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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**  
15 **NO. 1636**  
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18 **Operator: O'Donnell Oil, LLC (O0715)**  
19 **Field Name: Torrance**  
20 **District: Southern**  
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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, O'Donnell Oil, 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 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 section 1777, the Supervisor is ordering Operator to 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 January 7, 2026, CalGEM conducted an inspection of the Wells and Facilities where the violations described below were observed and documented in the Torrance Field. (**Attachment C**, incorporated herein.)

These violations 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.

1 **A. Failure to maintain production facilities in good condition and in a manner to prevent**  
 2 **leakage or corrosion. (Regulations, § 1777, subd. (a).)**

3 Operators are required to maintain production facilities in good condition and in a  
 4 manner to prevent leakage or corrosion and to safeguard life, health, property, and natural  
 5 resources, and conduct operations in accordance with good oilfield practices. (Regulations, §  
 6 1777, subd. (a).) Production facilities include wellheads. (PRC, § 3010; Regulations, § 1760,  
 7 subd. (r).)

8 During the inspection on or around January 7, 2026, CalGEM observed a liquid leak at  
 9 the following wellheads, and the wells therefore not being maintained in good condition and  
 10 in a manner to prevent leakage or corrosion, in violation of the Regulations, section 1777,  
 11 subdivision (a):

API	Well Designation
0403717541	Spring 83
0403717539	Spring 81
0403717532	Capital 70

12 The three violations were remediated by Operator on or around February 10, 2026.

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 18 **B. Failure to remove weeds and/or debris from secondary containment. (Regulations §**  
 19 **1777, subd. (c)(2).)**

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

26 During the inspection on or around January 7, 2026, CalGEM observed weeds and/or  
 27 debris on or in the secondary containment, in violation of Regulations, section 1777, subdivision  
 28 (c)(2), at the following production facility:

Facility Setting ID	Facility Setting Name	District	Facility (Component) Type
90295566	Spring Lease Tank Farm	Southern	Setting

The violation was remediated by Operator on or around February 10, 2026.

**III. Civil Penalties**

**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 six thousand two hundred fifty dollars (\$6,250.00) for the four violations.

Violation Description	Number of Violations	Associated Civil Penalty per Violation	Civil Penalties Totals
Failure to Maintain Production Facilities in Good Condition and in a Manner to Prevent Leakage or Corrosion; Leaking Wellheads for Environmentally Sensitive and Critical Well in Urban Area and Health Protection Zone (Regulations, § 1777, subd. (a).) <ul style="list-style-type: none"> <li>• 0403717539</li> </ul>	1	\$1,250	\$1,250
Failure to Maintain Production Facilities in Good Condition and in a Manner to Prevent Leakage or Corrosion; Leaking Wellheads for Environmentally Sensitive and Critical Well in Urban Area and/or Health Protection Zone (Regulations, § 1777, subd. (a).) <ul style="list-style-type: none"> <li>• 0403717541</li> <li>• 0403717532</li> </ul>	2	\$2,000	\$4,000
Failure to remove weeds and/or debris from secondary containment in Environmentally Sensitive and Urban Area, within Health Protection Zone (Regulations, § 1777, subd. and (c)(2).) <ul style="list-style-type: none"> <li>• 90295566</li> </ul>	1	\$1,000	\$1,000

		<b>Total Civil Penalties:</b>	\$6,250
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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), and the following: the Wells and tank are located in an urban area, as defined by Regulations section 1760, subdivision (y), are inside a health protection zone, as defined by Regulations section 1765.1, subdivision (b), are environmentally sensitive, as defined by Regulations section 1760, subdivision (f), and the Well is a critical well, as defined by Regulations section 1720, subdivision (a).

**IV. 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 pays administrative civil penalties of six thousand two hundred fifty dollars (\$6,250.00).

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.

**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

1 with PRC section 3350. (PRC, § 3225, subd. (d).) If this Order is mailed to you, the Director must  
2 receive the appeal within fifteen (15) days from the date the Supervisor mails the Order. To file  
3 an appeal, a written notice of appeal may be sent via U.S. mail to:

4 Department of Conservation  
5 Director's Office of Appeals  
6 715 P Street, MS 19-06 (Legal Office, Chief Counsel)  
7 Sacramento, California 95814

7 Or via electronic mail to:

8 [OfficeofAppeals@conservation.ca.gov](mailto:OfficeofAppeals@conservation.ca.gov)

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

12 If Operator does not file a timely written notice of appeal, or if the Order is affirmed  
13 following an appeal, this Order will become a final order. Any costs incurred by CalGEM to  
14 obtain compliance with this Order (which may include penalties and interest) will  
15 constitute a lien against Operator's real or personal property per PRC section 3423. (PRC, §  
16 3356.)

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

18 Failure to comply with Section IV (Operator's Required Actions) of this Order could  
19 subject Operator to further enforcement action. PRC section 3236 makes it a misdemeanor for  
20 any person who violates, fails, neglects, or refuses to comply with any of the provisions of the  
21 oil and gas conservation laws commencing at PRC section 3000. PRC sections 3236.2 and  
22 3236.3 authorize the Supervisor to seek civil penalties and injunctive relief for failure to comply  
23 with an order or for violations of any provision in Chapter 1 of Division 3 of the PRC or any  
24 regulation that implements those statutes. PRC section 3236.5 authorizes the Supervisor to  
25 impose a civil penalty on a person who violates any provision in Chapter 1 of Division 3 of the  
26 PRC or any regulation that implements those statutes, and the Supervisor may in the future  
27 impose further civil penalties based on the facts and omissions underlying this order. PRC  
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1 section 3237 authorizes the Supervisor to order the plugging and abandonment of a well or  
2 the decommissioning of a production facility if an operator has failed to comply with an order  
3 of the Supervisor within the time provided by the order or has failed to challenge the order on  
4 a timely basis. PRC section 3359 makes it a misdemeanor to fail or neglect to comply with an  
5 order of the Supervisor. Each day's further failure, refusal, or neglect is a separate and distinct  
6 offense. (PRC, § 3359.) By issuance of this Order, the Supervisor does not waive the right to take  
7 further enforcement actions.

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DATED: 5/28/2026

Doug Ito  
Doug Ito  
State Oil and Gas Supervisor