

1 Department of Conservation, Geologic Energy Management Division  
2 Doug Ito  
3 STATE OIL AND GAS SUPERVISOR  
4 715 P Street, MS 19-06 (Legal Office)  
5 Sacramento, California 95814  
6 Telephone (916) 323-6733  
7

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 WELL,**  
15 **DECOMMISSION ATTENDANT FACILITY,**  
16 **AND RESTORE WELL SITE**  
17 **NO. 1411**

18  
19 **Operator: Citizens Oil & Land Corp. (01619)**  
20 **Field: N/A\***  
21 **Southern District, Los Angeles County**  
22  
23  
24  
25  
26  
27

28 \*Not located within the administrative boundaries of an oil field

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**I. Introduction**

The State Oil and Gas Supervisor (**Supervisor**), acting through the Geologic Energy Management Division (**CalGEM**), and under the authority of Division 3 of the Public Resources Code (**PRC**; commencing with PRC section 3000) and California Code of Regulations, title 14 (**Regulations**), may order the plugging and abandonment of a well or the decommissioning of a production facility that has been deserted, whether or not any damage is occurring, or threatened, by reason of that deserted well. (PRC, § 3237, subd. (a).) An operator's failure to timely pay required annual fees for any idle well is conclusive evidence of desertion. (PRC, § 3206, subds. (a) and (c).)

Based on CalGEM's limited records, Citizens Oil & Land Corp. (**Operator**) is the "operator" (as defined in PRC section 3009) of the well identified on **Attachment A**, incorporated herein (**the Well**), and is responsible (as specified in PRC section 3237, subdivision (c)(1)) for the plugging and abandonment of the Well, the decommissioning of the production facility attendant to the Well (**the Facility**), and the restoration of the well site for the Well. CalGEM records indicate that, under applicable provisions of PRC section 3206, Operator was required to timely pay idle well fees for the Well for years 2018 through 2023, and that Operator has not done so. This failure to timely pay idle well fees is conclusive evidence of desertion. In addition, CalGEM's limited records reflect that the Well appears to be and have remained non-operational since at least approximately January 30, 1928. Based upon conclusive evidence of desertion, rebuttable presumption of desertion, and credible evidence described below, the Supervisor has determined that the Well and the Facility are deserted. Therefore, pursuant to PRC sections 3106, 3206, 3224, 3226, and 3237, and as set forth below, the Supervisor is ordering Operator to plug and abandon the Well, to decommission the Facility, and to restore the well site for the Well, consistent with all applicable requirements, including PRC sections 3208, 3228, 3229, and 3230; Regulations sections 1722, 1723 through 1723.8, 1724 through 1724.1, 1760, 1775, and 1776; and the conditions included in any permit/approval CalGEM may issue pursuant to PRC section 3229; and until that work is complete, perform remedial work and testing as necessary to prevent damage to life, health, property, and

1 natural resources.

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

4 **II. Conclusive Evidence of Desertion**

5 Based on CalGEM's records, at all times relevant to this order, Operator was the  
6 "operator," as defined in PRC section 3009, of the Well. At all times relevant to this order, the  
7 Well was an "idle well" as defined in PRC section 3008, subdivision (d).

8 As the operator of the Well, following the process for idle well management set forth in  
9 PRC section 3206, subdivision (a), Operator did not submit an Idle Well Management Plan in  
10 lieu of paying idle well fees. Operator was therefore required to pay an idle well fee for each  
11 of its idle well that was idle in 2018 by May 1, 2019; idle in 2019 by May 1, 2020; idle in 2020 by  
12 May 1, 2021; idle in 2021 by May 1, 2022; idle in 2022 by May 1, 2023; and idle in 2023 by May 1,  
13 2024. (PRC, § 3206, subds. (a) and (a)(2)(B)(v).) As of the date of this order, Operator has not  
14 paid the annual idle well fees required for the Well under PRC section 3206 (**Attachment C**;  
15 Declaration of James Donnelly). Operator's failure to pay the required idle well fees for the  
16 Well is conclusive evidence of desertion. (PRC, § 3206, subd. (c).)

17 **III. Rebuttable Presumption of Desertion**

18 A rebuttable presumption of desertion arises if an operator fails to designate an agent  
19 as required by PRC section 3200. (PRC, § 3237, subd. (a)(3)(D).) CalGEM does not have an  
20 agent on file for Operator. Operator's failure to provide and maintain on file with CalGEM  
21 accurate contact information for a designated person who resides in California to accept  
22 service of notices, orders, and other important communications (i.e., an "agent"), as required  
23 by PRC section 3200, creates a rebuttable presumption that the Wells are deserted.

