

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, DECOMMISSION ATTENDANT FACILITY, AND RESTORE WELL**
15 **SITE**
16 **NO. 1414**

17
18 **Operator: P. M. Peterson (06553)**
19 **Field: N/A***
20 **Southern District, San Bernardino County**

21
22
23
24
25
26
27
28 *Not located within the administrative boundaries of an oil field

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) & (c).)

Based on CalGEM's limited records, P. M. Peterson (**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 2019 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 limited records reflect that the Well appears to be and have remained non-operational since approximately 1932. 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 sites 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 natural resources.

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

3 **II. Conclusive Evidence of Desertion**

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

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

16 **III. Rebuttable Presumption of Desertion**

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

23 **IV. Credible Evidence of Desertion**

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

1 CalGEM has limited records for the Well. CalGEM records reflect that the Well appears
2 to be and has remained non-operational since approximately 1932. The operational history
3 presents credible evidence that the Well is deserted.

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

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

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

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

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

24 Or via electronic mail:

25 CalGEMAppeals@conservation.ca.gov
26
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
14 for any person who violates, fails, neglects, or refuses to comply with any of the provisions of
15 the 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
28 take further enforcement actions. PRC sections 3236.2 and 3236.3 authorizes the Supervisor to

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

4
5 DATED: July 18, 2024

DocuSigned by:

OF 10E78B87B04DE...

Doug Ito
State Oil and Gas Supervisor

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