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8 **STATE OF CALIFORNIA**  
9 **NATURAL RESOURCES AGENCY**  
10 **DEPARTMENT OF CONSERVATION**  
11 **GEOLOGIC ENERGY MANAGEMENT DIVISION**

12  
13  
14 **ORDER TO PLUG AND ABANDON WELLS,**  
15 **DECOMMISSION ATTENDANT FACILITIES,**  
16 **AND RESTORE WELL SITES**  
17 **NO. 1379**

18  
19 **Operator: Angel Petroleum, LLC (11800)**  
20 **Fields: Belridge, North, Cat Canyon,**  
21 **Casmalia, Santa Maria Valley, and Zaca**

22  
23 **Northern and Central Districts,**  
24 **Kern and Santa Barbara Counties**

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 3000) and California Code of Regulations, title 14  
5 (**Regulations**), may order the plugging and abandonment of a well or the decommissioning of  
6 a production facility that has been deserted, whether or not any damage is occurring, or  
7 threatened, by reason of that deserted well. (PRC, § 3237, subd. (a).) An operator's failure to  
8 comply with idle well requirements is conclusive evidence of desertion. (PRC, § 3206.1, subds.  
9 (d) and (e).)

10 Based on CalGEM's records, Angel Petroleum, LLC. (**Operator**) is the "operator" (as  
11 defined in PRC section 3009) of the wells identified on **Attachment A**, incorporated herein (**the**  
12 **Wells**), and is responsible (as specified in PRC section 3237, subdivision (c)(1)) for the plugging  
13 and abandonment of the Wells, the decommissioning of the production facilities attendant to  
14 the Wells (**the Facilities**), and the restoration of the well sites for the Wells. CalGEM records  
15 indicate that, under applicable provisions of PRC section 3206.1 and Regulations, sections  
16 1772.1 and 1772.1.4, Operator was required to submit an Idle Well Testing Compliance Work  
17 Plan, conduct fluid-level testing, conduct casing pressure testing, and bring the wells into  
18 compliance, partially plug and abandon the wells, plug and abandon the wells, or schedule  
19 the wells for plugging and abandonment on approved Idle Well Management Plan or an  
20 approved Testing Waiver Plan within 12 months of unsuccessful testing required in Regulations,  
21 section 1772.1, subdivision (a). These failures to comply with idle well requirements is conclusive  
22 evidence of desertion. In addition, Operator has not complied with Regulations sections  
23 1722.1.1. and 1777(c)(2) and (3), which is credible evidence of desertion. Based upon  
24 conclusive evidence of desertion and credible evidence, the Supervisor has determined that  
25 the Wells and the Facilities are deserted. Therefore, pursuant to PRC sections 3106, 3206.1,  
26 3224, 3226, and 3237, and as set forth below, the Supervisor is ordering Operator to plug and  
27 abandon the Wells, to decommission the Facilities, and to restore the well sites for the Wells,  
28 consistent with all applicable requirements, including PRC sections 3208, 3228, 3229, and 3230;

1 Regulations sections 1722, 1723 through 1723.8, 1724 through 1724.1, 1760, 1775, and 1776; and  
2 the conditions included in any permit or approval CalGEM may issue pursuant to PRC section  
3 3229; and until that work is complete, perform remedial work and testing as necessary to  
4 prevent damage to life, health, property, and natural resources.

5 **Attachment B**, incorporated herein, contains a list of definitions and authorities that are  
6 applicable to this order.

7 **II. Conclusive Evidence of Desertion**

8 Based on CalGEM's records, at all times relevant to this order, Operator was the  
9 operator, as defined in PRC section 3009, of the Wells. At all times relevant to this order, the  
10 Wells were idle wells as defined in PRC section 3008, subdivision (d).

