

1 Department of Conservation, Geologic Energy Management Division
Doug Ito
2 STATE OIL AND GAS SUPERVISOR
715 P Street, MS 19-06 (Legal Office)
3 Sacramento, California 95814
Telephone (916) 323-6733
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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. 1684**
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18 **Operator: San Joaquin Facilities Management, Inc. (\$0825)**

19 **Field Name: Ten Section**

20 **Kern County, Central District**
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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, San Joaquin Facilities Management, Inc. (**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, 3225, 3236.5, and 3270 and Regulations sections 1722, 1722.1.1, and 1777, the Supervisor is ordering Operator to pay an administrative civil penalty 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 12, 2026, CalGEM conducted an inspection of the Wells and Facilities where the violations described below were observed and documented in the Ten Section Field. (**Attachment C**, incorporated herein.)

CalGEM records 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. The violations at issue are identified below.

A. Failure to affix required well sign (Regulations § 1722.1.1, subd. (a).)

Operators are required to post in "a conspicuous place a clearly visible, legible, permanently affixed sign with the name of the operator, name or number of the lease, and number of the well" on the premises from the time drilling operations cease until the well is plugged and abandoned. (Regulations, § 1722.1.1, subd. (a).)

During the January 12, 2026, inspection of the Ten Section field, CalGEM observed missing well signs, in violation of Regulations, section 1722.1.1, subdivision (a):

API	Well Designation
0402920665	38-30
0402920667	58-30

The two violations were remediated by Operator on or around April 2, 2026.

B. 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 January 12, 2026, inspection, CalGEM observed bolts missing from the wellheads at the following wells, in violation of Regulations, section 1777, subdivision (a):

API	Well Designation
0402920641	61-30
0402920644	65-30
0402920665	38-30
0402920667	58-30

The four violations were remediated by Operator on or around April 2, 2026.

C. Failure to Keep Well Cellar Covered and 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 covered and drained. (Regulations, § 1777, subd. (c)(3).)

During the inspection, CalGEM observed fluids in the well cellar and/or well cellar is not properly covered, in violation of Regulations, section 1777, subd. (c)(3), at the following Wells:

API	Well Designation
0402920644	65-30
0402920645	66-30
0402920627	22-30

The three violations were remediated by Operator on or around April 2, 2026.

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 eight hundred dollars (\$2,800.00) for the ten violations.

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Violation Description	Number of Violations	Associated Civil Penalty per Violation	Civil Penalty Totals
Failure to affix well sign (Regulations, § 1722.1.1, subd. (a).) API 0402920665 API 0402920667	2	\$200.00	\$400.00
Failure to maintain bolts on wellhead. (Regulations, § 1777, subd. (a).) API 0402920644 API 0402920665 API 0402920641 API 0402920667	4	\$350.00	\$1,400.00
Failure to Keep Well Cellar Properly Covered (Regulations, § 1777, subd. (c)(3).) API 0402920644 API 0402920627	2	\$300.00	\$600.00
Failure to Keep Well Cellar Drained (Regulations, § 1777, subd. (c)(3).) API 0402920644 API 0402920645	2	\$200.00	\$400.00
		Total Civil Penalty:	\$2,800.00

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).

Operator's Required Actions

For the reasons stated herein, pursuant to PRC sections 3013, 3106, 3225, and 3236.5, and Regulations sections 1722, 1722.1.1, and 1777, **IT IS HEREBY ORDERED** that within 30 days, Operator pay an administrative civil penalty of two thousand eight hundred dollars (\$2,800.00.)

To remit payment of the civil penalty online, please visit

1 <https://www.govone.com/PAYCAL/Home/SelectAgency> and select "California Department
2 of Conservation Geologic Energy Management Division," then follow the instructions on the
3 screen. When filling out the "order number" field, please type the order number followed by
4 the letter "O."

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

7 Department of Conservation
8 CalGEM, Attn: Operational Management Unit
9 715 P Street, MS 1803
10 Sacramento, California 95814

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

13 **III. Operator's Appeal Rights**

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

19 Department of Conservation
20 Director's Office of Appeals
21 715 P Street, MS 19-06 (Legal Office, Chief Counsel)
22 Sacramento, California 95814

23 Or via electronic mail to:

24 OfficeofAppeals@conservation.ca.gov

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

28 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

1 constitute a lien against Operator's real or personal property per PRC section 3423. (PRC, §
2 3356.)

3 **IV. Other Potential Actions to Enforce This Order**

4 Failure to comply with Section IV (Operator's Required Actions) of this Order could
5 subject Operator to further enforcement action. PRC section 3236 makes it a misdemeanor for
6 any person who violates, fails, neglects, or refuses to comply with any of the provisions of the
7 oil and gas conservation laws commencing at PRC section 3000. PRC sections 3236.2 and
8 3236.3 authorize the Supervisor to seek for civil penalties and injunctive relief for failure to
9 comply with an order or for violations of any provision in Chapter 1 of Division 3 of the PRC or
10 any regulation that implements those statutes. PRC section 3236.5 authorizes the Supervisor to
11 impose a civil penalty on a person who violates any provision in Chapter 1 of Division 3 of the
12 PRC or any regulation that implements those statutes, and the Supervisor may in the future
13 impose further civil penalties based on the facts and omissions underlying this order. PRC
14 section 3237 authorizes the Supervisor to order the plugging and abandonment of a well or
15 the decommissioning of a production facility if an operator has failed to comply with an order
16 of the Supervisor within the time provided by the order or has failed to challenge the order on
17 a timely basis. PRC section 3359 makes it a misdemeanor to fail or neglect to comply with an
18 order of the Supervisor. Each day's further failure, refusal, or neglect is a separate and distinct
19 offense. (PRC, § 3359.) By issuance of this Order, the Supervisor does not waive the right to take
20 further enforcement actions.

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22
23 DATED: 10/7/2026

Cari Anderson

Cari Anderson
CalGEM Enforcement Chief