



NOTICE TO OPERATORS

2024-08

Sept 4, 2024

UPCOMING DUE DATES FOR COST ESTIMATE REPORTS

The Geologic Energy Management Division (CalGEM) of the California Department of Conservation is issuing this notice to inform oil and gas operators that the Office of Administrative Law has approved CalGEM's Cost Estimate Regulations for Oil and Gas Operations. The final text of the regulations may be found here:

<https://www.conservation.ca.gov/index/Pages/rulemaking-archive.aspx>

Operator's initial Cost Estimate Reports are due as follows:

- No later than January 1, 2025: Operators who were assessed based upon production of less than an average of 3.5 total barrel equivalent per day per well for calendar year 2021. Operators who were not assessed due to lack of production will report with this group.
- No later than July 1, 2026: Operators who were assessed upon production of an average of more than 3.5 total barrel equivalent per day per well for calendar year 2021 and for operators assessed in accordance with Public Resources Code section 3403.5 for calendar year 2021.
- No later than July 1, 2027: For offshore wells.

Information about Cost Estimate Report requirements, the list of operators whose report is due January 1, 2025, the optional excel workbook for operators choosing to use the Method 1 cost estimation methodology, workflow diagrams depicting the process to estimate the costs for well plugging and abandonment, production facilities decommissioning, site remediation, and additional information regarding the cost estimating requirements may be found here:

<https://www.conservation.ca.gov/calgem/Pages/Operator-Financial-Responsibility-Program.aspx>

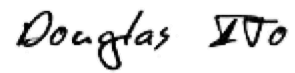
Operators are encouraged to submit their Cost Estimate Report through the Operator Total Liability form in WellSTAR. Instructions on submitting the Cost Estimate Report through WellSTAR can be found on the website above. Operators may also mail in their cost estimate report to the CalGEM Bakersfield office at:

Operator Financial Responsibility Unit
Geologic Energy Management Division (CalGEM)
11000 River Run Blvd.
Bakersfield, CA 93311

NTO 2024-08
September 4, 2024

For questions or concerns, please contact CalGEM's Operator Financial Responsibility unit at calgemcostestimates@conservation.ca.gov.

Sincerely,

Handwritten signature of Douglas Ito in black ink.

Doug Ito
State Oil and Gas Supervisor