

1 DEPARTMENT OF CONSERVATION  
2 Division of Oil, Gas, and Geothermal Resources  
3 801 K Street, MS 24-03  
4 Sacramento, California 95814-3530  
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7 STATE OF CALIFORNIA  
8 NATURAL RESOURCES AGENCY  
9 DEPARTMENT OF CONSERVATION  
10 DIVISION OF OIL, GAS, AND GEOTHERMAL RESOURCES

11 EMERGENCY ORDER TO  
12 PERFORM REMEDIAL WORK  
13

14 No. 1145

15 Dated: December 21, 2018

16 Operator: Ample Resources, Inc.

17 Field: Temescal  
18

19  
20 Wells: Temescal 9-1(111-21634), Temescal 9-2 (111-21635), Temescal 9-3 (111-  
21 21652), Temescal 9-4 (111-21649), Temescal 9-5 (111-21653), Temescal 9-6 (111-  
22 21662), Temescal 9-7(111-21820), Temescal 9-8 (111-21909) and associated facilities  
23

24 By:  
25 Kenneth A. Harris, Jr.  
26 State Oil and Gas Supervisor  
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1 **I. Introduction**

2 Acting through the State Oil and Gas Supervisor (Supervisor), and under the authority of the  
3 Public Resources Code (PRC) and California Code of Regulations, title 14 (Regulations), the California  
4 Department of Conservation, Division of Oil, Gas, and Geothermal Resources (Division) may determine  
5 that an emergency exists in connection with oilfield operations. In so determining, the Division may  
6 issue an order that directs the operator to take any actions that the Supervisor deems necessary to protect  
7 life, health, property, or natural resources. (PRC, §§ 3013, 3106, 3224, 3226.)

8 At all times relevant to this Order, Ample Resources, Inc. (Operator) was the “operator,” as  
9 defined in PRC section 3009, of the herein identified “wells,” as defined in PRC section 3008,  
10 subdivision (a), located on the Temescal Lease, in the Temescal Field, and is conducting oilfield  
11 “operations” as defined in Regulations section 1720, subdivision (f).

12 On or about December 11, 2018, Division staff observed standing oil and/or water in Operator’s  
13 accessible well cellars at a level which poses a threat to life, health, property or natural resources in light  
14 of potential rain in the forecast.

15 For the reasons described in this Order, the Division determined that an emergency exists at  
16 Operator’s oilfield operations which pose an immediate danger to life, health, property, or natural  
17 resources. Therefore, according to PRC sections 3013, 3106, 3224, and 3226, and Regulations sections  
18 1722, subdivision (a), 1775, and 1777, among others, and as set forth below in Section V, the Supervisor  
19 is requiring Operator to immediately and effectively drain well cellars associated with the above  
20 referenced wells. In addition, immediately following completion of the work, Operator must contact the  
21 Ventura Office of the Coastal District [(805) 937-7246] to conduct a follow-up inspection. Operator is  
22 also required to provide confirmation that well cellars have been drained by providing the invoice or  
23 receipt from the contractor.

24 **II. Definitions**

25 The following definitions apply to the terms used in this Order:

26 **PRC section 3008, subdivision (a)** defines “Well” to mean, among other things, “any well  
27 drilled for the purpose of injecting fluids or gas for stimulating oil or gas recovery[.]”

28 **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.”

1           **Regulations section 1720, subdivision (f)**, defines “Operations” to mean “any one or all of the  
2 activities of an operator covered by Division 3 of the Public Resources Code [i.e., the oil and gas law,  
3 commencing with PRC section 3000].”

4                                   **III.    Statutory and Related Authority**

5           **PRC section 3013** states that the oil and gas law (Division 3 of the PRC, commencing with  
6 section 3000) “shall be liberally construed to meet its purposes” and grants the Supervisor “all powers”  
7 that may be necessary to carry out those purposes.

8           **PRC section 3106, subdivision (a)**, authorizes the Supervisor to “supervise the drilling,  
9 operation, maintenance, and abandonment of wells and the operation, maintenance, and removal or  
10 abandonment of tanks and facilities attendant to oil and gas production ... so as to prevent, as far as  
11 possible, damage to life, health, property, and natural resources[.]”

12           **PRC section 3200** states in part that an operator “shall designate an agent...”

13           **PRC section 3222** provides: “The owner or operator of any well shall, at the request of the  
14 supervisor, demonstrate that . . . detrimental substances are not infiltrating into underground or surface  
15 water suitable for irrigation or domestic purposes.”

16           **PRC section 3224** requires the Supervisor to “order such tests or remedial work as in his  
17 judgment are necessary to prevent damage to life, health, property, and natural resources[.]”

18           **PRC section 3226** states: “[I]f the supervisor determines that an emergency exists, the  
19 supervisor may order or undertake the actions he or she deems necessary to protect life, health, property,  
20 or natural resources.”

21           **Regulations section 1722, subdivision (a)**, requires Operator to conduct all operations “in  
22 accordance with good oilfield practice.”

23           **Regulations section 1775** requires Operator to address oilfield wastes, harmful chemicals,  
24 unused equipment, scrap and other trash so as not to cause damage to life, health, property, freshwater  
25 aquifers or surface waters, other natural resources, or such that its operations become a public nuisance  
26 or a menace to public safety.

27           **Regulations section 1777**, among other things, requires Operator to “maintain production  
28 facilities in good condition and in a manner to prevent leakage or corrosion and to safeguard life, health,  
property, and natural resources.”

**Regulations section 1777, subdivision (c)(3)**, requires well cellars to be “covered and kept  
drained.” Cellars should also be “protected from as much runoff water as practical.”

