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STATE OF CALIFORNIA
NATURAL RESOURCES AGENCY
DEPARTMENT OF CONSERVATION
GEOLOGIC ENERGY MANAGEMENT DIVISION

ORDER TO PLUG AND ABANDON WELL
NO. 1303

Operator: Entiv Organic Energy, LLC.

1 I. Introduction

2 The State Oil and Gas Supervisor (**Supervisor**), acting through the Geologic Energy
3 Management Division (**CalGEM**), and under the authority of Division 3 of the Public Resources
4 Code (**PRC**); commencing with PRC section 3700 and California Code of Regulations, title 14
5 (**Regulations**), may order the plugging and abandonment of a geothermal well that has been
6 deserted, whether or not any damage is occurring, or threatened, by reason of that deserted
7 well. (PRC, § 3755.) Pursuant to PRC section 3755, suspension of drilling operations and removal
8 of drilling machinery after the elapse of six (6) months, unless an extension is requested, is
9 prima facie evidence of desertion. The operational history of a geothermal well or production
10 facility, an operator's responsiveness to inquiries and requests from the Supervisor or district
11 deputy, the extent of compliance with the PRC and Regulations, and failure to designate an
12 agent, also provides additional evidence of desertion.

13 Based on CalGEM's records, Entiv Organic Energy, LLC (**Operator**) is the "operator" (as
14 defined in PRC section 3709) of the well identified in **Attachment A**, incorporated herein (the
15 **Well**), and is responsible (as specified in PRC section 3755) for the plugging and abandonment
16 of the Well. CalGEM's records indicate that, for a period of more than six (6) months, Operator
17 has suspended drilling operations and removed its drilling machinery at the well site for the
18 Well, providing prima facie evidence that the Well is deserted. Moreover, the operational
19 history of the Well as well as Operator's responsiveness and past compliance with applicable
20 requirements provides additional evidence that the Well is deserted. For these reasons, the
21 Supervisor has determined that the Well is deserted.

22 Therefore, pursuant to PRC sections 3712, 3714, 3741, 3744, and 3755, and as set forth
23 below, the Supervisor is ordering Operator to plug and abandon the Well, consistent with all
24 applicable requirements, including PRC sections 3735 and 3746; Regulations sections 1914,
25 1954, 1980 through 1981.2; and the conditions included in any permit/approval CalGEM may
26 issue pursuant to PRC section 3747 and Regulations section 1981; and until that work is
27 complete, perform remedial work and testing as necessary to prevent damage to life, health,
28 property, and natural resources. (PRC, § 3741; Regulations, § 1954.)

1 **Attachment B** contains a list of definitions and authorities that are applicable to this
2 Order.

3 **II. Prima Facie Evidence of Desertion**

4 Based on CalGEM's records, at all times relevant to this Order, Operator was the
5 "operator," as defined by PRC section 3709, of the Well, a geothermal "well," as defined by
6 PRC section 3703.

7 Prima facie evidence of desertion arises if six (6) months elapse after an operator
8 suspends drilling operations and removes drilling machinery unless an extension of no more
9 than six (6) months is requested. (PRC, § 3755.) As of the date of this Order, CalGEM's records
10 indicate that Operator suspended drilling for the Well, removed all drilling machinery from the
11 well site for the Well, and has not sought an extension. In addition, during inspections by
12 CalGEM District staff in 2013 and 2022, CalGEM staff observed no activity at the well site for the
13 Well. (**Attachments C & D**, incorporated herein.)

14 As such, the Supervisor has determined that there is prima facie evidence the Well is
15 deserted.

16 **III. Additional Evidence of Desertion**

17 In determining whether there is additional evidence that the Well is deserted, the
18 Supervisor considered the operational history of the Well as well as Operator's responsiveness
19 and past compliance with applicable requirements. Because the operational history shows
20 that drilling activities for the Well have been suspended and drilling machinery removed, and
21 Operator failed to comply with the requirements of the PRC and Regulations, including failure
22 to timely submit the required well records and notify CalGEM of its change of agent, or re-
23 designate an agent, the Supervisor has determined that there is additional evidence the Well
24 is deserted.

25 **A) Operational History of the Well**

26 In November 2012, Operator submitted to CalGEM a supplementary notice to deepen
27 the Well, located in the Lower Klamath National Wildlife Refuge, from 600 feet to 1,400 feet for
28 the purpose of evaluating the low-temperature geothermal resource for power production.

1 That same month, CalGEM issued to Operator a Permit to Conduct Geothermal Operations
2 (Permit). (**Attachment E**, incorporated herein.) In January 2014, Operator submitted to CalGEM
3 a Well Summary Report, indicating that the Well had been drilled to a depth of 1,220 feet in
4 December 2012.