11 CalGEM's records indicate that some of the wells were transferred from Team  
12 Operating, LLC. to Operator on or about August 29, 2022; and CalGEM determined the  
13 transfer was complete on or about March 1, 2023 (Transfer #385). Additional wells were  
14 transferred from Maria Joaquin Basin, LLC to Operator on or about August 29, 2022; and  
15 CalGEM determined the transfer was complete on or about March 1, 2023 (Transfer #390). As  
16 the operator of the Wells, Operator was required, in Regulations, section 1772.1.4, to submit an  
17 Idle Well Testing Compliance Work Plan within 90 days after becoming an operator for the  
18 wells identified on **Attachment C**, incorporated herein. Regulations, section 1772.1.4, requires  
19 every operator of an idle well to submit an Idle Well Testing Compliance Work Plan by June 1,  
20 2019, or within 90 days of becoming the operator of any well required to be scheduled on an  
21 Idle Well Testing Compliance Work Plan. (Regulations, § 1772.1.4, subds. (a) and (d).) The Idle  
22 Well Testing Compliance Work Plan schedules completion of a casing pressure test and a  
23 clean out tag for each of the operator's wells that was an idle well as of April 1, 2019. CalGEM  
24 issued a Notice of Violation to Operator on August 8, 2023, regarding the failure to submit an  
25 Idle Well Testing Compliance Work Plan. (**Attachment D**, incorporated herein.) As of the date  
26 of this order, Operator has not submitted an Idle Well Testing Compliance Work Plan for the  
27 wells identified on **Attachment C**, incorporated herein. Operator's failure to comply with the  
28 requirements of Regulations, section 1772.1.4, subdivision (a) and (d) is conclusive evidence of

1 desertion. (PRC, §§ 3206.1, subd. (e), 3237, subd. (a).)

2 As the operator of the Wells, Operator was required pursuant to Regulations, section  
3 1772.1, subdivision (a)(1) to conduct fluid-level testing on the idle wells identified on  
4 **Attachment A**, incorporated herein. CalGEM issued a Notice of Violation to Operator on  
5 September 6, 2023, and December 1, 2023, regarding required fluid-level testing. (**Attachments**  
6 **E and F**, incorporated herein.) As of the date of this order, Operator has not conducted fluid-  
7 level testing on idle wells. Operator's failure to comply with the requirements of Regulations,  
8 section 1772.1, subdivision (a)(1) is conclusive evidence of desertion. (PRC, §§ 3206.1, subd.  
9 (e), 3237, subd. (a).)

10 As the operator of the Wells, Operator was required pursuant to Regulations, section  
11 1772.1, subdivision (a)(2) to conduct casing pressure testing, and Operator failed to do so.  
12 CalGEM issued Notices of Violation to Operator on September 1, 2023, and December 1, 2023,  
13 regarding the failure to comply with Regulations section 1772.1 subdivision (a)(2).  
14 (**Attachments G and H**, incorporated herein.) Operator's failure to comply with the  
15 requirements of Regulations, section 1772.1, subdivision (a)(2) is conclusive evidence of  
16 desertion. (PRC, §§ 3206.1, 3237, subd. (a).)

17 In addition, within 12 months of failing to successfully complete testing required in  
18 Regulations, section 1772.1 subdivision (a)(2) or comply with section 1772.1, subdivision (a)(2)  
19 or (a)(3), Operator was required to comply with Regulations, section 1772.1, subdivision (b)  
20 and either bring the wells into compliance, partially plug and abandon the wells in  
21 accordance with Regulations, section 1752, plug and abandon the wells in accordance with  
22 PRC section 3208 or schedule the wells for plugging and abandonment under an approved  
23 Idle Well Management Plan or an approved Testing Waiver Plan. Operator failed to comply  
24 with Regulations, section 1772.1, subdivision (b) for the wells identified on **Attachments I and J**,  
25 incorporated herein. CalGEM issued Notices of Violation to Operator on December 1, 2023,  
26 and February 5, 2024. (**Attachments I and J**, incorporated herein.) As of the date of this order,  
27 Operator has not complied with Section 1772.1, subdivision (b). Operator's failure to comply  
28 with the requirements of Regulations, section 1772.1, subdivision (b) is conclusive evidence of

1 desertion. (PRC, §§ 3206.1, 3237, subd. (a).)

2 **III. Credible Evidence of Desertion**

3 Credible evidence of desertion includes, but is not limited to, the operational history of  
4 the well or production facility, the response or lack of response of the operator to inquiries and  
5 requests from the supervisor or district deputy, the extent of compliance by the operator with  
6 the requirements of PRC and Regulations, and other actions of the operator with regard to the  
7 well or production facility. (PRC, § 3237, subd. (a)(2).)

