

Department of Conservation, Geologic Energy Management Division
Doug Ito
STATE OIL AND GAS SUPERVISOR
715 P Street, MS 19-06 (Legal Office)
Sacramento, California 95814
Telephone (916) 323-6733

STATE OF CALIFORNIA
NATURAL RESOURCES AGENCY
DEPARTMENT OF CONSERVATION
GEOLOGIC ENERGY MANAGEMENT DIVISION

ORDER TO PAY A CIVIL PENALTY
NO. 1511

Operator: Sentinel Peak Resources California LLC (\$2641)

Field Name: Midway-Sunset

County: Kern

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, Sentinel Peak Resources California LLC (**Operator**) is the
9 "operator" (as defined in PRC, § 3009) and is responsible for the Well identified on **Attachment**
10 **A**, incorporated herein (the "**Well**"). As described in more detail below, Operator has not
11 maintained compliance with applicable requirements for operation of the Well. Operator's
12 failure to comply with the Regulations poses a potential threat to life, health, property, and
13 natural resources which the Supervisor has determined imposition of a civil penalty is
14 appropriate. Therefore, pursuant to PRC sections 3106, 3225, 3236.5, and 3270 and Regulations
15 section 1777, the Supervisor is ordering Operator to pay an administrative civil penalty for the
16 violation.

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

19 II. Alleged Acts and Omissions

20 Based on CalGEM's records, at all times relevant to this Order, Operator was the
21 operator, as defined in PRC section 3009, of the Well. On or about October 30, 2024, CalGEM
22 conducted an inspection of the Well where the violation described below was observed and
23 documented on the Midway-Sunset Field. (**Attachments C and D**, incorporated herein.)

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

28 ///

A. Failure to maintain production facilities 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 a liquid leak at the following wellhead, and the well therefore not being maintained in a good condition and in a manner to prevent leakage or corrosion, in violation of the Regulations, section 1777, subdivision (a):

API	Well Designation
0403028512	South Cerritos 14W

The one violation was remediated by Operator on or around October 31, 2024.

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 five hundred dollars (\$500.00.) for the one violation.

Violation Description	Number of Violations	Associated Civil Penalty per Violation	Civil Penalty Totals
Regulations, § 1777, subd. (a) (Leaking Wellhead)	1	\$500.00	\$500.00
		Total Civil Penalty:	\$500.00

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)), the eight factors identified in PRC section 3236.5, subdivision (a), the oil pooling on the ground, and the Operator's remediation of the violation.

IV. Operator's Required Actions

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

1 Sacramento, California 95814

2 Or via electronic mail to:

3 OfficeofAppeals@conservation.ca.gov

4
5 If Operator files a timely written notice of appeal, Operator will be informed of the
6 appeal hearing date, time, and place. Following the hearing, Operator will receive a written
7 decision that affirms, sets aside, or modifies the appealed order.

8 If Operator does not file a timely written notice of appeal, or if the Order is affirmed
9 following an appeal, this Order will become a final order and CalGEM may contract for
10 performance of the work, pursuant to PRC section 3226, if, within 30 days of this Order,
11 Operator has not, in good faith, commenced the work ordered. Any costs incurred by
12 CalGEM to obtain compliance with this Order (which may include penalties and interest) will
13 constitute a lien against Operator's real or personal property per PRC section 3423. (PRC, §
14 3356.)

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

16 Failure to comply with Section IV (Operator's Required Actions) of this Order could
17 subject Operator to further enforcement action. PRC section 3236 makes it a misdemeanor for
18 any person who violates, fails, neglects, or refuses to comply with any of the provisions of the
19 oil and gas conservation laws commencing at PRC section 3000. PRC sections 3236.2 and
20 3236.3 authorize the Supervisor to seek for civil penalties and injunctive relief for failure to
21 comply with an order or for violations of any provision in Chapter 1 of Division 3 of the PRC or
22 any regulation that implements those statutes. PRC section 3236.5 authorizes the Supervisor to
23 impose a civil penalty on a person who violates any provision in Chapter 1 of Division 3 of the
24 PRC or any regulation that implements those statutes, and the Supervisor may in the future
25 impose further civil penalties based on the facts and omissions underlying this order. PRC
26 section 3237 authorizes the Supervisor to order the plugging and abandonment of a well or
27 the decommissioning of a production facility if an operator has failed to comply with an order
28 of the Supervisor within the time provided by the order or has failed to challenge the order on

1 a timely basis. PRC section 3359 makes it a misdemeanor to fail or neglect to comply with an
2 order of the Supervisor. Each day's further failure, refusal, or neglect is a separate and distinct
3 offense. (PRC, § 3359.) By issuance of this Order, the Supervisor does not waive the right to take
4 further enforcement actions.

