

Department of Conservation, Geologic Energy Management Division
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STATE OF CALIFORNIA
NATURAL RESOURCES AGENCY
DEPARTMENT OF CONSERVATION
GEOLOGIC ENERGY MANAGEMENT DIVISION

ORDER TO PAY A CIVIL PENALTY AND PERFORM REMEDIAL WORK
NO. 1640

Operator: Aera Energy LLC (A0610)
Field Names: Belridge-South, Belridge-North, Cymric, and Midway-Sunset
County: Kern

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, Aera Energy 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 and constitute violations requiring remedial work and 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 sections 1722, 1775, and 1777, the Supervisor is ordering Operator to (1) perform remedial work to bring the Wells and Facilities into compliance and (2) 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 February 4, 2025, June 23, 2025, September 4, 2025, September 17, 2025, September 23, 2025, October 17, 2025, October 22, 2025, and December 4, 2025, CalGEM conducted inspections of the Wells and Facilities where the violations described below were observed and documented in the Belridge-South, Belridge-North, Cymric, and Midway-Sunset Field. (**Attachments C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, and R** 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.

A. 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 on or about December 4, 2025, CalGEM observed bolts missing from the wellhead at API 0402961392, in violation of Regulations, section 1777, subdivision (a):

API	Well Designation
0402961392	Republic USL 60-8

Based on CalGEM's records, the violation was resolved on April 30, 2026.

B. Failure to maintain wellheads 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).) Production facilities include wellheads. (PRC, § 3010; Regulations, § 1760, subd. (r).)

During the inspections on or about September 4, 2025, September 17, 2025, September 23, 2025, October 22, 2025, and December 4, 2025, CalGEM observed liquid leaks at the following wellheads, and the wells 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	Date Resolved
0403041377	Reagan & Knudsen 31F-36	02/09/2026
0403018152	DTR 921Y-33	10/08/2025
0403023013	Unspecified 548LR-35	11/12/2025
0403037112	DTR 987B-33	10/08/2025
0403031258	Unspecified 568P1-12	Not Resolved
0403053762	Anderson-Fitzgerald 8505	02/25/2026
0403020121	SEBU T 3341-12	11/13/2025
0403007948	Gore A 81-6	02/05/2026
0403036460	Bolivar 203	01/12/2026
0402987064	Bolivar 1G	01/12/2026
0402989804	Bolivar 3A	01/14/2026
0403036459	Bolivar 202	Not Resolved
0403036457	Bolivar 107	01/21/2026
0403039877	Shale 421T	02/04/2026

As of the date of this Order, CalGEM does not have any records from Operator demonstrating that the violations for API 0403036459 and API 0403031258 were corrected. Based on CalGEM's records, the other twelve violations were remediated by Operator on or about the above dates.

C. Failure to Remove Oilfield Wastes. (Regulations § 1775, subd. (a) and (c)).

Oilfield wastes 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 inspections on or about June 23, 2025, October 17, 2025, and February 4, 2025, CalGEM observed oilfield wastes and refuse that had not been properly disposed of, in violation of Regulations, sections 1775, subdivision (a) and (c), at the following wells and production facilities:

API	Well Designation	Date Resolved
0403066574	SEBU T 3381B-12	02/27/2026
0403002093	Marina 3576-3	04/27/2026
0403052714	Unspecified 564D5-35	02/09/2026
0403063614	Anderson-Fitzgerald 7303R1-26S	02/25/2026
0403068248	Anderson-Fitzgerald 7308A-26S	02/25/2026

Based on CalGEM’s records, the violations were remediated by Operator on or about the above dates.

D. Failure to Post Well and Operator Identification. (Regulations, § 1722.1.1)

Each well location shall have posted in a conspicuous place the identification of the well and operator. Operators are required to post a clearly visible, legible, permanently affixed sign with the name of the operator, name or number of the lease, and number of the well. (Regulations, § 1722.1.1)

During the inspection on or about December 4, 2025, CalGEM observed no identifying well sign, in violation of Regulations, §1722.1.1, at the following Well:

API	Well Designation
0402954862	Republic USL 2-7

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

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III. Civil Penalties/Remedial Work

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 thirteen thousand eight hundred dollars (\$13,800.00) for the 21 violations.

Violation Description	Number of Violations	Associated Civil Penalty per Violation	Civil Penalty Totals
Failure to maintain bolts on wellhead. (Regulations, § 1777, subd. (a).) • API 0402961392	1	\$350.00	\$350.00
Failure to Post Well and Operator Identification (Regulations, § 1722.1.1(a)) • API 0402954862	1	\$200.00	\$200.00
Failure to Remove Oilfield Wastes (Regulations, § 1775 (a) and (c)) • API 0403063614	1	\$500.00	\$500.00
Failure to Remove Oilfield Wastes (Regulations, § 1775 (a)) • API 0403066574 • API 0403052714 • API 0403068248	3	\$750.00	\$2,250.00
Failure to Remove Oilfield Wastes (Regulations, § 1775 (a)) • API 0403002093	1	\$1,000.00	\$1,000.00
Failure to Maintain Production Facilities in Good Condition and in a Manner to Prevent Leakage or Corrosion; Leaking Wellheads (Regulations, § 1777, subd. (a)) • API 0403023013 • API 0403037112 • API 0403053762 • API 0403007948 • API 0402987064 • API 0403036459	6	\$500.00	\$3,000.00

Failure to Maintain Production Facilities in Good Condition and in a Manner to Prevent Leakage or Corrosion; Leaking Wellheads (Regulations, § 1777, subd. (a))	6	\$750.00	\$4,500.00
• API 0403041377 • API 0403018152 • API 0403031258 • API 0403020121 • API 0403036460 • API 0403039877			
Failure to Maintain Production Facilities in Good Condition and in a Manner to Prevent Leakage or Corrosion; Leaking Wellheads (Regulations, § 1777, subd. (a))	2	\$1,000.00	\$2,000.00
• API 0402989804 • API 0403036457			
		Total Civil Penalties:	\$13,800.00

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).

B. Remedial Work

Pursuant to PRC sections 3224 and 3226, the Supervisor hereby orders Operator to complete remedial work to come into compliance with Regulations sections 1722, 1775, and 1777, as outlined below in Operator’s Required Actions.

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 1722, 1775, and 1777, **IT IS HEREBY ORDERED** that within 30 days, Operator:

- 1) Pay administrative civil penalties of thirteen thousand eight hundred dollars (**\$13,800.00**); and

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 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.

2) In accordance with PRC section 3224 and Regulations sections 1722, 1775, and 1777 Operator is required to:

a. Repair the wellheads at the following Wells in a manner to prevent leakage or corrosion:

API	Well Designation
0403031258	Unspecified 568P1-12
0403036459	Bolivar 202

b. Post well identification sign, at the following Well:

API	Well Designation
0402954862	Republic USL 2-7

Upon performing the required remedial work, please contact CalGEM's Central District via email at calgemcentralenvironmental@conservation.ca.gov.

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 and CalGEM may contract for performance of the work, pursuant to PRC section 3226, if, within 30 days of this Order, Operator has not, in good faith, commenced the work ordered. 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 actions.

DATED: 6/10/2026

Doug Ito

Doug Ito
State Oil and Gas Supervisor