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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 **AMENDED EMERGENCY ORDER TO**
15 **PERFORM REMEDIAL WORK**

16
17 **NO. 1603A**

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20 **Operator: 25 Hill Properties, Inc. (A0025)**
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1 I. Introduction

2 The State Oil and Gas Supervisor (**Supervisor**), acting through the Geologic Energy
3 Management Division (**CalGEM**), and under the authority of Division 3 of the Public Resources
4 Code (**PRC**; commencing with PRC section 3000) and title 14 of the California Code of
5 Regulations (**Regulations**), may determine that an emergency exists in connection with oilfield
6 operations and, in so determining, may order or undertake the actions the Supervisor deems
7 necessary to protect life, health, property, or natural resources. (PRC, §§ 3013, 3106, 3226.)
8 Further, the Supervisor may order remedial work which, in the Supervisor's judgment, is
9 necessary to prevent damage to life, health, property, and natural resources. (PRC, § 3224.)

10 Based on CalGEM's records, 25 Hill Properties, Inc. (**Operator**) is an "operator" (as
11 defined in PRC, § 3009) of the production facilities identified on **Attachment A**, incorporated
12 herein (**the Facilities**), at issue in this Order. As described in more detail below, CalGEM staff
13 conducted inspections of the Facilities and observed conditions that pose an immediate
14 threat to life, health, property, and natural resources, due to Operator's lack of maintenance,
15 monitoring, reporting, testing, and adherence to safety and decommissioning requirements.
16 Therefore, the Supervisor has determined that an emergency exists and, pursuant to PRC
17 sections 3013, 3106, 3224, 3226, and 3270, and Regulations sections 1770, 1773.3, 1773.5, 1775,
18 1777 and 1778, among others, the Supervisor hereby orders Operator to take immediate
19 action to commence and continue to completion all required actions in Section III of this
20 Order.

21 **Attachment B**, incorporated herein, contains a list of definitions and authorities that are
22 applicable to this Order.

23 On February 24, 2026, the Supervisor issued Order No. 1603. The Supervisor is rescinding
24 Order 1603 and issuing Amended Order No. 1603A to include additional emergency work
25 required to prevent imminent harm to life, health, property and natural resources as described
26 below.

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II. Alleged Acts/Omissions

Operator has not maintained compliance with applicable requirements for operation and maintenance of the Facilities. CalGEM's records reflect an ongoing failure to address cited violations and a pattern of recurring or repeated violations. Operator's lack of maintenance, monitoring, reporting, testing, and adherence to safety and decommissioning requirements constitutes an emergency which poses an immediate threat to life, health, property, and natural resources. While numerous oil and gas related violations have been observed by CalGEM staff, only those identified as a current emergency threat are addressed herein. The Division reserves the right to pursue additional violations in subsequent administrative actions. The violations at issue are identified below.

A. Failure to properly cover oilfield sump (Regulations, §§ 1770, subd. (b); 1778, subd. (d))

Regulations section 1770, subdivision (b), requires that sumps be "maintained so as to not be a hazard to people, livestock, or wildlife including birdlife." A "sump" is defined as "an open pit or excavation serving as a receptacle for collecting and/or storing fluids such as mud, hydrocarbons, or waste waters attendant to oil or gas field drilling or producing operations." (Regulations, § 1760, subd. (w).)

CalGEM staff conducted an inspection of the Jameson Trust Lease, Midway-Sunset Oil Field, on February 5, 2026, and observed evidence of "Jameson Trust Sump" (90290658) uncovered, with the screening covering the sump partially removed, in violation of Regulations section 1778, subdivision (d). (See **Attachment C**, incorporated herein.) Pursuant to Regulations section 1770, subdivision (b)(3), where the sump "contains oil or a mixture of oil and water [it] shall be covered with screening to restrain entry of wildlife in accordance with Section 1778(d)." In turn, Regulations section 1778, subdivision (b), requires wire fencing to be constructed following certain specifications; subdivision (d) requires screening of no greater than 2-inch nominal mesh, which is strong enough to prevent entry of wildlife, and not contact the sump; and subdivision (e) allows other materials to be used to restrict access, if approved by the Supervisor. CalGEM staff observed deceased wildlife within the uncovered sump in violation of Regulations section 1778 subdivision (d). (**Attachment D**, incorporated herein.)

1 Failure to maintain a sump poses a threat to domestic animals and/or wildlife. Sumps
 2 are designed to collect and/or store fluids that may contain crude oil, the chemical
 3 constituents of which are poisonous and can affect organisms through ingestion, inhalation, or
 4 external exposure. Proper maintenance may include pumping or draining the sump.