5
6
7 DATED: 3/7/2025

Doug Ito

Doug Ito
State Oil and Gas Supervisor

Service List

Sentinel Peak Resources California LLC
c/o Thomas Cruise
1200 Discovery Drive, Suite 100
Bakersfield, CA 93309

Via email

Thomas Cruise
tcruise@sentinelpeakresources.com

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Attachment A
(Well)

Operator Name: Sentinel Peak Resources California LLC
Operator Code: S2641

API	Well Designation	District
0403028512	South Cerritos 14W	Central

Attachment B

Definitions and Authorities

Definitions

PRC section 3008, subdivision (a), defines "well" to mean, among other things, "any oil or gas well or well for the discovery of oil or gas; any well on lands producing or reasonably presumed to contain oil or gas."

PRC section 3009 defines "operator" to mean "a person who, by virtue of ownership, or under the authority of a lease or any other agreement, has the right to drill, operate, maintain, or control a well or production facility."

PRC section 3010 defines "production facility" to mean "any equipment attendant to oil and gas production or injection operations including, but not limited to, tanks, flowlines, headers, gathering lines, wellheads, heater treaters, pumps, valves, compressors, injection equipment, and pipelines that are not under the jurisdiction of the State Fire Marshal pursuant to Section 51010 of the Government Code." (See also Regulations, § 1760, subd. (r).)

State Oil and Gas Supervisor Authority

PRC section 3106 authorizes the Supervisor to supervise the drilling, operation, maintenance, and abandonment of oil and gas wells to "prevent, as far as possible, damage to life, health, property, and natural resources; damage to underground oil and gas deposits from infiltrating water and other causes; loss of oil, gas, or reservoir energy, and damage to underground and surface waters suitable for irrigation or domestic purposes by the infiltration of, or the addition of, detrimental substances."

PRC section 3224 mandates that the Supervisor "order such tests or remedial work as in his judgment are necessary to prevent damage to life, health, property, and natural resources; to protect oil and gas deposits from damage by underground water; or to prevent the escape of water into underground formations, or to prevent the infiltration of detrimental substances into underground or surface water suitable for irrigation or domestic purposes, to the best interests of the neighboring property owners and the public."

1 **PRC section 3225**, in relevant part, provides that "an order of the supervisor or a district
2 deputy issued pursuant to this chapter shall provide a clear and concise recitation of the acts
3 or omissions with which the operator is charged. The order shall state all penalties and
4 requirements imposed on the operator in connection with the acts or omissions charged and
5 the order shall provide references to the provisions of this code and the regulations that
6 support the imposition of the penalties and requirements. An order of the supervisor or a district
7 deputy shall be in writing and shall be served on the operator by personal service or by
8 certified mail. When the supervisor or a district deputy issues a written order concerning an
9 operation, an appeal may be made from the order pursuant to the procedures contained in
10 Article 6 (commencing with Section 3350). The order shall inform the operator of its right to
11 appeal the order."

12 **PRC section 3226, subdivision (a)**, provides that "within 30 days after service of an order
13 pursuant to Sections 3224 and 3225, or Section 3237, or if there has been an appeal from the
14 order to the director, within 30 days after service of the decision of the director, or if a review
15 has been taken of the order of the director, within 10 days after affirmance of the order, the
16 owner or operator shall commence in good faith the work ordered and continue it until
17 completion. If the work has not been commenced and continued to completion, the
18 supervisor may appoint necessary agents to enter the premises and perform the work. An
19 accurate account of the expenditures shall be kept. Any amount so expended shall constitute
20 a lien against real or personal property of the operator pursuant to the provisions of Section
21 3423. Before performing such work, the division may impose a lien against the real or personal
22 property of the operator pursuant to Section 3423 in an amount equal to an estimate of the
23 cost of the work based on a bid from a contractor or previous costs to perform comparable
24 work."

