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

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14 **ORDER TO PLUG AND ABANDON WELL,**
15 **DECOMMISSION ATTENDANT FACILITIES,**
16 **AND RESTORE WELL SITE**
17 **NO. 1422**

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19 **Operator: Temple Resources, LLC (11753)**
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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 or production facility. (PRC, § 3237, subd. (a).) An
8 operator's failure to comply with an order of the Supervisor within the time provided by the
9 order creates a rebuttable presumption of desertion. (PRC, § 3237, subd. (a)(3)(C).) In
10 addition, a written decision by California Department of Conservation's Director's Office of
11 Appeals (DOA) affirming, setting aside, or modifying an order from which an appeal was
12 made shall supersede such order. (PRC, § 3353.)

13 Based on CalGEM's records, Temple Resources, LLC (**Operator**) is the "operator" (as
14 defined in PRC section 3009) of the "Patel" 2 well (API# 0403718961) (**the Well**) and is
15 responsible for the plugging and abandonment of the Well, the decommissioning of the
16 production facilities attendant to the Well (**the Facilities**), and the restoration of the well site for
17 the Well. (See PRC, § 3237, subd. (c)(1).) As described in more detail below, the Supervisor has
18 determined that Operator has failed to timely comply with the DOA's written decision
19 affirming Order No. 1323 in its entirety, thereby creating a rebuttable presumption that the Well
20 and the Facilities are deserted.

21 Therefore, based upon a rebuttable presumption of desertion, the Supervisor has
22 determined that the Well and the Facilities are deserted, and pursuant to PRC sections 3106,
23 3206, 3224, 3226, 3237, and 3353, and as set forth below, the Supervisor is ordering Operator to
24 plug and abandon the Well, to decommission the Facilities, and to restore the well site for the
25 Well, consistent with all applicable requirements, including PRC sections 3208, 3228, 3229, and
26 3230; Regulations sections 1722, 1723 through 1723.8, 1724 through 1724.1, 1760, 1775, and
27 1776; and the conditions included in any permit/approval CalGEM may issue pursuant to PRC
28 section 3229; and until that work is complete, perform remedial work and testing as necessary

1 to prevent damage to life, health, property, and natural resources.

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

4 **II. Rebuttable Presumption of Desertion**

5 On August 2, 2023, CalGEM issued Order No. 1323 requiring Operator to submit a well
6 testing plan to CalGEM for review and approval, conduct the approved test(s), and submit
7 the test results as specified. In addition, Order No. 1323 required Operator to provide a
8 detailed report describing the work it performed on its property with an oil well rig on or
9 around June 15, 2023. (**Attachment C**, Order No. 1323; incorporated herein.)

10 Operator timely appealed. The DOA heard the matter on April 30, and May 1, 2024. The
11 DOA affirmed Order No. 1323 in all respects on May 28, 2024. (**Attachment D**, Decision and
12 Order on Supervisor's Order No. 1323 (Decision and Order); incorporated herein.) Pursuant to
13 the Decision and Order, Operator was required to:

14 1. Submit a plan for CalGEM's review and approval within 14 days from receipt
15 of this Decision and Order, listing the methods in which you will test and provide
16 evidence for:

- 17 • Casing integrity from surface to the base of fresh water.
- 18 • Casing integrity from the surface to a depth that is 100 feet measured
19 depth above the uppermost perforation, immediately above the casing
20 shoe of the deepest cemented casing, or immediately above the top of
21 the landed liner, whichever is highest.
- 22 • The well's effective depth, demonstrated to CalGEM to be of the
23 minimum diameter of the tubing necessary to properly plug and abandon
24 the well.

25 Upon receiving approval from CalGEM, you will have 10 business days to
26 complete the proposed work included in your plan. The Operator will submit a
27 Well Summary (OG100) and Well History (OG103) to CalGEM within 60 days of
28 completing the required remedial work. The forms may be uploaded directly to

1 WellSTAR or mailed to CalGEM for manual entry. In addition to the forms
2 referenced above, the Supervisor will require the Operator to furnish a wellbore
3 diagram accurately depicting the information included on the Well Summary.

4 The plan shall be submitted to:

5 The Department of Conservation
6 California Geologic Energy Management Division
7 Attention: Lindsey Miller
8 715 P Street, MS 18-01
9 Sacramento, CA 95814
10 Phone: (209) 429-6534
11 Email: Lindsey.Miller@conservation.ca.gov

12 2. Within 14 days from receipt of this Decision and Order, provide a detailed report
13 describing well work performed, on or around June 15, 2023, with an oil well rig at
14 "Patel" 2 (API 0403718961).

15 On June 4, 2024, the Supervisor's counsel advised the DOA and Operator that the listed
16 phone number for Ms. Miller was no longer accurate and should be replaced with (916) 917-
17 3872.

18 As of the date of this Order, CalGEM has not received from Operator the required well
19 testing plan, test results, or detailed report. Operator's failure to comply with the DOA's
20 decision affirming Order No. 1323 creates a rebuttable presumption that the Well and the
21 Facilities are deserted. (PRC, § 3237, subd. (a)(3)(C).)

22 **III. Operator's Required Actions**

23 For the reasons stated herein, the Supervisor has determined that the Well and the
24 Facilities are deserted. Therefore, pursuant to PRC sections 3106, 3206, 3224, 3226, and 3237, **IT**
25 **IS HEREBY ORDERED** that Operator plug and abandon the Well, decommission the Facilities,
26 and restore the well site for the Well consistent with all applicable requirements of PRC sections
27 3208, 3224, 3228, 3229, and 3230; Regulations sections 1722, 1723 through 1723.8, 1724 through
28 1724.1, 1760, 1772.1, 1775, and 1776; and the conditions included in any permit CalGEM may

1 issue pursuant to PRC section 3229. Until that work is complete, Operator is ordered to perform
2 remedial work and testing on the Well and the Facilities as necessary to prevent damage to
3 life, health, property, and natural resources.

4 **IV. Operator's Appeal Rights**

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

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

15 Or via electronic mail to: CalGEMAppeals@conservation.ca.gov.

16 If Operator files a timely written notice of appeal, Operator will be informed of the
17 appeal hearing date, time, and place. Following the hearing, Operator will receive a written
18 decision that affirms, sets aside, or modifies the Order following the appeal.

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

26 **V. Consequences of Non-Compliance**

27 Failure to comply with Section III (Operator's Required Actions) of this Order could
28 subject Operator to further enforcement action, including civil penalties, as appropriate. PRC

1 section 3236 makes it a misdemeanor for any person who violates, fails, neglects, or refuses to
2 comply with any of the provisions of the oil and gas conservation laws commencing at PRC
3 section 3000. PRC section 3359 makes it a misdemeanor to fail or neglect to comply with an
4 order of the Supervisor. Each day's further failure, refusal, or neglect is a separate and distinct
5 offense. (PRC, §3359).

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DATED: August 15, 2024

Douglas Ito

Doug Ito
State Oil and Gas Supervisor