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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 CIVIL PENALTIES AND PERFORM REMEDIAL WORK**
15 **NO. 1565**
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18 **Operator: Harvest Petroleum, Inc. (11072)**

19 **Field Name: Lost Hills, Northwest**

20 **County: Kern**
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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, Harvest Petroleum, Inc. (**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 (respectively, 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 civil penalties is appropriate.

Therefore, pursuant to PRC sections 3013, 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 administrative civil penalties 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 September 26, 2024, June 19 and June 24, 2025, CalGEM conducted inspections of the Wells and Facilities in the Lost Hills, Northwest Field, where the violations described below were observed and documented. (See **Attachments C, D, E, F, and G**, incorporated herein.)

These violations reflect that 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.

A. Failure to maintain tank 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 conducted on or about September 26, 2024, CalGEM observed the following tank leaking in violation of Regulations section 1777, subdivision (a):

Facility Setting ID	Facility Setting Name	District	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type
90324042	Clancy Tank Setting	Central	23241	1	Tank

As of the date of this Order, CalGEM does not have any records from Operator demonstrating that the violation has been corrected.

B. Failure to remove weeds and/or debris from secondary containment. (Regulations § 1777, subd. (c)(2).)

In the event of a spill, secondary containment protects the surrounding area from contamination. Required maintenance of production facilities includes removal of weeds and debris from secondary containment areas. (Regulations, § 1777, subd. (c)(2).) Weeds and debris can: (1) obstruct view of the secondary containment, which can make detection of compromised secondary containment difficult; (2) present a fire hazard; and (3) can compromise containment integrity and capacity.

During the inspection conducted on or about September 26, 2024, CalGEM observed weeds and/or debris on or in the secondary containment at the following production facilities in violation of Regulations section 1777, subdivision (c)(2):

Facility Setting ID	Facility Setting Name	District
90297715	Texaco Tank Setting	Central
90297709	Union Bank of California Tank Setting	Central
90324042	Clancy Tank Setting	Central

Based on CalGEM's records, the violations for Facility ID 90297715 and Facility ID 90297709 were remediated on or around January 30, 2025, and April 18, 2025, respectively. As of the date of this Order, CalGEM does not have any records from Operator demonstrating that the violation for Facility ID 90324042 has been corrected.

C. Failure to Have Adequate Secondary Containment. (Regulations, § 1773.1, subd. (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 conducted on or about September 26, 2024, June 19 and June 24, 2025, CalGEM observed inadequate secondary containment, at the following production facilities in violation of Regulations section 1773.1, subdivision (b):

Facility Setting ID	Facility Setting Name	District
90297709	Union Bank of California Tank Setting	Central
90324042	Clancy Tank Setting	Central

90297710	Union Bank Setting	Central
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Based on CalGEM's records, the violation for Facility ID 90297709 was remediated on or around April 18, 2025. As of the date of this Order, CalGEM does not have any records from Operator demonstrating that the violations for Facility ID 90324042 and Facility ID 90297710 have been corrected.

D. Failure to Keep Well Cellar Drained. (Regulations, § 1777, subd. (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 to ensure proper functionality. (Regulations, § 1777, subd. (c)(3).)

During the inspection conducted on or about September 26, 2024, CalGEM observed fluids in the well cellar at the following wells in violation of Regulations section 1777, subd. (c)(3):

API	Well Designation
0403010739	Texaco Fee 43X-18
0403048142	Clancy 61-18
0403026092	Texaco Fee M1-18
0403048143	Texaco Fee 54-18

Based on CalGEM's records, the violation for API 0403048142 was remediated on or around January 6, 2025, and the violation for API 0403048143 was remediated on or around January 30, 2025. As of the date of this Order, CalGEM does not have any records from Operator demonstrating that the violations for API 0403010739 and 0403026092 have been corrected.