25 **PRC section 3236.5** authorizes the Supervisor to impose a civil penalty on a person who
26 violates any statutory provision in Chapter 1 of Division 3 of the PRC (PRC sections 3000 through
27 3473), or any regulation that implements those statutory provisions. Subject to the Supervisor's
28 discretion, the penalty amount may be up to \$25,000 per violation, per day.

1 **PRC section 3270** mandates that CalGEM prescribe by regulation minimum facility
2 maintenance standards for all production facilities in the state.

3 **Regulations section 1777, subdivision (a)** provides that "operators shall maintain
4 production facilities in good condition and in a manner to prevent leakage or corrosion and
5 to safeguard life, health, property, and natural resources."

Attachment C

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California
Department of Conservation
 Geologic Energy Management Division

Gavin Newsom, Governor
 Gabe Tiffany, Acting Director
 715 P Street, MS 1803
 Sacramento, CA. 95814
 T: (916) 445-5986

Inspection Summary

For additional details and 2 supporting documents, go to <http://wellstar.conservation.ca.gov>, navigate to the Inspections page, and search for the Inspection ID below.

Inspection Information					
Inspection ID	Inspection Type	Inspection Date	Inspection Name	Follow-Up Date	
12394834	Environmental Lease Inspection	10/30/2024	Alexandria Garcia		
Compliance Summary					
New Violation(s)		Resolved Violation(s)		Unresolved Violation(s)	
2		0		0	
Operator Information					
Operator Code		Operator Name			
S2641		Sentinel Peak Resources California LLC			
Agent Name		Thomas Cruise			
Agent Address		1200 Discovery Dr. Ste 100			
City		Bakersfield	State	CA	Zip Code
93309					
Inspected Subject(s)					
Field	Lease	Subject ID	Subject Name	Subject Type	Form Name
Midway-Sunset	South Cerritos	0403028512	South Cerritos 14W	Well	Environmental Well Site Inspection
Inspection Document(s)					
See list of Inspection Documents on subsequent page.					
New Violation(s)					
Notice of Violation According to the records maintained by the California Geologic Energy Management Division, Sentinel Peak Resources California LLC has been found in violation of the regulation section(s) listed in this table. Failure to correct a violation may result in enforcement action, including, but not limited to, issuance of a civil penalty or a remedial work order pursuant to Public Resources Code § 3236.5 and/or § 3224.					
Compliance ID:		12394835			
See list of Violations on subsequent page.					



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Inspection Document(s)					
Subject Type	Subject ID	Type	Description	Filename	Document ID
Well	0403028512	Video	0403028512_ENV _10-30-2024	0403028512_ENV _10-30-2024.MOV	1122214
Well	0403028512	Photo	0403028512_ENV _10-30-2024	0403028512_ENV _10-30-2024.pdf	1122215



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New Violation(s)

Notice Of Violation

According to the records maintained by the California Geologic Energy Management Division, Sentinel Peak Resources California LLC has been found in violation of the regulation section(s) listed in this table. Failure to correct a violation may result in enforcement action, including, but not limited to, issuance of a civil penalty or a remedial work order pursuant to Public Resources Code § 3236.5 and/or § 3224.

Compliance ID:

12394835

Violation ID	Section	Code Type	Subject Name	Subject ID	Remedy Due Date
12394837	1775(a) - Oilfield Wastes and Refuse	California Code of Regulations - Title 14	South Cerritos 14W	0403028512	12/2/2024
Comment		Oil waste has not been removed and disposed of properly. Oil is pooling around the wellhead due to a stuffing box leak.			
Corrective Actions:		Bring into compliance.			
Violation ID	Section	Code Type	Subject Name	Subject ID	Remedy Due Date
12394836	1777(a) - Maintenance and Monitoring of Production Facilities, Safety Systems, and Equipment	California Code of Regulations - Title 14	South Cerritos 14W	0403028512	12/2/2024
Comment		Well's stuffing box is leaking.			
Corrective Actions:		Bring into compliance.			

