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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. 1600**
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18 **Operator: John Guzman Crane Service, Inc. (G4320)**
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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, John Guzman Crane Service, Inc. (**Operator**) is or was an "operator" (as defined in PRC, § 3009) and is responsible for the six (6) tanks identified on **Attachment A**, incorporated herein (the **Facilities**). Under applicable provisions of Regulations sections 1773.4 and 1777.3, Operator was required to perform tank wall thickness testing and bottom plate thickness testing on all the Facilities, and submit tank construction, installation, and major repair documents and to keep records of these tests on file, for provision to CalGEM upon request. On February 7, 2020, CalGEM issued a written request to Operator for copies of tank wall and bottom plate thickness testing data for the Facilities. On February 5, 2024, CalGEM followed up with Operator and requested Operator to submit testing data. On March 1, 2024, CalGEM issued a Notice of Violation for failure to submit tank wall thickness testing for the Facilities and requested Operator to submit testing data by March 29, 2024. To date, Operator has provided this data to CalGEM for only one tank (ID 14858), which was tested June, 27, 2025, after the stated deadline. A copy of the requests and Notice of Violation is incorporated herein as **Attachments B and C**.

Operator's failure to timely perform tank wall thickness testing and bottom plate thickness testing on the Facilities and to comply with production facility documentation retention requirements constitute violations of Regulations sections 1773.4 and 1777.3. Therefore, pursuant to PRC sections 3013, 3106, 3224, 3236.5, 3270, and Regulations sections 1773.4 and 1777.3, the Supervisor is ordering Operator to bring the Facilities into compliance with tank testing requirements and to pay a civil penalty for each violation.

1 **Attachment D**, incorporated herein, contains a list of definitions and authorities that are
2 applicable to this order.

3 **II. Failure to Perform Tank Testing and to Maintain Records of Tank Testing**

4 Based on CalGEM's records, at all times relevant to this order, Operator was the
5 operator, as defined in PRC section 3009, of the Facilities. At all times relevant to this order, the
6 Facilities were in-service tanks. As the operator of the Facilities, Operator was required to
7 perform tank wall thickness testing on all six of the in-service tanks at least once every five
8 years, as required by Regulations section 1773.4, subdivision (a). According to CalGEM's
9 records, the tanks' build date is unknown and CalGEM has no record of tank construction,
10 installation and major repair documents for the tanks. CalGEM has no record of any tank
11 thickness testing data for both the side walls and bottom plate thickness testing for the
12 Facilities. Therefore, all six tanks were due for testing every five years.

13 On February 7, 2020, CalGEM issued a letter to Operator requesting Operator submit
14 copies of all tank wall and bottom plate thickness testing data for the Facilities. Regulations
15 section 1777.3, subdivision (a) requires Operators to maintain records of required inspections
16 and tests for five years or for the last two times that the inspection or test has been performed,
17 whichever is longer. Regulations section 1777.3, subdivision (c) provides that this
18 documentation shall be available for review by CalGEM and maintained at the Operator's
19 local office or sent to CalGEM upon request. CalGEM provided Operator with 30 days to
20 submit the documentation, however Operator did not timely submit any testing data by the
21 deadline of March 9, 2020.

22 On February 5, 2024, CalGEM contacted Operator seeking the outstanding tank testing
23 data. Again, on March 1, 2024, CalGEM issued a Notice of Violation and requested that
24 Operator submit the testing data by the deadline of March 29, 2024. On June 27, 2025 one
25 tank (ID 14858) was tested and passed, however to date, Operator has not notified CalGEM of
26 scheduled tank testing or submitted test results for CalGEM's review for the remaining five
27 tanks.
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III. Civil Penalty

Operator's failure to timely perform tank wall thickness testing and bottom plate thickness testing on the Facilities is a violation of Regulations section 1773.4, subdivisions (a) and (d). Operator's failure to timely submit tank wall testing and bottom plate thickness testing for the Facilities to CalGEM is a violation of Regulations section 1777.3, subdivision (c). Operator's failure to timely provide tank construction, installation, and major repair documents for the Facilities to CalGEM is a violation of Regulations section 1777.3, subdivision (a)(1). As there are five (5) outstanding tank wall thickness tests for the Facilities and one (1) submitted after the deadline stated in a Notice of Violation, Operator's failure to timely perform tank testing and to submit the requested documentation to CalGEM constitutes six (6) separate violations.