5 CalGEM's records reflect that, since around December 2012, Operator has suspended
6 all drilling for the Well, removed all drilling machinery, and that no further activity has been
7 conducted at the well site for the Well. In addition, during inspections by CalGEM District staff
8 in 2013 and 2022, no activity at the well site for the Well was observed. (**Attachments C & D**)

9 **B) Failure to Comply with PRC Sections 3735 and 3736 and Regulations Section 1937.1**

10 PRC section 3735 requires that upon the completion or abandonment of any well or
11 upon the suspension of operations upon any well, true copies of the log, core record, and
12 history of the drilling of the well be filed with the district deputy within sixty (60) days. PRC
13 section 3736 requires an operator of a geothermal well, or his local agent, to file with the
14 Supervisor a copy of the log, history, and core record, or any portion thereof, at any time after
15 the commencement of the work of drilling any well upon written request of the Supervisor or
16 district deputy. Further, Regulations section 1937.1, subdivision (c), requires that a well summary
17 report accompany the core record and well history reports.

18 Following the deepening of the Well in December 2012, and despite multiple requests
19 from CalGEM staff, Operator failed to timely submit the required well records pursuant to PRC
20 sections 3735 and 3736 and Regulations 1937.1, subdivision (c). In response to these violations,
21 CalGEM issued to Operator a Notice of Records Due (NORD) in January 2013 and a Second
22 NORD in May 2013. (**Attachments F & G**, incorporated herein.)

23 **C) Failure to Comply with PRC Section 3721 and Maintain an Agent**

24 PRC section 3721 requires a geothermal operator to designate a person who resides in
25 California to accept service of notices, orders, and other important communications (i.e., an
26 "agent"). CalGEM District staff have made numerous attempts to contact Operator's listed
27 agent and representatives to make inquiries and requests, with no response.

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1 **IV. Operator's Required Actions**

2 For the reasons stated herein, the Supervisor has determined that the Well is deserted.
3 Therefore, pursuant to PRC sections 3712, 3714, 3741, 3744, and 3755, IT IS HEREBY ORDERED
4 that Operator plug and abandon the Well consistent with all applicable requirements of PRC
5 sections 3735 and 3746; Regulations sections 1914, 1954, 1980 through 1981.2; and the
6 conditions included in any permit/approval CalGEM may issue pursuant to PRC section 3747
7 and Regulations section 1981. Until that work is complete, Operator is ordered to perform
8 remedial work and testing on the Well as necessary to prevent damage to life, health,
9 property, and natural resources. (PRC, § 3741; Regulations, § 1954.)

10 **V. Operator's Appeal Rights**

11 Operator may appeal this Order by filing a timely written notice of appeal with the
12 Director as described in Division 3 of PRC sections 3762 to 3768. (PRC, §§ 3743, subd. (d).) If this
13 Order is mailed to you, the Director must receive the appeal within fifteen (15) days from the
14 date the Supervisor mails the Order. To file an appeal, a written notice of appeal may be sent
15 via U.S. mail to:

16 Department of Conservation
17 Director's Office of Appeals
18 715 P Street, MS 19-06 (Legal Office, Chief Counsel)
Sacramento, California 95814

19 Or via electronic mail:

20 CalGEMAppeals@conservation.ca.gov
21

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

25 If Operator does not file a timely written notice of appeal, or if the Order is affirmed
26 following an appeal, this Order will become a final order and CalGEM may contract for
27 performance of the work, pursuant to PRC section 3744, if, within thirty (30) days of this Order,
28 Operator has not, in good faith, commenced the work ordered. Any costs incurred by

1 CalGEM to obtain compliance with this Order, which may include penalties and interest, will
2 constitute a lien against Operator's real or personal property per PRC section 3772. (PRC, §
3 3768.)

4 **VI. Other Potential Actions to Enforce This Order**

5 Failure to comply with Section IV. (Operator's Required Actions) of this Order could
6 subject Operator to further enforcement action, including civil penalties, as appropriate. PRC
7 section 3754 makes it a misdemeanor for any person who violates, fails, neglects, or refuses to
8 comply with any of the provisions of the geothermal conservation laws commencing at PRC
9 section 3700. PRC section 3771 makes it a misdemeanor to fail or neglect to comply with an
10 order of the Supervisor. Each day's further failure, refusal, or neglect is a separate and distinct
11 offense. (PRC, § 3771).

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14 DATED: May 15, 2023

Gabe Tiffany

Gabe Tiffany
Acting State Oil and Gas Supervisor