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

7 **B. Failure to maintain Out-of-Service tank (Regulations, § 1773.5)**

8 According to CalGEM's records, Tank OOS Tank 21, was removed from service on
 9 March 7, 2019. Regulations section 1773.5 subdivision (a) requires the following within six months
 10 after the determination that a production facility is Out-of-Service (1) fluids, sludge,
 11 hydrocarbons, and solids are to be removed and the facility shall be disconnected from any
 12 pipelines or other in-service equipment; (2) facilities shall be properly degassed in accordance
 13 with local air district requirements; (3) clean-out doors or hatches on tanks shall be removed
 14 and a heavy gauge steel mesh grating (less than 1" spacing) secured over the opening to
 15 allow for visual inspection and prevent unauthorized access; (4) tanks and vessels are to be
 16 labeled with Out-of-Service or OOS and it must be painted in bold letters at least one foot
 17 high, if possible, on the side of the tank or vessel at least five feet from the ground surface
 18 along with the date it was taken out of service; (5) valves and fittings are to be removed or
 19 secured to prevent unauthorized use; and (6) pipelines associate with out of service facilities
 20 are to be removed or flushed, filled with an inert fluid, and blinded. Subdivision (b) prohibits
 21 Out-of-Service production facilities from being reactivated unless all needed repairs have
 22 been completed and the production facility is in compliance with all applicable testing and
 23 inspection requirements. OOS Tank 21 (90294953) is an Out-of-Service tank subject to
 24 Regulations section 1773.5 as an out-of-service production facility. (Regulations, § 1760, subd.
 25 (r) ["'Production facility' means any equipment attendant to oil and gas production...including
 26 but not limited to, tanks, flowlines, headers, gathering lines, wellheads".]) CalGEM staff
 27 conducted inspections on February 4, 2026, and February 5, 2026, and observed the ground
 28 saturated with and covered in oil over several large areas at and around the OOS Tank 21 in

1 violation of Regulations sections 1773.5, 1777, and 1775. (See **Attachments E and F**
2 incorporated herein.) The pools of oil contained various dead wildlife, including small animals
3 such as birds and rodents. Further, CalGEM observed oil staining over the paint on the tank.
4 The tank was first noted by CalGEM staff as freshly painted in 2021, after the tank was removed
5 from service, indicating that the tank has since been in use. (See **Attachment F.**) Moreover,
6 CalGEM staff observed that the tank's cap was removed in violation of Regulations section
7 1773.5 subdivision (a)(5). (**Attachment E.**)

8 Failure to maintain production facilities and prevent leaks and spills, by complying with
9 regulations section 1773.5, can result in the release of hazardous materials into the
10 environment, potentially contaminating soil, air, groundwater and/or drinking water, or
11 otherwise presenting a public nuisance. Oil spills and leaks also pose a threat to domestic
12 animals and/or wildlife as well as create a fire hazard for the reasons noted above. Moreover,
13 failure to report leaks impedes CalGEM's ability to effectively supervise oil and gas production
14 operations.

15 As of the date of this Order CalGEM does not have any indication that the Out-of-
16 Service tank has become compliant with Out-of-Service facility requirements of regulations
17 section 1773.5 nor the spilled oil remediated.

18 1. Failure to properly dispose of oilfield waste and refuse (Regulations, § 1775)

19 Regulations section 1775, subdivision (a), requires that "oilfield wastes, including but not
20 limited to oil, water, chemicals, mud, and cement, shall be disposed of in such a manner as
21 not to cause damage to life, health, property, freshwater aquifers or surface waters, or natural
22 resources, or be a menace to public safety."

23 Failure to properly dispose of oilfield waste and refuse can result in the release of
24 hazardous materials into the environment, potentially contaminating soil, air, groundwater
25 and/or drinking water, or otherwise presenting a public nuisance. Oilfield waste also poses a
26 threat to livestock and/or wildlife as well as creates a fire hazard for the reasons noted above.

27 As of the date of this Order, CalGEM does not have any records from Operator
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1 demonstrating that the oilfield waste has been properly disposed of or that the violation has
2 been remediated.

3 **C. Failure to inspect and maintain tanks (Regulations, § 1773.3, subd. (b)(1), (2))**

4 Regulations section 1773.3 subdivisions (b)(1) and (b)(2) requires operator to inspect in-
5 service tanks at least once monthly for leakage and corrosion. "Leaking tanks shall be
6 reported to the appropriate Division district office within 48 hours and shall be taken out of
7 service and designated as an Out-of-Service tank." (Regulations, 1773.3, subd. (c.)) On
8 February 5, 2026 and on February 26, 2026, CalGEM staff observed a continuous leak coming
9 from the bottom of Wash Tank JT 1 caused by corrosion. (**Attachments G, H** incorporated
10 herein.) Specifically, oil was observed leaking from the back of the tank, traveling towards and
11 pooling in the front and on the west side of the tank. During the February 5, 2026 inspection a
12 dead bird was observed in the pooled oil from Wash Tank JT 1. (**Attachment I**, incorporated
13 herein.)