1 **IV. Alleged Acts/Omissions**

2 Division staff observed standing oil in the cellars associated with the above referenced wells, on  
3 or about December 11, 2018, which is a violation of Regulations section 1777, subdivision (c)(3).

4 **V. Operator's Required Actions**

5 Based on information and belief arising from the facts, and in accord with the legal authorities  
6 described in this Order, the Supervisor determined that an emergency exists and immediate action is  
7 necessary to protect life, health, property, or natural resources. Therefore, **IT IS HEREBY**  
8 **ORDERED**, pursuant to PRC sections 3013, 3106, 3222, 3224, and 3226, and Regulations sections  
9 1722, subdivision (a), 1775, and 1777, among others, that Operator shall perform the work and acts  
10 identified below:

- 11 **A. Immediately remove and properly dispose of all fluids in the cellar of all wells**
- 12 **operated in the Temescal Lease,**
- 13 **B. Contact the Ventura Office of the Coastal District at (805) 937-7246 to conduct a**
- 14 **follow-up inspection immediately following completion of the work; and**
- 15 **C. Provide the Ventura Office confirmation that well cellars have been drained by**
- 16 **providing the invoice or receipt from the contractor.**

17 **VI. Operator's Appeal Rights**

18 Operator may appeal this Order by filing a written notice of appeal with the Director of  
19 Conservation as described in PRC section 3350. Failing to file a notice of appeal within the timeframe  
20 prescribed in PRC section 3350, subdivision (a), waives Operator's right to challenge this Order and  
21 makes the Order final.

22 If Operator timely files a notice of appeal, Operator will be informed of the appeal hearing date,  
23 time, and place. After the close of the hearing, Operator will receive a written decision that affirms, sets  
24 aside, or modifies the Order.

25 Because this is an emergency order issued according to PRC section 3226, the filing of an appeal  
26 of this Order will not operate as a stay of this Order. (PRC, § 3350, subd. (b)(1).) Therefore, **regardless**  
27 **of whether Operator timely files a notice of appeal of this Order, Operator must immediately**  
28 **perform the work described herein.** If the work is not immediately commenced and continued to  
completion, the Supervisor may appoint necessary agents to enter the premises and perform the work.  
Any amount the Supervisor expends will constitute a lien against Operator's real and/or personal  
property. (PRC, § 3226.) If Operator believes that it will be irretrievably injured by performing the  
work required by this Order pending the appeal's outcome, Operator may seek an order from the

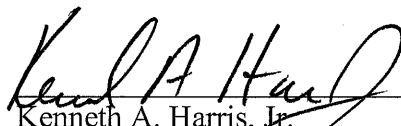
1 appropriate superior court restraining the Division from enforcing the Order pending the outcome of the  
2 appeal. (PRC, § 3350, subd. (b)(4).)

3 **VII. Other Potential Actions to Enforce This Order**

4 Failing to comply with Section V (Operator's Required Actions) of this Order could subject  
5 Operator to further enforcement action. For example, the Supervisor could deny approval of proposed  
6 well operations until compliance is achieved and/or order the plugging and abandonment of the wells  
7 **Temescal 9-1(111-21634), Temescal 9-2 (111-21635), Temescal 9-3 (111-21652), Temescal 9-4 (111-  
8 21649), Temescal 9-5 (111-21653), Temescal 9-6 (111-21662), Temescal 9-7 (111-21820), Temescal  
9 9-8 (111-21909)** (PRC, §§ 3203, subd. (c), 3237, subd. (a)(3)(C).) In addition, PRC section 3236.5  
10 authorizes the Supervisor to impose a civil penalty on a person who violates any provision in Chapter 1  
11 of Division 3 of the PRC or any regulation that implements those statutes, and the Supervisor may in the  
12 future impose a civil penalty based on the facts and omissions underlying this emergency order.

13 Further, PRC section 3236 makes it a misdemeanor for any person who violates, fails, neglects,  
14 or refuses to comply with any of the provisions of the oil and gas law. The misdemeanor is punishable  
15 by a fine of not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000), or by  
16 imprisonment not exceeding six months, or by both the fine and imprisonment for each separate offense.  
17 PRC section 3359 makes it a misdemeanor to fail or neglect to comply with an order of the Supervisor.  
18 Each day's further failure, refusal, or neglect is a separate and distinct offense. (PRC, § 3359.)

19 **DATED: December 21, 2018**

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21 Kenneth A. Harris, Jr.  
22 State Oil and Gas Supervisor  
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1 **PROOF OF SERVICE BY CERTIFIED U.S. MAIL**

2 I declare that I am employed in the County of Sacramento, California. I am over the age of 18  
3 and not a party to the within captioned cause. My business address is 801 K Street, MS 24-03,  
4 Sacramento, California 95814. On December 21, 2018, I served the following document(s):

5 **EMERGENCY ORDER TO PERFORM REMEDIAL WORK ORDER NO. 1145**

6 by enclosing them in an envelope and placing the envelope for collection and mailing by certified U.S.  
7 mail on the date and at the below listed address(es) following our ordinary business practices. I am  
8 readily familiar with this business's practice for collecting and processing correspondence for mailing.  
9 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.

10 I served the documents on the person or persons below, as follows:

11 Donald Levenson Ample Resources Inc. 1901 Avenue of the Stars, Suite 200 Los Angeles, CA 90067 Certified Mail Receipt Number: 7008-1830-0004-2780-1595	12 Donald Levenson Ample Resources Inc. 1901 Avenue of the Stars, Suite 1900 Los Angeles, CA 90067 Certified Mail Receipt Number: 7008-1830-0004-2780-1601
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16 I declare under penalty of perjury of the laws of the State of California that the foregoing is  
17 true and correct, and that this declaration was executed on December 21, 2018, at Sacramento, CA.

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19 Kyle R. Chin  
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