8 **A. Operational History**

9 CalGEM records reflect that the Wells and Facilities have been nonoperational for  
10 many years. In addition, the bankruptcy and transfer history indicate that the Wells and  
11 Facilities are deserted. CalGEM's records indicate that on July 25, 2019, HVI Cat Canyon, Inc.  
12 filed for bankruptcy, under Chapter 11 of title 11 of the United States Code (Bankruptcy  
13 Code). On October 16, 2019, the United States Bankruptcy Court for the Central District of  
14 California, Northern Division, appointed a Chapter 11 Trustee for the estate of HVI Cat Canyon,  
15 Inc. On October 5, 2020, the Bankruptcy Court approved a transfer of the HVI Cat Canyon,  
16 Inc. assets, including some of the Wells to Team Maria Joaquin, LLC and Maria Joaquin Basin,  
17 LLC. (**Attachment K**, hereby incorporated by reference is an Order Authorizing (A) the Trustee's  
18 Sale to Team Maria Joaquin, LLC. of Substantially All of the Estate's Assets Free and Clear of All  
19 Liens, Claims, Encumbrances and Interests, (B) The Assumption and Assignment of Certain  
20 Executory Contracts and Unexpired Leases, Related Cure Amounts and (C) Granting Related  
21 Relief (Doc. 1391).) Both Team Maria Joaquin, LLC and Maria Joaquin Basin, LLC are limited  
22 liability companies organized under the laws of Delaware. Both Team Maria Joaquin, LLC, and  
23 Maria Joaquin Basin, LLC, share an interest (collectively the "Maria Entities"), as tenants in  
24 common, in wells used for oil and gas exploration, development, and production in California.  
25 On or about October 15, 2020, the Maria Entities transferred the right to operate some of those  
26 wells previously acquired in the bankruptcy matter to Team Operating, LLC. Team Operating,  
27 LLC transferred the wells to Operator on or about August 29, 2022; and CalGEM determined  
28 the transfer was complete on or about March 1, 2023 (Transfer #385). Additional wells were

1 transferred from Maria Joaquin Basin, LLC to Operator on or about August 29, 2022; and  
2 CalGEM determined the transfer was complete on or about March 1, 2023 (Transfer #390).  
3 Amrich Energy, Inc. transferred additional wells to Operator on or about May 23, 2023; and  
4 CalGEM determined the transfer was complete on or about June 8, 2023 (Transfer #410).

5 **B. Extent of compliance with PRC and Regulations**

6 Operator has not maintained compliance with applicable requirements of PRC and  
7 Regulations for the Wells and the Facilities. Recent violations are identified below:

8 1. Failure to post a well sign (Regulations, § 1722.1.1)

9 Regulations section 1722.1.1 requires the operator to have at each well location a sign  
10 permanently affixed and posted in conspicuous place that is clearly visible, legibly identifies  
11 the name of the operator, name or number of the lease, and number of the well. The operator  
12 is required to maintain these signs on the premises from the time drilling operations cease until  
13 the well is plugged and abandoned.

14 During an inspection conducted on or about December 28, 2023, CalGEM observed  
15 "Bell 138" Well (0408301573) did not have a well sign. **Attachment L**, incorporated herein, is a  
16 Notice of Violation dated December 28, 2023, with a deadline to resolve the violation by  
17 February 5, 2024. To date, Operator has not corrected the violation.

18 During inspections conducted on or about January 4, 2024, CalGEM observed the  
19 following:

- 20 • The well sign for "Bell 30" Well (0408301659) did not identify the correct operator.  
21 **Attachment M**, incorporated herein, is a Notice of Violation dated January 4, 2024,  
22 with a deadline to resolve the violation by February 8, 2024.
- 23 • The well sign for "Bell 32" Well (0408301661) did not identify the correct operator.  
24 **Attachment N**, incorporated herein, is a Notice of Violation dated January 4, 2024,  
25 with a deadline to resolve the violation by February 8, 2024.
- 26 • The well sign for "Bell 37" Well (0408301665) did not identify the correct operator.  
27 **Attachment O**, incorporated herein, is a Notice of Violation dated January 4, 2024,  
28 with a deadline to resolve the violation by February 8, 2024.