14 On February 5, 2026, CalGEM staff observed Stock Tank 13916 to be leaking crude oil,
15 with pooled oil present and corrosion at the bottom of the tank. (**Attachments J, K**
16 incorporated herein.)

17 Oil spills and leaks pose threats to the environment as listed above. As of the date of
18 this Amended Order, CalGEM does not have any records from Operator demonstrating that
19 the oil has been properly disposed of or that the leaking tank has been remediated.

20 **D. Failure to maintain and monitor overflowing, leaking water tank (Regulations, 1777,**
21 **subd. (a))**

22 Regulations section 1777 subdivision (a) requires operators to "maintain production
23 facilities in good condition and in a manner to prevent leakage or corrosion and to safeguard
24 life, health, property and natural resources." On February 5, 2026 and February 26, 2026,
25 CalGEM staff observed evidence of Waste Water Tank 2 (Tank 2) overflowing from an open
26 hatch on top of the tank. (**Attachment L**, incorporated herein.) Further, there is an active
27 release of produced water coming from open pipelines buried within the secondary
28 containment area, visible through two large grates upslope that lead into Tank 2 (**Attachment**

1 **M**, incorporated herein.) CalGEM staff observed the tank to be at full capacity containing
2 produced water and approximately one to two inches of oil layered on top. A single
3 substantial rain event will likely cause fluid to enter the open grates causing Tank 2 to overflow.
4 Tank 2 is situated in close proximity to nearby residential homes and the topography will cause
5 any fluid released from an overflow to flow towards the neighborhood. As of the date of this
6 Amended Order, CalGEM does not have any records from Operator demonstrating that the
7 overflowing tank has been drained or remediated.

8 **III. Operator's Required Emergency Remedial Actions**

9 For the reasons described above in this Order, the Supervisor has determined that an
10 emergency exists, and immediate action is necessary to protect life, health, property, and
11 natural resources. Therefore, pursuant to PRC sections 3013, 3106, 3224, 3226, and 3270, and
12 Regulations sections 1770, 1771, 1773.1, 1773.3, 1775, and 1777, among others, **IT IS HEREBY**
13 **ORDERED** that Operator immediately:

- 14 **(1) Ensure the Jameson Trust Sump is completely covered with appropriate screening**
15 **and secured in place in accordance with Regulations sections 1770, subdivision (b)**
16 **and 1778, subdivision (d).**
- 17 **(2) Drain OOS Tank 21 and remove oil, produced water, and other fluids from the site in**
18 **accordance with Regulations section 1775, subdivision (a).**
- 19 **(3) Bring the tank into compliance with CalGEM's Out-of-Service tank requirements**
20 **under Regulations section 1773.5.**
- 21 **(4) Remove and properly dispose of all fluids from Wash Tank JT1, Waste Water Tank 2**
22 **and Stock Tank 13916.**

23 For any questions about the Required Actions and to verify performance thereof,
24 please contact Cameron Campbell via electronic mail at
25 Cameron.Campbell@conservation.ca.gov.

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

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

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

9 Or via electronic mail: officeofappeals@conservation.ca.gov.

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

13 CalGEM may contract for performance of the work consistent with PRC section 3226.
14 Any amount the CalGEM expends will constitute a lien against Operator's real and/or personal
15 property. (PRC, §§ 3226, 3356).

16 An appeal of this Order will not operate as a stay. ((PRC, § 3350, subd. (b)(1).)
17 Therefore, **Operator must immediately perform the emergency work described herein.** If
18 Operator believes that it will be irretrievably injured by performing the work required by this
19 Order pending the outcome of the appeal, if any, Operator may seek an order from the
20 appropriate Superior Court restraining CalGEM from enforcing the Order pending the
21 outcome of the appeal. (PRC, § 3350, subd. (b)(4).)

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

23 Failure to comply with Section III (Operator's Required Actions) of this Order could
24 subject Operator to further enforcement action. PRC section 3236 makes it a misdemeanor for
25 any person who violates, fails, neglects, or refuses to comply with any of the provisions of the
26 oil and gas conservation laws commencing at PRC section 3000. PRC section 3236.5 authorizes
27 the Supervisor to impose a civil penalty on a person who violates any provision in Chapter 1 of
28 Division 3 of the PRC or any regulation that implements those statutes, and the Supervisor may

1 in the future impose further civil penalties based on the facts and omissions underlying this
2 Order.

3 PRC section 3237 authorizes the Supervisor to order the plugging and abandonment of
4 a well or the decommissioning of a production facility if an operator has failed to comply with
5 an order of the Supervisor within the time provided by the order or has failed to challenge the
6 order on a timely basis. PRC section 3359 makes it a misdemeanor to fail or neglect to comply
7 with an order of the Supervisor.

8 Each day's further failure, refusal, or neglect is a separate and distinct offense. (PRC, §
9 3359.

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12 DATED: 5/11/2026

Doug Ito

Doug Ito
State Oil and Gas Supervisor