

1 Department of Conservation, Division of Oil, Gas, and Geothermal Resources
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8 **STATE OF CALIFORNIA**
9 **NATURAL RESOURCES AGENCY**
10 **DEPARTMENT OF CONSERVATION**
11 **DIVISION OF OIL, GAS, AND GEOTHERMAL RESOURCES**

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14 **ORDER TO PLUG AND ABANDON WELLS,**
15 **DECOMMISSION ATTENDANT FACILITIES,**
16 **AND RESTORE WELL SITE, NO. 1148**

17
18 **Operator: Green Earth Resources, Inc. (G3425)**

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20 **I. Introduction**

21 The Division of Oil, Gas, and Geothermal Resources (Division) may order the plugging and
22 abandonment of a well that it has determined, upon credible evidence, to be deserted whether or not any
23 damage is occurring, or threatened, by reason of that deserted well. (**Pub. Resources Code, § 3237.**)
24 Based on the Division's records, **Green Earth Resources, Inc.** (Division operator code G3425;
25 Operator) is the current operator (as defined in **Public Resources Code [PRC] section 3237,**
26 **subdivision (c)(1)**) responsible for the plugging and abandonment of the well (and all associated
27 conductors) (**the Well**), the decommissioning of the attendant production facilities (**the Facilities**), and
28 restoration of the well site (APN 02972992) (**the Well and Facilities**). And, herein, the State Oil and

1 Gas Supervisor (Supervisor) is ordering Operator to do so. This is because the Division has determined,
2 based on information and belief and the rebuttable presumption evidence detailed below, that Operator
3 has deserted **the Well and Facilities**.

4 Therefore, pursuant to **PRC sections 3106, 3224, 3226, and 3237**, and as set forth below,
5 Supervisor is ordering Operator to plug and abandon **the Well** and decommission **the Facilities**
6 according to **PRC sections 3208, 3228, 3229, and 3230, California Code of Regulations, title 14,**
7 **(Regulations) sections 1722 through 1724.1, 1760, 1775, and 1776**, and the conditions included in any
8 permit the Division may issue pursuant to **PRC section 3229 for the Well**.

9 **II. Definitions**

10 **PRC section 3008, subdivision (a)**, defines “Well” to mean “any oil or gas well or well for the
11 discovery of oil or gas; any well on lands producing or reasonably presumed to contain oil or gas,”
12 among others.

13 **PRC section 3009** defines “Operator” to mean “a person who, by virtue of ownership, or under
14 the authority of a lease or any other agreement, has the right to drill, operate, maintain, or control a well
15 or production facility.”

16 **Regulations section 1760, subdivision (k)**, defines “Production facility” to mean “any
17 equipment attendant to oil and gas production . . . including, but not limited to, tanks, flowlines, headers,
18 gathering lines, wellheads, heater treaters, pumps, valves, compressors, injection equipment, production
19 safety systems, separators, manifolds, and pipelines that are not under the jurisdiction of the State Fire
20 Marshal pursuant to Section 51010 of the Government Code, excluding fire suppressant equipment.”

21 **III. State Oil and Gas Supervisor Authority**

22 **PRC section 3106** authorizes the Supervisor to supervise the drilling, operation, maintenance,
23 and abandonment of oil and gas wells to “prevent, as far as possible, damage to life, health, property,
24 and natural resources; damage to underground oil and gas deposits from infiltrating water and other
25 causes; loss of oil, gas, or reservoir energy, and damage to underground and surface waters suitable for
26 irrigation or domestic purposes by the infiltration of, or the addition of, detrimental substances.”

27 **PRC section 3224** mandates that the Supervisor “order such tests or remedial work as in his
28 judgment are necessary to prevent damage to life, health, property, and natural resources; to protect oil

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

5 **PRC section 3226** authorizes the Supervisor, based on the Supervisor’s final or affirmed order,
6 to appoint agents who may enter the well premises and perform necessary remedial work if the operator
7 did not complete the remedial work as ordered. Any amount the Supervisor expends to complete the
8 necessary remedial work constitutes a lien against the operator’s real or personal property according to
9 PRC section 3423.

