

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 CIVIL PENALTIES
NO. 1659

Operator: Pacific Coast Energy Company LP (B6127)

Field Name: Orcutt

County: Santa Barbara

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, Pacific Coast Energy Company LP (**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 a civil penalty is appropriate. Therefore, pursuant to PRC sections 3013, 3106, 3225, 3236.5, and 3270 and Regulations section 1777, the Supervisor is ordering Operator to 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 May 1, 2025, CalGEM conducted inspections of the Wells and Facilities where the violations described below were observed and documented in the Orcutt Field. (**Attachments C and D**, incorporated herein.)

CalGEM records reflect Operator has not maintained compliance with applicable requirements for operation of the Wells and the Facilities. Operators' 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 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).) Production facilities include wellheads. (PRC, § 3010; Regulations, § 1760, subd. (r).)

During the inspections, CalGEM observed a leak at the following wellheads, and the Wells therefore not being maintained in good condition and in a manner to prevent leakage or corrosion, in violation of the Regulations, section 1777, subdivision (a):

API	Well Designation
0408322620	Newlove 230
0408322754	Newlove 2124

The violation for API 0408322620 was remediated by Operator on or around July 8, 2025. The violation for API 0408322754 was remediated by Operator on or around February 5, 2026.

III. 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 one thousand four hundred dollars (\$1,400.00) for the two violations.

Violation Description	Number of Violations	Associated Civil Penalty per Violation	Civil Penalty Totals
Failure to Maintain Production Facilities in Good Condition and in a Manner to Prevent Leakage or Corrosion; Leaking Wellheads (Regulations, § 1777, subd. (a).) API 0408322620	2	\$700.00	\$1,400.00

1	API 0408322754		
2		Total Civil Penalties:	\$1,400.00

3 For purposes of this Order, the Supervisor considered relevant circumstances when
4 establishing the amount of the administrative civil penalties, including: characterizing the
5 violations as “minor” (as defined in PRC section 3236.5, subdivision (b)) and the eight factors
6 identified in PRC section 3236.5, subdivision (a).

7 **IV. Operator’s Required Actions**

8 For the reasons stated herein, pursuant to PRC sections 3013, 3106, 3225, and 3236.5,
9 and Regulations section 1777, **IT IS HEREBY ORDERED** that within 30 days, Operator pay
10 administrative civil penalties of one thousand four hundred dollars (\$1,400.00);

11 To remit payment of the civil penalties online, please visit
12 <https://www.govone.com/PAYCAL/Home/SelectAgency> and select “California Department
13 of Conservation Geologic Energy Management Division,” then follow the instructions on the
14 screen. When filling out the “order number” field, please type the order number followed by
15 the letter “O.”

16 To remit payment of the civil penalty by mail, please send a check payable to
17 “Department of Conservation” to the following address:

18 Department of Conservation
19 CalGEM, Attn: Operational Management Unit
20 715 P Street, MS 1803
21 Sacramento, California 95814

22 Please include the Operator name, Order number, and phrase “Oil and Gas
23 Environmental Remediation Account” on the check itself.

24 **V. Operator’s Appeal Rights**

25 Operator may appeal this Order by filing a timely written notice of appeal with the
26 Director as described in Article 6 (Appeals and Review) of Division 3 of the PRC, commencing
27 with PRC section 3350. (PRC, § 3225, subd. (d).) If this Order is mailed to you, the Director must
28 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:

1 Department of Conservation
2 Director's Office of Appeals
3 715 P Street, MS 19-06 (Legal Office, Chief Counsel)
4 Sacramento, California 95814

5 Or via electronic mail to:

6 OfficeofAppeals@conservation.ca.gov

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

10 If Operator does not file a timely written notice of appeal, or if the Order is affirmed
11 following an appeal, this Order will become a final order. Any costs incurred by CalGEM to
12 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 civil penalties and injunctive relief for failure to comply
21 with an order or for violations of any provision in Chapter 1 of Division 3 of the PRC or any
22 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
a timely basis. PRC section 3359 makes it a misdemeanor to fail or neglect to comply with an

1 order of the Supervisor. Each day's further failure, refusal, or neglect is a separate and distinct
2 offense. (PRC, § 3359.) By issuance of this Order, the Supervisor does not waive the right to take
3 further enforcement actions.