24 **IV. Credible Evidence of Desertion**

25 Credible evidence of desertion includes, but is not limited to, the operational history of  
26 the well or production facility, the response or lack of response of the operator to inquiries and  
27 requests from the supervisor or district deputy, the extent of compliance by the operator with  
28 the requirements of PRC and Regulations, and other actions of the operator with regard to the

1 well or production facility. (PRC, § 3237, subd. (a)(2).)

2 CalGEM has limited records for the Well. CalGEM's records reflect that the Well appear  
3 to be and has remained non-operational since at least January 30, 1928. The operational  
4 history presents credible evidence that the Well is deserted.

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

6 For the reasons stated herein, CalGEM has determined that the Well and the Facility are  
7 deserted. Therefore, pursuant to PRC sections 3106, 3206, 3224, 3226, and 3237, **IT IS HEREBY**  
8 **ORDERED** that Operator plug and abandon the Well, decommission the Facility, and restore  
9 the well site for the Well consistent with all applicable requirements of PRC sections 3208, 3224,  
10 3228, 3229, and 3230; Regulations sections 1722, 1723 through 1723.8, 1724 through 1724.1,  
11 1760, 1775, and 1776; and the conditions included in any permit CalGEM may issue pursuant  
12 to PRC section 3229. Until that work is complete, Operator is ordered to perform remedial work  
13 and testing on the Well and the Facility as necessary to prevent damage to life, health,  
14 property, and natural resources.

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

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

22 Department of Conservation  
23 Director's Office of Appeals  
24 715 P Street, MS 19-06 (Legal Office, Chief Counsel)  
Sacramento, California 95814

25 Or via electronic mail:

26 [CalGEMAppeals@conservation.ca.gov](mailto:CalGEMAppeals@conservation.ca.gov)  
27  
28

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

4 If Operator does not file a timely written notice of appeal, or if the order is affirmed  
5 following an appeal, this order will become a final order and CalGEM may contract for  
6 performance of the work, pursuant to PRC section 3226, if, within 30 days of this order,  
7 Operator has not, in good faith, commenced the work ordered. Any costs incurred by  
8 CalGEM to obtain compliance with this order (which may include penalties and interest) will  
9 constitute a lien against Operator's real or personal property per PRC section 3423. (PRC, §  
10 3356.)

#### 11 **VII. Consequences of Non-Compliance**

12 Failure to comply with Section V (Operator's Required Actions) of this order could  
13 subject Operator to further enforcement action. PRC section 3236 makes it a misdemeanor for  
14 any person who violates, fails, neglects, or refuses to comply with any of the provisions of the  
15 oil and gas conservation laws commencing at PRC section 3000. PRC sections 3236.2 and  
16 3236.3 authorizes the Supervisor to refer for civil penalties and injunctive relief for failure to  
17 comply with an order or for violation of any provision in Chapter 1 of Division 3 of the PRC or  
18 any regulation that implements those statutes. PRC section 3236.5 authorizes the Supervisor to  
19 impose a civil penalty on a person who violates any provision in Chapter 1 of Division 3 of the  
20 PRC or any regulation that implements those statutes, and the Supervisor may in the future  
21 impose further civil penalties based on the facts and omissions underlying this order. PRC  
22 section 3237 authorizes the Supervisor to order the plugging and abandonment of a well or  
23 the decommissioning of a production facility if an operator has failed to comply with an order  
24 of the Supervisor within the time provided by the order or has failed to challenge the order on  
25 a timely basis. PRC section 3359 makes it a misdemeanor to fail or neglect to comply with an  
26 order of the Supervisor. Each day's further failure, refusal, or neglect is a separate and distinct  
27 offense. (PRC, § 3359.) By issuance of this Order, the Supervisor does not waive the right to take  
28 further enforcement actions. PRC sections 3236.2 and 3236.3 authorizes the Supervisor to seek

1 civil penalties and injunctive relief for failure to comply with an order or for violation of any  
2 provision in Chapter 1 of Division 3 of the PRC or any regulation that implements those statutes.

3  
4  
5 DATED: July 11, 2024 \_\_\_\_\_

*Douglas Ito*  
\_\_\_\_\_  
6 Doug Ito  
7 State Oil and Gas Supervisor  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28