- 1 • The well sign for "Bell 47" Well (0408301516) did not identify the correct operator.  
2 **Attachment P**, incorporated herein, is a Notice of Violation dated January 4, 2024,  
3 with a deadline to resolve the violation by February 8, 2024.
- 4 • The well sign for "Bell 48" Well (0408300804) did not identify the correct operator.  
5 **Attachment Q**, incorporated herein, is a Notice of Violation dated January 4, 2024,  
6 with a deadline to resolve the violation by February 12, 2024.
- 7 • The well sign for "Bell 64" Well (0408300684) did not identify the correct operator.  
8 **Attachment R**, incorporated herein, is a Notice of Violation dated January 4, 2024,  
9 with a deadline to resolve the violation by February 8, 2024. To date, Operator has  
10 not corrected the violations.
- 11 • The well sign for "Bell 68" Well (0408301533) did not identify the correct operator.  
12 **Attachment S**, incorporated herein, is a Notice of Violation dated January 4, 2024,  
13 with a deadline to resolve the violation by February 9, 2024.
- 14 • The well sign for "Bell 95" Well (0408300778) did not identify the correct operator and  
15 the sign was not permanently affixed. **Attachment T**, incorporated herein, is a Notice  
16 of Violation dated January 4, 2024, with a deadline to resolve the violation by  
17 February 8, 2024.
- 18 • The well sign for "Bell 115" Well (0408301564) did not identify the correct operator.  
19 **Attachment U**, incorporated herein, is a Notice of Violation dated January 4, 2024,  
20 with a deadline to resolve the violation by February 8, 2024.
- 21 • "Bell 124" Well (0408301678) did not have a well sign. **Attachment V**, incorporated  
22 herein, is a Notice of Violation dated January 4, 2024, with a deadline to resolve the  
23 violation by February 8, 2024.

24 To date, Operator has not corrected the violations. Operator's failure to comply with  
25 the requirements of Regulations, section 1722.1.1 is credible evidence of desertion. (PRC, §  
26 3237, subd. (a).)

27 2. Failure to remove weeds (Regulations, § 1777, subd. (c)(2))

28 Regulations, section 1777, subdivision (c) (2) requires that maintenance of production

1 facilities includes removing weeds and debris from secondary containment areas or catch  
2 basins.

3 During inspections conducted on or about December 5, 2023, CalGEM observed:

- 4 • Weeds on "Bell 136" Well (0408300324) wellsite. **Attachment W** incorporated herein, is  
5 a Notice of Violation dated December 5, 2023, with a deadline to resolve the  
6 violation by January 6, 2024.
- 7 • Weeds on "Bradley Lands Unit 1-6" (0408303021) wellsite. **Attachment X**,  
8 incorporated herein, is a Notice of Violation dated December 5, 2023, with a  
9 deadline to resolve the violation by January 5, 2024.

10 During an inspection conducted on or about December 28, 2023, CalGEM observed  
11 weeds on "Bell 27" Well (0408301506) wellsite. **Attachment Y**, incorporated herein, is a Notice  
12 of Violation dated December 28, 2023, with a deadline to resolve the violation by February 5,  
13 2024.

14 During inspections conducted on or about January 4, 2024, CalGEM observed:

- 15 • Weeds on "Bell 64" Well (0408300684) wellsite. **Attachment R**, incorporated herein, is  
16 a Notice of Violation dated January 4, 2024, with a deadline to resolve the violation  
17 by February 8, 2024.
- 18 • Weeds on "Bell 125" Well (0408301679) wellsite. **Attachment Z**, incorporated herein, is  
19 a Notice of Violation dated January 4, 2024, with a deadline to resolve the violation  
20 by February 8, 2024.
- 21 • Weeds on "Bell 124" Well (0408301678) wellsite. **Attachment V**, incorporated herein,  
22 is a Notice of Violation dated January 4, 2024, with a deadline to resolve the  
23 violation by February 8, 2024.

24 To date, Operator has not corrected the violations. Operator's failure to comply with  
25 the requirements of Regulations, section 1777, subdivision (c)(2) is credible evidence of  
26 desertion. (PRC, § 3237, subd. (a).)

27 3. Failure to maintain well cellar cover and keep well cellar drained (Regulations, §  
28 1777, subd. (c)(3))



1 Regulations section 1777, subdivision (c)(3) provides that required maintenance of  
2 production facilities includes well cellars must be covered and kept drained.

3 During an inspection conducted on or about December 5, 2023, CalGEM observed  
4 "Bradley Lands Unit 1-6" (0408303021) well cellar was not covered properly. **Attachment X**,  
5 incorporated herein, is a Notice of Violation dated December 5, 2023, with a deadline to  
6 resolve the violation by January 5, 2024.