4
5
6 DATED: 7/17/2026

Doug Ito

Doug Ito
State Oil and Gas Supervisor

Service List

Via certified mail:

Pacific Coast Energy Company LP
c/o Philip Brown
1555 Orcutt Hill Road
Orcutt, CA 93455

Pacific Coast Energy Company LP
330 N Brand Blvd
Glendale, CA 91203

Via email:

Philip Brown
Regulatory@pceclp.com

Attachment A
(Wells and Production Facilities)

Operator Name: Pacific Coast Energy Company LP

Operator Code: B6127

API	Well Designation	Lease	Field	District
0408322620	Newlove 230	Newlove	Orcutt	Northern
0408322754	Newlove 2124	Newlove	Orcutt	Northern

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 3013 provides “this division shall be liberally construed to meet its purposes, and the director and the supervisor, acting with the approval of the director, shall have all powers, including the authority to adopt rules and regulations, which may be necessary to carry out the purposes of this division.”

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;

1 to protect oil and gas deposits from damage by underground water; or to prevent the escape
2 of water into underground formations, or to prevent the infiltration of detrimental substances
3 into underground or surface water suitable for irrigation or domestic purposes, to the best
4 interests of the neighboring property owners and the public.”

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

16 **PRC section 3226, subdivision (a)**, provides that “within 30 days after service of an order
17 pursuant to Sections 3224 and 3225, or Section 3237, or if there has been an appeal from the
18 order to the director, within 30 days after service of the decision of the director, or if a review
19 has been taken of the order of the director, within 10 days after affirmance of the order, the
20 owner or operator shall commence in good faith the work ordered and continue it until
21 completion. If the work has not been commenced and continued to completion, the
22 supervisor may appoint necessary agents to enter the premises and perform the work. An
23 accurate account of the expenditure shall be kept. Any amount so expended shall constitute
24 a lien against real or personal property of the operator pursuant to the provisions of Section
25 3423. Before performing such work, the division may impose a lien against the real or personal
26 property of the operator pursuant to Section 3423 in an amount equal to an estimate of the
27 cost of the work based on a bid from a contractor or previous costs to perform comparable
28 work.”

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

5 **PRC section 3270** mandates that CalGEM prescribes minimum facility maintenance
6 standards for all production facilities in the state.

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

Attachment C

Inspection Summary 12419420

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28



California
Department of Conservation
Geologic Energy Management Division

Gavin Newsom, Governor
Jennifer Lucchesi, Director

715 P Street, MS 1803
 Sacramento, CA. 95814
 T: (916) 445-5986

Inspection Summary

Inspection Information					
Inspection ID	Inspection Type	Inspection Date	Inspector Name	Follow-Up Date	
12419420	UIC Compliance	5/1/2025	Benjamin Goldstone		
Compliance Summary					
New Violation(s)		Resolved Violation(s)		Unresolved Violation(s)	
1		0		0	
Operator Information					
Operator Code		Operator Name			
B6127		Pacific Coast Energy Company LP			
Agent Name		Philip Brown			
Agent Address		1555 Orcutt Hill Road			
City	Orcutt	State	CA	Zip Code	93455
Inspected Subject(s)					
Field	Lease	Subject ID	Subject Name	Subject Type	Form Name
Orcutt	Newlove	0408322754	Newlove 2124	Well	UIC Well 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, Pacific Coast Energy Company LP 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		12419421			
Violation ID	Section	Code Type	Subject Name	Subject ID	Remedy Due Date
12419422	1777(a) - Maintenance and Monitoring of Production Facilities, Safety Systems, and	California Code of Regulations - Title 14	Newlove 2124	0408322754	6/5/2025

