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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 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 section 1722, 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. <u>Alleged Acts and Omissions</u>

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 June 21, 2024, July 31, 2024, October 7, 2024, December 4, 2024, and December 23, 2024, CalGEM conducted inspections of the Wells and Facilities where the violations described below were observed and documented in the Belridge, North and Belridge, South Fields. (Attachments C, D, E, F, G, H, I, J, K, L, M, and N, 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. <u>Failure to maintain production facilities in good condition and in a manner to prevent</u> 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, §§ 1722, subd. (a); 1777, subd. (a).) Production facilities include wellheads. (PRC, § 3010; Regulations, § 1760, subd. (r).)

During the inspections, CalGEM observed liquid leaks at the following twelve wellheads as a result of 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	Inspection Dates(s)	Status of Violation
0402980032	68V-33	10/07/24; 11/21/24; 12/04/24	Resolved
0403033812	DTR 538LHZL-33	10/08/24, 11/12/24, 12/23/24	Resolved
0402988037	DTR 39EL-33	10/08/24; 11/21/24; 12/04/24	Resolved
0403033389	DTR 538AHZL-33	10/08/24; 11/21/24; 12/04/24	Resolved
0403033275	DTR 548THZL-33	10/07/24; 11/21/24; 12/04/24	Resolved
0403020936	DTR 548SHZL-33	10/07/24; 11/21/24; 12/04/24	Resolved
0403052707	Unspecified 964S-35	07/31/24; 02/03/25	Resolved
0403052569	Unspecified 548D3-35	06/21/24; 07/31/24; 02/03/25	Resolved
0403052572	Unspecified 549G3-35	06/21/24; 07/31/24; 02/03/25	Resolved
0403033196	Hopkins 7057HZL-4	12/04/24; 02/04/25	Active

API	Well Designation	Inspection Dates(s)	Status of Violation
0403004017	Hopkins 3033-4	12/04/24; 02/04/25	Active
0403033274	DTR 548QHZL-33	10/07/24; 11/12/24; 02/11/25	Resolved

As of the date of this Order, CalGEM does not have any records from Operator demonstrating that the active violations listed above have been corrected or resolved. The resolved violations have been remediated by Operator.

B. Failure To Ensure All Operations Shall Be Conducted In Accordance With Good Oilfield Practice (Regulations, § 1722, subd. (a).)

Operators are required to conduct all oilfield operations in accordance with good oilfield practice (Regulations, § 1722, subd. (a)). Weeds around wellheads interfere with oilfield operations and present a fire hazard. Routine maintenance reduces weed growth. Weed violations were observed around 2 wells "DTR 538VHZL-33" and "Hopkins 3031A-4" (API#s 0403021105 and 0403060533). The later violation includes oil covered weeds that pose an increased fire hazard. CalGEM observed these violations between October 8, 2024, and February 4, 2025.

API	Well Designation	Inspection Dates	Status of Violation
0403021105	DTR 538VHZL-33	10/08/24; 11/12/24;	Resolved
0403060533	Hopkins 3031A-4	12/04/24; 02/04/25	Active

As of the date of this Order, CalGEM does not have any records from Operator demonstrating that the API 0403060533 active violation was corrected. The API 0403021105 resolved violation was remediated by Operator on or around December 23, 2024.

C. Failure to Post a Permanent Fixed Well Sign (Regulations, § 1722.1.1, subd. (a).)

Each well location shall have posted in a conspicuous place a well sign. Operators are required to post a clearly visible, permanently affixed sign with the name of the Operator, name or number of the lease, and number of the well. These signs shall be maintained on the

premises from the time drilling operations cease until the well is plugged and abandoned. (Regulations, § 1722.1.1, subd. (a).)

During the inspections, CalGEM observed missing well signs, in violation of Regulations, section 1722.1.1, subd. (a), at the following Well(s):

API	Well Designation	Inspection Date(s)	Status of Violation
0402972455	444-34	10/07/24; 11/12/24; 12/04/24	Active
0403021977	DTR 548YHZL-33	10/07/24; 11/12/24; 12/04/24	Active

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

III. <u>Civil Penalty/Remedial Work</u>

A. <u>Civil Penalty</u>

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 four thousand four hundred dollars (\$4,400.00) for the 16 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 Matter to Prevent Leakage or Corrosion; Leaking Wellheads (Regulations, § 1777, subd. (a).) 0403033196 0403004017	2	\$600	\$1,200
Failure to Maintain Production Facilities in Good Condition and in a Manner to Prevent Leakage or Corrosion; Leaking Wellheads (Regulations, § 1777, subd. (a).)			
0402980032 0402988037 0403020936 0403033274 0403033275 0403033389	10	\$250	\$2,500

Violation Description	Number of Violations	Associated Civil Penalty per Violation	Civil Penalty Totals
0403033812 0403052569 0403052572 0403052707			
Failure to remove weeds and/or debris from secondary containment (Regulations, § 1722, subd. (a).) 0403021105	1	\$150	\$150
Failure to remove weeds and/or debris from secondary containment (Regulations, § 1722, subd. (a).) 0403060533	1	\$350	\$350
Failure to Post a Permanent Fixed Well Sign (Regulations, § 1722.1.1, subd. (a).) 0402972455 0403021977	2	\$100	\$200
		Total Civil Penalty:	\$4,400.00

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).

B. Remedial Work

Pursuant to PRC section 3224, the Supervisor hereby orders Operator to complete remedial work to come into compliance with Regulations sections 1722, 1722.1.1, 1722.4, 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, 3226, and 3236.5, and Regulations sections 1722 and 1777, **IT IS HEREBY ORDERED** that within 30 days, Operator:

 Pay an administrative civil penalty of four thousand four hundred dollars (\$4,400.00);

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 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 sections 1722, 1722.1.1, 1722.4, and 1777 Operator is required to:
 - a. Repair the following wellheads in a manner to prevent leakage or corrosion:

API	Well Designation	Status of Violation
0403033196	Hopkins 7057HZL-4	Active
0403004017	Hopkins 3033-4	Active

b. Remove weeds, vegetation and debris from the secondary containment at the following production facilities:

API	Well Designation	Status of Violation
0403060533	Hopkins 3031A-4	Active

c. Post a clearly visible, permanently affixed sign with the name of the Operator, name or number of the lease, and number of the well at the following Wells:

API	Well Designation	Status of Violation
0402972455	444-34	Active
0403021977	DTR 548YHZL-33	Active

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 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

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,

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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.

9/11/2025 DATED:

Lindsey Miller

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

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