7 During an inspection conducted on or about December 28, 2023, CalGEM observed  
8 "Bell 25" Well (0408301504) well cellar was not covered properly. **Attachment AA**, incorporated  
9 herein, is a Notice of Violation dated December 28, 2023, with a deadline to resolve the  
10 violation by February 5, 2024.

11 During inspections conducted on or about January 4, 2024, CalGEM observed:

- 12 • "Bell 37" Well (0408301665) well cellar was not covered properly and had fluid.  
13 **Attachment O**, incorporated herein, is a Notice of Violation dated January 4, 2024,  
14 with a deadline to resolve the violation by February 8, 2024.
- 15 • "Bell 84" Well (0408300266) well cellar was not covered properly and had fluid.  
16 **Attachment BB**, incorporated herein, is a Notice of Violation dated January 4, 2024,  
17 with a deadline to resolve the violation by February 12, 2024.
- 18 • "Bell 93" Well (0408301672) well cellar was not covered properly and had fluid.  
19 **Attachment CC**, incorporated herein, is a Notice of Violation dated January 4, 2024,  
20 with a deadline to resolve the violation by February 12, 2024.

21 To date, Operator has not corrected the violations. Operator's failure to comply with  
22 the requirements of Regulations, section 1777, subdivision (c)(3) is credible evidence of  
23 desertion. (PRC, § 3237, subd. (a).)

#### 24 **IV. Operator's Required Actions**

25 For the reasons stated herein, CalGEM has determined that the Wells and the Facilities  
26 are deserted. Therefore, pursuant to PRC sections 3106, 3206.1, 3224, 3226, and 3237, **IT IS**  
27 **HEREBY ORDERED** that Operator plug and abandon the Wells, decommission the Facilities, and  
28 restore the well sites for the Wells consistent with all applicable requirements of PRC sections

1 3208, 3224, 3228, 3229, and 3230; Regulations sections 1722, 1723 through 1723.8, 1724 through  
2 1724.1, 1760, 1775, and 1776; and the conditions included in any permit CalGEM may issue  
3 pursuant to PRC section 3229. Until that work is complete, Operator is ordered to perform  
4 remedial work and testing on the Wells and the Facilities as necessary to prevent damage to  
5 life, health, property, and natural resources.

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

7 Operator may appeal this Order by filing a timely written notice of appeal with the  
8 Director as described in Article 6 (Appeals and Review) of Division 3 of the PRC, commencing  
9 with PRC section 3350. (PRC, § 3225, subd. (d); 3236.5, subd. (c); 3237, subd. (b).) If this Order  
10 is mailed to you, the Director must receive the appeal within (15) days from the date the  
11 Supervisor mails the Order. To file an appeal, a written notice of appeal may be sent via U.S.  
12 mail to:

13 Department of Conservation  
14 Director's Office of Appeals  
15 715 P Street, MS 19-06 (Legal Office, Chief Counsel)  
16 Sacramento, California 95814

17 Or via electronic mail:

18 [CalGEMAppeals@conservation.ca.gov](mailto:CalGEMAppeals@conservation.ca.gov)

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

22 If Operator does not file a timely written notice of appeal, or if the order is affirmed  
23 following an appeal, this order will become a final order and CalGEM may contract for  
24 performance of the work, pursuant to PRC section 3226, if, within 30 days of this order,  
25 Operator has not, in good faith, commenced the work ordered. Any costs incurred by  
26 CalGEM to obtain compliance with this order (which may include penalties and interest) will  
27 constitute a lien against Operator's real or personal property per PRC section 3423. (PRC, §  
28 3356.)

1 **VI. Consequences of Non-Compliance**

2 Failure to comply with Section V (Operator's Required Actions) of this order could  
3 subject Operator to further enforcement action, including additional civil penalties, as  
4 appropriate. PRC section 3236 makes it a misdemeanor for any person who violates, fails,  
5 neglects, or refuses to comply with any of the provisions of the oil and gas conservation laws  
6 commencing at PRC section 3000. PRC section 3359 makes it a misdemeanor to fail or neglect  
7 to comply with an order of the Supervisor. Each day's further failure, refusal, or neglect is a  
8 separate and distinct offense. (PRC, §3359).

9  
10  
11 DATED: April 9, 2024

*Douglas Ito*

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Doug Ito  
State Oil and Gas Supervisor