	Equipment				
Comment:					
Corrective Actions:		Bring into compliance			



California
Department of Conservation
Geologic Energy Management Division

Gavin Newsom, Governor
Jennifer Lucchesi, Director

715 P Street, MS 1803
Sacramento, CA. 95814
T: (916) 445-5986

Inspection Document(s)					
Subject Type	Subject ID	Type	Description	Filename	Document ID
Well	0408322754	Photo	Steam leak and fluid on ground	TC_00114.JPG	1243742
Well	0408322754	Video	Steam leak	TC_00110.MP4	1243743
Well	0408322754	Video	Steam leak	TC_00111.MP4	1243744
Well	0408322754	Video	Steam leak	TC_00112.MP4	1243745
Well	0408322754	Photo	Well sign and line	TC_00109.JPG	1243746
Well	0408322754	Photo	Steam leak and fluid on ground	TC_00115.JPG	1243747

Attachment D

Inspection Summary 12419503

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28



California
Department of Conservation
Geologic Energy Management Division

Gavin Newsom, Governor
Jennifer Lucchesi, Director

715 P Street, MS 1803
 Sacramento, CA. 95814
 T: (916) 445-5986

Inspection Summary

Inspection Information					
Inspection ID	Inspection Type	Inspection Date	Inspector Name	Follow-Up Date	
12419503	UIC Compliance	5/1/2025	Benjamin Goldstone		
Compliance Summary					
New Violation(s)		Resolved Violation(s)		Unresolved Violation(s)	
1		0		0	
Operator Information					
Operator Code		Operator Name			
B6127		Pacific Coast Energy Company LP			
Agent Name		Philip Brown			
Agent Address		1555 Orcutt Hill Road			
City	Orcutt	State	CA	Zip Code	93455
Inspected Subject(s)					
Field	Lease	Subject ID	Subject Name	Subject Type	Form Name
Orcutt	Newlove	0408322620	Newlove 230	Well	UIC Well 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, Pacific Coast Energy Company LP 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		12419504			
Violation ID	Section	Code Type	Subject Name	Subject ID	Remedy Due Date
12419505	1777(a) - Maintenance and Monitoring of Production Facilities, Safety Systems, and	California Code of Regulations - Title 14	Newlove 230	0408322620	6/5/2025

	Equipment				
Comment:					
Corrective Actions:		Bring into compliance			



California
Department of Conservation
Geologic Energy Management Division

Gavin Newsom, Governor
Jennifer Lucchesi, Director

715 P Street, MS 1803
Sacramento, CA. 95814
T: (916) 445-5986

Inspection Document(s)					
Subject Type	Subject ID	Type	Description	Filename	Document ID
Well	0408322620	Video	Bubbling and steam release	TC_00119.MP4	1244050
Well	0408322620	Video	oil bubbling	TC_00118.MP4	1244051
Well	0408322620	Photo	oil pooling around well head	TC_00120.JPG	1244052
Well	0408322620	Photo	oil draining down	TC_00121.JPG	1244053
Well	0408322620	Photo	oil pooling	TC_00122.JPG	1244054
Well	0408322620	Photo	Well sign and rods	TC_00116.JPG	1244055
Well	0408322620	Photo	Well head and oil on ground	TC_00117.JPG	1244056

**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. 1659 are accurate. Make any necessary corrections directly on the form.)

Operator, Pacific Coast Energy Company LP, hereby appeals from State Oil and Gas Supervisor Order No. 1659

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. 1659")

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 July 17, 2026, I served the following document(s):

**ORDER TO PAY CIVIL PENALTIES
NO. 1659**

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:

Pacific Coast Energy Company LP c/o Philip Brown 1555 Orcutt Hill Road Orcutt, CA 93455 Certified Mail Number: 9589 0710 5270 3983 2583 11	Pacific Coast Energy Company LP 330 N Brand Blvd Glendale, CA 91203 Certified Mail Number: 9589 0710 5270 3983 2583 28
---	--

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 July 17, 2026, at Sacramento, CA.

Ayleen Mehdizadeh
Ayleen Mehdizadeh