

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. 1651

Operator: California Resources Production Corporation (C0885)
Field Names: Kettleman North Dome, North Antelope Hills, North Tejon, Rio Viejo, Semitropic,
Tejon, and Wheeler Ridge
Counties: Fresno, Kern, and Kings

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, California Resources Production Corporation (**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 a civil penalty is appropriate. Therefore, pursuant to PRC sections 3013, 3106, 3224, 3225, 3226, 3236.5, and 3270 and Regulations sections 1722 and 1777, the Supervisor is ordering Operator to (1) pay an administrative civil penalty for the violations and (2) perform remedial work to bring the Well(s) and Facilities into compliance.

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 November 8, 2024, April 3, 2025, June 24, 2025, July 8, 2025, August 15, 2025, August 21, 2025, August 27, 2025, September 4, 2025, September 10, 2025, September 11, 2025, and September 30, 2025, CalGEM conducted inspections of the Wells and Facilities where the violations described below were observed and documented in the Kettleman North Dome, North Antelope Hills,

North Tejon, Rio Viejo, Semitropic, Tejon, and Wheeler Ridge Fields. (**Attachment C, D, E, F, G, H, I, J, K, L, M, N, AND O**) incorporated herein.)

These violations reflect that 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 inspections conducted on or around April 8, 2025, July 8, 2025, August 21, 2025, August 27, 2025, September 4, 2025, and September 30, 2025, CalGEM observed bolts missing from the wellheads at the following wells, in violation of Regulations, section 1777, subdivision (a):

API	Well Designation	Violation Status
0401905768	38	Resolved
0402918644	Tejon A 48-35	Resolved
0402918645	Tejon A 57-35	Resolved
0402918647	Tejon A 59-35	Resolved
0402918652	Tejon A 79-35	Resolved
0402918877	Bright 1	Resolved
0402920432	KCL I 81-24	Resolved
0402985796	Chapman Fee WD1	Resolved

Based on CalGEM's records, the violations API 0402918877, API 0402920432, API 0401905768, and API 0402985796, were remediated on or around August 5, 2025, August 27,

2025, September 30, 2025, and October 13, 2025, respectively, and the violations for API 0402918647, API 0402918652, API 0402918645, and API 0402918644 were remediated on or around October 23, 2025.

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 inspection conducted on or around June 24, 2025, 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	Violation Status
0402952198	1-36-24N	Resolved

Based on CalGEM’s records, the violation for API 0402952198 was remediated on or around October 7, 2025.

C. 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 inspections conducted on or about November 8, 2024, April 3, 2025, July 8, 2025, August 15, 2025, August 21, 2025, September 10, 2025, and September 11, 2025, CalGEM observed fluids in the well cellar, in violation of Regulations, section 1777, subd. (c)(3), at the following wells:

API	Well Designation	Violation Status
0402918877	Bright 1	Resolved
0402920508	BW-T 352-20	Resolved
0402920509	BW-T 372-20	Resolved
0402920769	K.C.L. G 52-28	Resolved
0402959568	Rio Viejo South 36X	Resolved
0403041006	Scherr Trust et al 1-22	Resolved
0403043599	Fulwyler 82-15H	Resolved
0403044930	J.V. Reserve 2H-32	Active
0403120511	27K-7Q	Active

As of the date of this Order, CalGEM does not have any records from Operator demonstrating that the violations for API 0403044930 and API 0403120511 were corrected. Based on CalGEM’s records, the violation API 0403041006 was remediated on or around May 12, 2025, and the violations for API 0402918877, API 0402920769, API 0402920509, API 0402920508, API 0402959568 and API 0403043599 were remediated on or around August 5, 2025, August 28, 2025, September 9, 2025, September 30, 2025, October 29, 2025, and February 12, 2026, respectively.

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 five thousand seven hundred five dollars (\$5,705.00) for the 18 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 0401905768	5	\$450.00	\$2,250.00

1	• API 0402985796 • API 0402918647 • API 0402918652 • API 0402918644			
2				
3	Failure to maintain bolts on wellhead; Well in Health Protection Zone (HPZ). (Regulations, § 1777, subd. (a).)	2	\$450.00	\$900.00
4				
5	• API 0402920432 • API 0402918877			
6	Failure to maintain bolts on wellhead; (Regulations, § 1777, subd. (a).)	1	\$300.00	\$300.00
7				
8	• API 0402918645			
9	Failure to Maintain Production Facilities in Good Condition and in a Manner to Prevent Leakage or Corrosion; Leaking Wellhead. (Regulations, § 1777, subd. (a).)	1	\$230.00	\$230.00
10				
11	• API 0402952198			
12	Failure to Keep Well Cellar Drained; Well in Health Protection Zone (HPZ) (Regulations, § 1777, subd. (c)(3).)	1	\$300.00	\$300.00
13				
14	• API 0402920508			
15	Failure to Keep Well Cellar Drained; (Regulations, § 1777, subd. (c)(3).)	3	\$275.00	\$825.00
16				
17	• API 0403120511 • API 0403044930 • API 0403041006			
18	Failure to Keep Well Cellar Drained; Well in Health Protection Zone (HPZ) (Regulations, § 1777, subd. (c)(3).)	1	\$275.00	\$275.00
19				
20	• API 0402920509			
21	Failure to Keep Well Cellar Drained (Regulations, § 1777, subd. (c)(3).)	3	\$175.00	\$525.00
22				
23	• API 0403043599 • API 0402959568 • API 0402920769			
24	Failure to Keep Well Cellar Drained; Well in Health Protection Zone (HPZ). (Regulations, § 1777, subd. (c)(3).)	1	\$100.00	\$100.00
25				
26	• API 0402918877			
27				
28				

Total Civil Penalties:	\$5,705.00
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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 whether each of the Wells and tank are inside a health protection zone, as defined by Regulations section 1765.1, subdivision (b).

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 section 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, 3236.5, and 3270 and Regulations sections 1722, and 1777, **IT IS HEREBY ORDERED** that within 30 days, Operator:

- 1) Pay an administrative civil penalty of five thousand seven hundred five dollars (\$5,705.00);
- 2) Drain the well cellar, at the following Wells:

API	Well Designation
0403044930	J.V. Reserve 2H-32
0403120511	27K-7Q

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

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.

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

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

3 **V. 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.

21
22
23 DATED: 6/24/2026

Doug Ito

Doug Ito
State Oil and Gas Supervisor