Attachment D

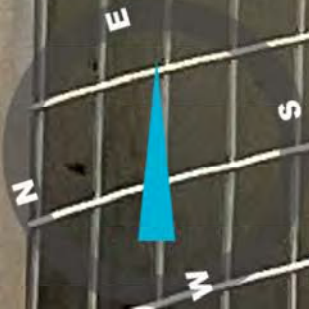
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SENTINEL PEAK
RESOURCES

SOUTH CERRITOS
14W



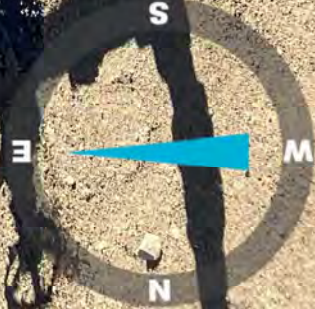


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SCOUTING FOR
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NOTICE OF APPEAL TO THE DIRECTOR OF THE DEPARTMENT OF CONSERVATION

Use of this form is optional. You may use this form to prepare a Notice of Appeal from the enclosed Order. The style and content of this form are only suggestions. You may file a written notice of appeal in a different format.

Mail the completed form to the address at the bottom of this page.

Box 1: Statement of Intent to Appeal (Review the text in this box to confirm that the operator information Order No. 1511 are accurate. Make any necessary corrections directly on the form.)
Operator, Sentinel Peak Resources California LLC, hereby appeals from State Oil and Gas Supervisor Order No. 1511
Box 2: Basis of Appeal (Explain the reasons why you are appealing the order. Make your explanation as clear and complete as you can. If you need more space to write your explanation, attach additional pages. Label any attached additional pages with "Notice of Appeal re: Order No. 1511")
The reasons for this appeal are as follows: _____ _____ _____ _____ ☐ (Attach additional pages as necessary.)
Box 3: Contact Information for Operator Representative (Provide contact information for the preferred operator representative with whom the Appeals Officer and Supervisor's legal counsel may communicate regarding the appeal.)
Name: _____ Physical Mail: (Address) _____ (City, State, Zip) _____ Phone: (_____) _____ - _____ Email: _____ ☐ I agree to document service using the email address above.
Box 4: Certification of Authority

Mail or E-mail this Notice of Appeal to the following the following address, as appropriate:

Department of Conservation, Director's Office of Appeals
 715 P Street, MS 1906 (Legal Office, Chief Counsel)
 Sacramento, CA 95814-3530
OfficeofAppeals@conservation.ca.gov

rev. 10/2/2024

(Verify that all information on or attached to the form is correct, then sign and date the certification where indicated.)

I am the operator named in Box 1, above, or I have authority to act on behalf of that operator for purposes of preparing and filing this Notice of Appeal.

Signature: _____

Date: _____

Printed Name: _____

Affiliation with operator: _____

(e.g., self, owner, president, legal counsel, etc.)

Mail or E-mail this Notice of Appeal to the following the following address, as appropriate:

Department of Conservation, Director's Office of Appeals
715 P Street, MS 1906 (Legal Office, Chief Counsel)
Sacramento, CA 95814-3530
OfficeofAppeals@conservation.ca.gov

rev. 10/2/2024

PROOF OF SERVICE BY CERTIFIED U.S. MAIL

I declare that I am employed in the County of Sacramento, California. I am over the age of 18 and not a party to the within captioned cause. My business address is 715 P Street, MS 1803, Sacramento, California 95814. On March 7, 2025, I served the following document(s):

**ORDER TO PAY A CIVIL PENALTY
NO. 1511**

by enclosing them in an envelope and placing the envelope for collection and mailing by certified U.S. mail on the date and at the below listed address(es) following our ordinary business practices. I am readily familiar with this business's practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service in a sealed envelope with postage fully prepaid.

I served the documents on the person or persons below, as follows:

Sentinel Peak Resources California LLC c/o Thomas Cruise 1200 Discovery Drive, Suite 100 Bakersfield, CA 93309 Certified Mail Receipt Number: 7022 0410 0001 9049 6649	
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I declare under penalty of perjury of the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on March 7, 2025, at Sacramento, CA.


 Rachael A. Tadlock