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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**
15 **NO. 1676**
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18 **Operator: Macpherson Operating Company, L.P. (M0955)**

19 **Field Name: Mount Poso**

20 **Kern County, Central District**
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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 impose a civil penalty on a person who violates any statutory
6 provision of the PRC, or any regulation that implements those statutory provisions. (PRC, §
7 3236.5.)

8 Based on CalGEM's records, Macpherson Operating Company, L.P. (**Operator**) is the
9 "operator" (as defined in PRC, § 3009) and is responsible for the Wells and associated
10 Production Facilities identified on **Attachment A**, incorporated herein (the "**Wells**" and
11 "**Facilities**"). As described in more detail below, Operator has not maintained compliance with
12 applicable requirements for operation of the Wells and the Facilities. Operator's failure to
13 comply with the Regulations poses a potential threat to life, health, property, and natural
14 resources for which the Supervisor has determined imposition of a civil penalty is appropriate.
15 Therefore, pursuant to PRC sections 3013, 3106, 3224, 3225, 3226, 3236.5, and 3270 and
16 Regulations sections 1773.3, 1775 and 1777, the Supervisor is ordering Operator to pay an
17 administrative civil penalty for the violations.

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

20 **II. Alleged Acts and Omissions**

21 Based on CalGEM's records, at all times relevant to this Order, Operator was the
22 operator, as defined in PRC section 3009, of the Wells and Facilities. On or about March 25,
23 2026 and April 1, 2026, CalGEM conducted inspections of the Wells and Facilities where the
24 violations described below were observed and documented in the Mount Poso Field.
25 (**Attachments C** and **D**, incorporated herein.)

26 CalGEM records reflect Operator has not maintained compliance with applicable
27 requirements for operation of the Wells and the Facilities. Operator's lack of adherence to the
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Regulations poses a potential threat to life, health, property, and natural resources. The violations at issue are identified below.

A. Failure to Properly Identify Tank (Regulations, § 1773.3, subd. (a))

Operators are required to properly identify tanks with tank identification number, tank type (production, stock, water, etc.) and with appropriate material hazard placards or labels. (Regulations, § 1773.3, subd. (a).)

During the inspection, CalGEM observed the tank type label missing or inadequate (**Attachment C**, incorporated herein), in violation of Regulations, section 1773.3, subdivision (a), at the following production facilities:

Facility Setting ID	Facility Setting Name	District	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type
90297505	Unspecified (Vedder USL)	Central	8721	V2	Tank

The violation was remediated by Operator on or around April 7, 2026.

B. Failure to remove oilfield waste and refuse (Regulations § 1775, subd. (a))

Oilfield waste shall be disposed of in such a manner as not to cause damage to life, health, property, freshwater aquifers or surface waters, or natural resources, or be a menace to public safety. (Regulations, § 1775, subd. (a).)

During the inspection, CalGEM observed oilfield waste and refuse that had not been properly disposed of (**Attachment C**, incorporated herein), in violation of Regulations, section 1775, subdivision (a), at the following production facilities:

Facility Setting ID	Facility Setting Name	District	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type
90297506	Unspecified (Vedder USL)	Central	3373	(2) 170317	Tank

The violation was remediated by Operator on or around April 7, 2026.

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C. Failure to maintain bolts on wellhead (Regulations § 1777, subd. (a))

The wellhead is equipment secured to the upper part of a well, located above the casing and is held in place by a series of bolts. Damaged or missing bolts on the wellhead may lead to leaking around the wellhead. Production facilities include wellheads. (PRC, § 3010; Regulations, § 1760, subd. (r).) 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, §§ 1722, subd. (a); 1777, subd. (a).)

During the inspection, CalGEM observed bolts missing from the wellhead at the following well (**Attachment D**, incorporated herein), in violation of Regulations, section 1777, subdivision (a):

API	Well Designation
0402914054	Ring 18 15

The violation was remediated by Operator on or around April 7, 2026.

D. Failure to maintain bull plugs on wellhead (Regulations, § 1777, subd. (a))

The wellhead is the structural and pressure-containing component secured to the surface of a well. Missing bull plugs on the wellhead may lead to leaking around the wellhead. Production facilities include wellheads. (PRC, § 3010; Regulations, § 1760, subd. (r).) 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, §§ 1722, subd. (a); 1777, subd. (a).)

During the inspection, CalGEM observed bull plugs missing from the wellhead at the following well (**Attachment D**, incorporated herein), in violation of Regulations, section 1777, subdivision (a):

API	Well Designation
0402914054	Ring 18 15

The violation was remediated by Operator on or around April 7, 2026.

E. 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, CalGEM observed the following tank leaking (**Attachment C**, incorporated herein), in violation of Regulations section 1777, subdivision (a):

Facility Setting ID	Facility Setting Name	District	Facility (Component) ID	Facility (Component) Name	Facility (Component) Type
90297506	Unspecified (Vedder USL)	Central	3373	(2) 170317	Tank

The violation was remediated by Operator on or around April 7, 2026.

F. 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. (Regulations, § 1777, subd. (c)(3).)

During the inspection, CalGEM observed fluids in the well cellar and the cellar not being properly covered, (**Attachment D**, incorporated herein), causing two separate violations of Regulations, section 1777, subd. (c)(3), at the following Well:

API	Well Designation
0402989560	Ring 18 22

The violations were remediated by Operator on or around April 7, 2026.

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III. Civil Penalty

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 two thousand five hundred dollars (\$2,500.00) for the seven violations.

Violation Description	Number of Violations	Associated Civil Penalty per Violation	Civil Penalty Totals
Failure to Remove Oilfield Waste and Refuse (Regulations, § 1775, subd. (a)) Subject ID 3373	1	\$500	\$500
Failure to Maintain Bolts on Wellhead (Regulations, § 1777, subd. (a)) API 0402914054	1	\$350	\$350
Failure to Maintain Bull Plugs on Wellhead (Regulations, § 1777, subd. (a)) API 0402914054	1	\$350	\$350
Failure to Maintain Tank in Good Condition and in a Manner to Prevent Leakage or Corrosion; Leaking Tanks (Regulations, § 1777, subd. (a)) Subject ID 3373	1	\$500	\$500
Failure to Label Tank (Regulations, § 1773.3, subd. (a)) Subject ID 8721	1	\$200	\$200
Failure to Keep Well Cellar Drained (Regulations, § 1777, subd. (c)(3)) API 0402989560	2	\$300	\$600
		Total Civil Penalty:	\$2,500

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).

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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 1773.3, 1775 and 1777, **IT IS HEREBY ORDERED** that within 30 days, Operator:

- 1) Pay an administrative civil penalty of two thousand five hundred dollars (\$2,500.00);

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
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 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

Or via electronic mail to:

OfficeofAppeals@conservation.ca.gov

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

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

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

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Dated: 9/2/2026

Doug Ito
Doug Ito
State Oil and Gas Supervisor