



**NOTICE TO OPERATORS  
2024-04**

March 27, 2024

**UPDATES RELATED TO WELLSTAR RELEASE 5.1.12**

The California Geologic Energy Management Division (CalGEM) is issuing this notice to inform operators of key updates in the WellSTAR Release 5.1.12 occurring on March 28, 2024, that will update the following processes.

1. Tracking permits near or at expiration;
2. Conductor casing wells;
3. Monthly production data submissions; and
4. Idle well inventory and invoice review.

**Tracking permits near or at expiration:**

CalGEM has updated WellSTAR's process for tracking permits at or near expiration. This update will more accurately track the status of a well permit as "canceled" or "closed" and will also improve the accuracy of each well's status.

A new well permit status, 'Pending Expiration,' will now be assigned to permits nearing the end of their permitted duration. WellSTAR will automatically perform the following actions:

- 700 days after the date CalGEM receives the operator's Notice of Intention (30 days from the Permit Expiration Date), WellSTAR will send an electronic inquiry to the associated agent, which will request the operator file a well summary, if applicable, and will serve as a courtesy reminder of the permit expiration date. This inquiry will be saved to the Well Detail history.
- 790 days after the date CalGEM receives the operator's Notice of Intention (60 days after the permit expiration date), WellSTAR will automatically change the permit status from "approved" to "pending expiration." When the permit status is updated, an alert and email are sent to the agent.
- If the permit type is "New Drill" and no well summary has been submitted within 790 days, WellSTAR will create a task for CalGEM to perform a site inspection to confirm the well status.

Based upon the results received, CalGEM may update the well permit status to "canceled" or "closed," as appropriate. If an operator has not commenced work under their permit within 24 months of CalGEM's receipt of the operator's Notice of Intention, the permit will be deemed "canceled," and the well permit status in WellSTAR will be updated to "canceled." (Pub. Resources Code, § 3203). If the well permit is canceled, the operator will be required to submit a new Notice of Intention for CalGEM's approval in advance of performing any work.

If, on the other hand, an operator has commenced work within those 24 months, they are required to complete those operations in a timely and orderly manner. (Cal. Code of Regs. tit. 14 (CCR), § 1722, subd. (d).). If operations have commenced before the permit's expiration, when the operator's representative has been notified of the permit's status changing to "pending expiration," the operator will need to submit the corresponding well summary for the conducted work. The well permit status may be appropriately updated to "closed" if operations have commenced within the 24-month period, but the operator has failed to complete the permitted work in a timely and orderly manner. If the well permit is closed, the operator will be required to submit a new Notice of Intention prior to performing any work requiring a permit.

The CalGEM WellSTAR team is available at [WellSTAR@conservation.ca.gov](mailto:WellSTAR@conservation.ca.gov) to address any inquiries or provide further clarification on these changes.

### **Conductor Casing Wells**

As previously outlined in the [Notice to Operators - Installing Conductors](#) issued on October 24, 2007, operators are required to file a Notice of Intention and receive a permit issued by CalGEM before an operator commences work, including the setting of the conductor. In addition, operators are required to submit a well history within 60 days of the cessation of drilling, even if only a conductor casing is set. (PRC, §§ 3203; 3215, subd. (a).) Wells with only conductor casing will be updated to "active" status upon CalGEM receiving a well history documenting that the conductor is in place, or after the first inspection, CalGEM identifies that a conductor casing is installed.

In the event that an operator has set a conductor casing but then ceased additional work, CalGEM may inquire about the operator's timeline for completing the well. If CalGEM determines that the work is not being completed in a timely and orderly manner, the permit will be "closed." After the permit is "closed," an operator will be required to submit a new Notice of Intention prior to conducting additional work.

Conductor casing wells are also subject to the same requirements as other wells, including, but not limited to, well signage, production/injection reporting, the assessment of idle well fees, and idle well testing requirements. Conductor casing wells will have the well status and relevant wellbore status each set to "idle" 24 months after no reported activity and will be subject to the applicable idle well testing requirements found in CCR section 1772.

An approved permit is required for plugging and abandonment of conductor casing wells. Please contact the appropriate District Office to address any inquiries or provide further clarification on these changes.

### **Updates to Monthly Data Submission Requirements**

Under California Public Resources Code (PRC) section 3227, monthly production, injection, and disposition reports ("monthly reports") are due on or before the last day of each month for the preceding calendar month. Accurate and timely monthly reporting is critical for CalGEM's administration of the annual oil and gas assessment and verification of whether a well is idle. (PRC, §§ 3008, subd. (d); 3236; 3403; 3404; 3407.5.)

WellSTAR Release 5.1.12 updates the OG110 Monthly Production, OG110B Monthly Injection, and OG110D Monthly Disposition ("monthly reports") forms in WellSTAR. With this update, operators will be unable to submit monthly reports (OG110, OG110B, OG110D) for previous calendar years without further review from CalGEM, which may require additional requests for validating such late submissions. Beginning in 2025, operators will be unable to submit monthly reports (OG110, OG110B, OG110D) for previous calendar years after March 1 without providing additional documents to CalGEM to validate such submissions and approve if satisfied with the provided justification. For example, if on March 1, 2025, an operator tries to submit a monthly report for October 2024, they will be unable to do so without providing additional justification documents for CalGEM's consideration.

Operators will be required to upload a late submission justification with their monthly reports to submit monthly reports after the deadline. CalGEM will review that submission. Justifications should include good cause for the late filing, a description of any changes in reported volumes, and, if applicable, other documents that demonstrate proof of changes. Records that may be persuasive for any changes in monthly reports may be found in the CCR section 1772.6.

While submissions are being reviewed by CalGEM, the form status will remain as "submitted" and will not be reflected in the WellSTAR database until approved. Once CalGEM's review has been completed, if CalGEM accepts the justification, the form status will be approved and "accepted." If CalGEM does not accept the justification, the form will be returned. In that case, the status will be "returned," and the initial data submitted or unsubmitted will remain unchanged.

Please contact CalGEM at [WellSTAR@conservation.ca.gov](mailto:WellSTAR@conservation.ca.gov) if you encounter any issues while submitting monthly reports in WellSTAR or if you have questions related to the submission process.

### **Idle Well Inventory and Invoice Review**

Under PRC section 3206, operators of any idle well that was idle at any time in the previous calendar year shall either pay idle well fees by May 1 or file a plan for the

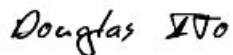
elimination of long-term idle wells. As required by PRC section 3417.5, CalGEM sends idle well fee invoices to operators no later than April 1. In order to prepare and provide the idle well invoices in a timely manner, CalGEM uses an operator's reported data as of March 1 to generate the idle well inventory.

If there are any errors in the invoices or the inventory, the operator may apply to CalGEM at any time before May 1 to request a review for data correction. (PRC, § 3417.5.) CalGEM strongly encourages operators to submit any request to have an idle well inventory or fee amount reviewed to the Idle Well Program at [CalGEMIdleWells@conservation.ca.gov](mailto:CalGEMIdleWells@conservation.ca.gov) as soon as possible so that errors can be corrected before May 1.

The Idle Well Program will no longer make adjustments if the idle well fees and associated inventory are not disputed before the May 1 due date of the invoice year. Regardless of whether a request for a correction is pending with CalGEM, operators are required to pay the fee amount as invoiced by May 1.

Operators are encouraged to familiarize themselves with these updates and adjust their internal processes accordingly.

Sincerely,

A handwritten signature in black ink that reads "Douglas Ito". The signature is written in a cursive, slightly slanted style.

Doug Ito  
State Oil and Gas Supervisor