subd. (a).) Production facilities include wellheads. (PRC, §  
11 3010; Regulations, § 1760, subd. (r).) By failing to address the instability of the slopes at the Wells  
12 and Facilities, Operator is failing to maintain the Wells and Facilities in a manner sufficient to  
13 safeguard life, health, property, and natural resources because as the slope continues to  
14 degrade, the Wells and Facilities may either become inaccessible to oilfield and emergency  
15 vehicles, begin leaking due to any damage caused, or both. The current state of slope  
16 degradation poses a potential risk of physical harm to Operator's employees and CalGEM  
17 inspectors.

18 Operators are further required to conduct all operations in accordance with good  
19 oilfield practice. (**Regulations**, § 1722, subd. (a).) Good oilfield practices would necessitate  
20 Operator to take action both to prevent and mitigate slope stability at the Well and Facilities.

21 Due to Operator's failure to address the slope instability at the Well and Facilities, the  
22 Supervisor has determined it is necessary to perform remedial work to bring the Well and  
23 Facilities into compliance and submit reports.

### 24 **III. Operator's Required Actions**

25 For the reasons stated herein, pursuant to PRC sections 3013, 3106, 3224, 3225, 3226, and  
26 3270, and Regulations sections 1722 and 1777, **IT IS HEREBY ORDERED** that:

- 27 1) Within 30 days Operator must submit a detailed work plan for CalGEM's review and  
28 approval. The work plan shall include, but not limited to:

- a. The necessary steps and timeframes to address the slope instability at the Well and Facilities, including a timeline for acquiring any necessary grading plans and associated permits, if required;
- b. A process for providing CalGEM bi-weekly updates on plan implementation, including detailed history of all work carried out to address the slope stability;
- c. A process for providing notification to CalGEM of any further impacts to slope instability at the Well and Facilities.

To the extent such work plan relies upon a geotechnical report prepared by an appropriately licensed professional, provide such report.

2) Upon receiving approval of the work plan from CalGEM, Operator must begin the work proposed in the work plan within 15 business days.

3) The plan shall be submitted electronically to:

Name: Amir Mohseni Moghaddam

Email: Amir.MohseniMoghaddam@conservation.ca.gov

Any questions concerning CalGEM's the work plan or any requests for an extension to perform the Required Actions can be directed to Amir Mohseni Moghaddam at Amir.MohseniMoghaddam@conservation.ca.gov.

#### **IV. 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)

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

12 Failure to comply with Section III (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: 7/23/2025

*Lindsey Miller*  
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Lindsey Miller  
CalGEM Enforcement Chief, on  
behalf of the State Oil and Gas  
Supervisor