Because of these violations, and based on consideration of relevant circumstances, consistent with PRC section 3236.5, by this order the Supervisor is imposing on Operator a civil penalty totaling one thousand eight hundred (\$1,700.00). Following is an explanation of how the civil penalty amount was determined.

For purposes of this order, the Supervisor considered relevant circumstances, including: characterizing the violations as "major," "minor," or "well stimulation" (as defined in PRC section 3236.5, subdivision (b)) and setting a penalty amount proportionate to the circumstantial importance of all relevant factors, including the eight factors identified in PRC section 3236.5, subdivision (a). (PRC, § 3236.5, subd. (a).)

In determining the civil penalty amount for Operator's failure to timely perform required tank testing and to submit the requested documentation of each test to CalGEM, the Supervisor determined the violation to be "minor." The maximum penalty for a minor violation is \$2,500. In determining a penalty amount, the Supervisor considered the eight statutory factors identified in PRC section 3236.5, subdivision (a), and other relevant circumstances. Based on the Operator's culpability in not performing the testing and providing the requested documentation, as well as the economic benefit gained by the Operator in not performing the testing, a civil penalty amount of \$300 per missed test is appropriately proportional to the

1 circumstances and specific violations. Additionally, in submitting required documentation
2 beyond the stated deadline within a Notice of Violation, a civil penalty amount of \$200 is
3 appropriately proportional to the circumstances and specific violation. As there are five (5)
4 outstanding tank wall thickness and tank bottom thickness tests for the Facilities and one (1)
5 submitted late, CalGEM assessed civil penalties of one thousand seven hundred (\$1,700.00).

6 **IV. Operator's Required Actions**

7 For the reasons stated herein, pursuant to PRC sections 3013, 3106, 3224, 3236.5, 3270,
8 and Regulations sections 1773.4 and 1777.3, **IT IS HEREBY ORDERED** that Operator:

- 9 **1) Pay civil penalties in the amount of one thousand seven hundred (\$1,700.00).**
10 **2) Perform tank wall thickness testing and perform an inspection and testing to**
11 **determine bottom plate thickness on remaining five (5) of the Facilities, in**
12 **accordance with Regulations section 1773.4.**
13 **3) Submit copies of all tank testing performed and provide tank construction,**
14 **installation and major repair documents for the Facilities to CalGEM.** Test results
15 may be uploaded to WellSTAR following each test or submitted to Javier Ura
16 Vasquez at Javier.Vasquez@conservation.ca.gov.

17 To remit payment of the civil penalty online, please visit
18 <https://www.govone.com/PAYCAL/Home/SelectAgency> and select "California Department
19 of Conservation Geologic Energy Management Division," then follow the instructions on the
20 screen. When filling out the "order number" field, please type the order number followed by
21 the letter "O."

22 To remit payment of the civil penalty by mail, please send a check payable to
23 "Department of Conservation" to the following address:

24 Department of Conservation
25 CalGEM, Attn: Operational Management Unit
26 715 P Street, MS 18-03
27 Sacramento, California 95814
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1 Please include the Operator name, Order number, and phrase "Oil and Gas
2 Environmental Remediation Account" on the check itself.

3 **V. Operator's Appeal Rights**

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

9 Department of Conservation
10 Director's Office of Appeals
11 715 P Street, MS 19-06 (Legal Office, Chief Counsel)
12 Sacramento, California 95814

13 Or via electronic mail:

14 OfficeofAppeals@conservation.ca.gov

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

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

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

26 Failure to comply with Section IV (Operator's Required Actions) of this order could
27 subject Operator to further enforcement action. PRC section 3236 makes it a misdemeanor
28 for any person who violates, fails, neglects, or refuses to comply with any of the provisions of

1 the oil and gas conservation laws commencing at PRC section 3000. PRC section 3236.5
2 authorizes the Supervisor to impose a civil penalty on a person who violates any provision in
3 Chapter 1 of Division 3 of the PRC or any regulation that implements those statutes, and the
4 Supervisor may in the future impose further civil penalties based on the facts and omissions
5 underlying this order. PRC section 3237 authorizes the Supervisor to order the plugging and
6 abandonment of a well or the decommissioning of a production facility if an operator has
7 failed to comply with an order of the Supervisor within the time provided by the order or has
8 failed to challenge the order on a timely basis. PRC section 3359 makes it a misdemeanor to
9 fail or neglect to comply with an order of the Supervisor. Each day's further failure, refusal, or
10 neglect is a separate and distinct offense. (PRC, § 3359.)

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DATED: 2/18/2026

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