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III. Civil Penalties/Remedial Work

A. Civil Penalties

Based on the foregoing Alleged Acts and Omissions and pursuant to PRC section 3236.5, by this Order the Supervisor imposes on Operator administrative civil penalties totaling two thousand six hundred twenty dollars (\$2,620.00) for the nine violations, as follows:

Violation Description	Number of Violations	Associated Civil Penalty per Violation	Civil Penalty Totals
Failure to Maintain Tank in Good Condition and in a Manner to Prevent Leakage or Corrosion; Leaking Tanks (Regulations, § 1777, subd. (a).) • Facility ID 23241	1	\$500.00	\$500.00
Failure to remove weeds and/or debris from secondary containment (Regulations, § 1777, subd. (c)(2).) • Facility ID 90297715	1	\$200.00	\$200.00
Failure to Have Adequate Secondary Containment (Regulations, § 1773.1, subd. (b).) Failure to remove weeds and/or debris from secondary containment (Regulations, § 1777, subd. (c)(2).) • Facility ID 90297709	1	\$320.00	\$320.00
Failure to Have Adequate Secondary Containment (Regulations, § 1773.1, subd. (b).) Failure to remove weeds and/or debris from secondary containment (Regulations, § 1777, subd. (c)(2).) • Facility ID 90324042	1	\$520.00	\$520.00
Failure to Have Adequate Secondary Containment (Regulations, § 1773.1, subd. (b).)	1	\$400.00	\$400.00

• Facility ID 90797710			
Failure to Keep Well Cellar Drained (Regulations, § 1777, subd. (c)(3).)			
• API 0403010739 • API 0403026092	2	\$240.00	\$480.00
Failure to Keep Well Cellar Drained (Regulations, § 1777, subd. (c)(3).)			
• API 0403048142 • API 0403048143	2	\$100.00	\$200.00
		Total Civil Penalties:	\$2,620.00

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), the persistence of the violation, and the timeliness with which the violations were remediated.

B. Remedial Work

Pursuant to PRC sections 3224 and 3226, 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, 3226, and 3236.5, and Regulations sections 1773.1 and 1777, **IT IS HEREBY ORDERED** that within 30 days, Operator:

- 1) Pay administrative civil penalties of two thousand six hundred twenty dollars (\$2,620.00).

To remit payment of the civil penalties 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 penalties 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 1773.1 and 1777:

a. Stop all leaks from the following:

Facility Setting ID	Facility Setting Name	District	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type
90324042	Clancy Tank Setting	Central	23241	1	Tank

Note: Regulations section 1773.5, subdivision (b), prohibits Out-of-Service production facilities from being reactivated until all needed repairs have been completed and the production facility is in compliance with all applicable testing and inspection requirements. Operator is required to submit required testing and inspection information to CalGEM for review prior to reactivation of the tank pursuant to Regulations section 1773.4;

b. Repair secondary containment at the following production facilities, including removal of weeds. The secondary containment must be 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 Setting ID	Facility Setting Name	District
90324042	Clancy Tank Setting	Central
90297710	Union Bank Setting	Central

c. Drain the well cellar, at the following wells:

API	Well Designation
0403010739	Texaco Fee 43X-18
0403026092	Texaco Fee M1-18

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

Alternatively, a written notice of appeal may be sent via electronic mail to:

OfficeofAppeals@conservation.ca.gov

If Operator files a timely written notice of appeal, Operator will be informed of the

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1 appeal hearing date, time, and place. Following the hearing, Operator will receive a written
2 decision that affirms, sets aside, or modifies the appealed order.

3 If Operator does not file a timely written notice of appeal, or if the Order is affirmed
4 following an appeal, this Order will become a final order and CalGEM may contract for
5 performance of the work, pursuant to PRC section 3226, if, within 30 days of this Order,
6 Operator has not, in good faith, commenced the work ordered. Any costs incurred by
7 CalGEM to obtain compliance with this Order (which may include penalties and interest) will
8 constitute a lien against Operator's real or personal property per PRC section 3423. (PRC, §
9 3356.)
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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 civil penalties and injunctive relief for failure to comply
17 with an order or for violations of any provision in Chapter 1 of Division 3 of the PRC or any
18 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

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1 offense. (PRC, § 3359.) By issuance of this Order, the Supervisor does not waive the right to take
2 further enforcement actions.

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5 DATED: 10/8/2025

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