10 **PRC section 3237** authorizes the Supervisor to “order the plugging and abandonment of a well
11 that has been deserted whether or not any damage is occurring or threatened by reason of that deserted
12 well.” The Supervisor or district deputy “shall determine from credible evidence whether a well is
13 deserted.”

14 **IV. Rebuttable Evidence of Desertion**

15 The Supervisor has determined that Operator failed to challenge Supervisor’s Order No. 1052 on
16 a timely basis and failed to comply with that Order within the time provided, thereby creating a
17 rebuttable presumption of desertion. (See **Pub. Resources Code, § 3237, subd. (a)(3)(C).**) In addition,
18 the Supervisor has determined that “So Cal Oil & Gas, LLC” (Mr. Les Cafaude) represented to the
19 Division that it was to acquire a well or production facility subject to a purchase, transfer, assignment,
20 conveyance, exchange, or other disposition yet failed to comply with Public Resources Code section
21 3202. Mr. Les Cafaude’s failure to comply with PRC section 3202 further creates a rebuttable
22 presumption of Operator’s desertion of **the Well and Facilities.** (See **Pub. Resources Code, § 3237,**
23 **subd. (a)(3)(E).**) (See Attachment A, collectively 19 pages, incorporated herein.)

24 **V. Operator’s Required Actions**

25 For the reasons stated above, the Division has determined that **the Well and Facilities** are
26 deserted. Therefore, **IT IS HEREBY ORDERED**, that Operator plug and abandon **the Well** and
27 decommission **the Facilities** according to **PRC sections 3208, 3228, 3229, and 3230, Regulations**
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1 **sections 1722 through 1724.1, 1760, 1775, and 1776**, and the conditions included in any permit the
2 Division may issue pursuant to **PRC section 3229 for the Well.**

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

4 **PRC section 3237, subdivision (b)**, entitles an operator to appeal a Supervisor's order to plug
5 and abandon wells. A notice of appeal must be timely made, in writing, and filed with the Director.
6 **(See PRC beginning at PRC section 3350.)** If this Order is mailed to you, the appeal deadline is (15)
7 days from the date of mailing. To file an appeal, a written notice of appeal may be mailed to the
8 following address *(attached is a voluntary form for such a written appeal)*:

9 Department of Conservation
10 Director's Office of Appeals
11 801 K Street, MS 24-03 (Legal Office, Chief Counsel)
Sacramento, California 95814-3530

12 If Operator does not submit a timely written notice of appeal, this Order will become a final
13 order and the Division may contract for performance of the work, pursuant to **PRC section 3226**, if,
14 within 30 days of this Order, Operator has not, in good faith, commenced the work ordered. Any costs
15 incurred by the Supervisor to obtain compliance with this Order will constitute a lien against Operator's
16 real or personal property per **PRC section 3423**.

17 If Operator submits a timely written notice of appeal, it, and interested parties, will receive notice
18 of the appeal hearing date, time, and place. Following the hearing, will receive a written decision that
19 affirms, sets aside, or modifies the appealed order.

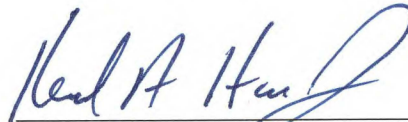
20 **VII. Other Potential Actions to Enforce This Order**

21 Failing to comply with **Section V** (Operator's Required Actions) of this Order could subject
22 Operator to further enforcement action. For example, the Supervisor could deny approval of proposed
23 well operations until compliance is achieved. **(PRC, § 3203, subd. (c).)**

24 In addition, **PRC section 3236.5** authorizes the Supervisor to impose a civil penalty on a person
25 who violates any provision in Chapter 1 of Division 3 of the PRC or any regulation that implements
26 those statutes, and the Supervisor may in the future impose a civil penalty based on the acts and
27 omissions underlying this Order.

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

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9 DATED: 3/4/2019



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11 Kenneth A. Harris, Jr.
12 State Oil and Gas Supervisor
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