

1 Department of Conservation, Geologic Energy Management Division
2 Doug Ito
3 STATE OIL AND GAS SUPERVISOR
4 715 P Street, MS 19-06 (Legal Office)
5 Sacramento, California 95814
6 Telephone (916) 323-6733
7

8 **STATE OF CALIFORNIA**
9 **NATURAL RESOURCES AGENCY**
10 **DEPARTMENT OF CONSERVATION**
11 **GEOLOGIC ENERGY MANAGEMENT DIVISION**

12
13
14 **ORDER TO PAY A CIVIL PENALTY AND PERFORM REMEDIAL WORK**
15 **NO. 1576**
16

17
18 **Operator: MacPherson Operating Company, L.P.(M0955)**

19 **Field Name: Mount Poso**

20 **County: Kern**
21
22
23
24
25
26
27
28

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, MacPherson Operating Company, L.P. (**Operator**) is the "operator" (as defined in PRC, § 3009) and is responsible for the Well and associated Production Facilities identified on **Attachment A**, incorporated herein (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 constitute violations requiring remedial work and for which the Supervisor has determined imposition of a civil penalty is appropriate. Therefore, pursuant to PRC sections 3013, 3106, 3224, 3225, 3226, 3236.5, and 3270 and Regulations section 1777, the Supervisor is ordering Operator to (1) perform remedial work to bring the Well and Facilities into compliance and (2) 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 Facilities. On or about October 24, 2024, CalGEM conducted an inspection of the Well and Facilities where the violation described below were observed and documented in the Mount Poso Field. (**Attachment C**, incorporated herein.)

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.

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 inspection, CalGEM observed a liquid leak at the following wellhead, and the well 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
0402985331	Union 18 5

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

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 eight hundred fifty dollars (\$850.00) for the violation.

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).) APN 0402985331	1	\$850	\$850

		Total Civil Penalty:	\$850
--	--	-----------------------------	-------

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)) and the eight factors identified in PRC section 3236.5, subdivision (a).

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 section 1777, as outlined below in Operator’s Required Actions.

III. 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 eight hundred fifty dollars (\$850.00); and
- 2) Repair the wellhead at the following Well in a manner to prevent leakage or corrosion:

API	Well Designation
0402985331	Union 18 5

Upon performing the required remedial work, please contact CalGEM’s Central District via email at CalGEMCentralEnvironmental@conservation.ca.gov.

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

1 CalGEM, Attn: Operational Management Unit
2 715 P Street, MS 1803
3 Sacramento, California 95814

4 Please include the Operator name, Order number, and phrase "Oil and Gas
5 Environmental Remediation Account" on the check itself.

6 **IV. Operator's Appeal Rights**

7 Operator may appeal this Order by filing a timely written notice of appeal with the
8 Director as described in Article 6 (Appeals and Review) of Division 3 of the PRC, commencing
9 with PRC section 3350. (PRC, § 3225, subd. (d).) If this Order is mailed to you, the Director must
10 receive the appeal within fifteen (15) days from the date the Supervisor mails the Order. To file
11 an appeal, a written notice of appeal may be sent via U.S. mail to:

12 Department of Conservation
13 Director's Office of Appeals
14 715 P Street, MS 19-06 (Legal Office, Chief Counsel)
15 Sacramento, California 95814

16 Or via electronic mail to:

17 OfficeofAppeals@conservation.ca.gov

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

21 If Operator does not file a timely written notice of appeal, or if the Order is affirmed
22 following an appeal, this Order will become a final order and CalGEM may contract for
23 performance of the work, pursuant to PRC section 3226, if, within 30 days of this Order,
24 Operator has not, in good faith, commenced the work ordered. Any costs incurred by
25 CalGEM to obtain compliance with this Order (which may include penalties and interest) will
26 constitute a lien against Operator's real or personal property per PRC section 3423. (PRC, §
27 3356.)

28 **V. 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

1 any person who violates, fails, neglects, or refuses to comply with any of the provisions of the
2 oil and gas conservation laws commencing at PRC section 3000. PRC sections 3236.2 and
3 3236.3 authorize the Supervisor to seek for civil penalties and injunctive relief for failure to
4 comply with an order or for violations of any provision in Chapter 1 of Division 3 of the PRC or
5 any regulation that implements those statutes. PRC section 3236.5 authorizes the Supervisor to
6 impose a civil penalty on a person who violates any provision in Chapter 1 of Division 3 of the
7 PRC or any regulation that implements those statutes, and the Supervisor may in the future
8 impose further civil penalties based on the facts and omissions underlying this order. PRC
9 section 3237 authorizes the Supervisor to order the plugging and abandonment of a well or
10 the decommissioning of a production facility if an operator has failed to comply with an order
11 of the Supervisor within the time provided by the order or has failed to challenge the order on
12 a timely basis. PRC section 3359 makes it a misdemeanor to fail or neglect to comply with an
13 order of the Supervisor. Each day's further failure, refusal, or neglect is a separate and distinct
14 offense. (PRC, § 3359.) By issuance of this Order, the Supervisor does not waive the right to take
15 further enforcement actions.

16
17
18
19
20
21
22
23
24
25
26
27
28

DATED: 11/13/2025

Lindsey Miller

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