

1 Department of Conservation, Geologic Energy Management Division  
Doug Ito  
2 STATE OIL AND GAS SUPERVISOR  
715 P Street, MS 19-06 (Legal Office)  
3 Sacramento, California 95814  
Telephone (916) 323-6733  
4  
5  
6  
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 FACILITIES,**  
16 **AND RESTORE WELL SITE**  
17 **NO. 1510**  
18

19 **Operator: Andrew L. Newkirk (N1223)**  
20 **Field: Edison**  
21 **Central District, Kern County**  
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 § 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 or production facility. (PRC, § 3237, subd. (a).) An operator's failure to comply with an order of the Supervisor within the time provided by the order creates a rebuttable presumption of desertion. (PRC, § 3237, subd. (a)(3)(C).) An operator's failure to submit an idle well testing compliance work plan, failure to meet the testing benchmarks of an idle well testing compliance work plan, failure to remediate the Well, and failure to conduct idle well fluid level testing for any idle well is conclusive evidence of desertion. (PRC, § 3206.1, subds. (d) and (e).)

Based on CalGEM's records, Andrew Newkirk (**Operator**) is the "operator" (as defined in PRC § 3009) of the well and the associated production facilities, both as reported to CalGEM and listed in **Attachment A**, as well as any production facilities not reported to CalGEM (collectively referred to as the "Well"). The Operator is responsible, as specified in PRC § 3237, subd. (c)(1), for the plugging and abandonment of the well and the decommissioning of the production facilities related to the well and the restoration of the well site for the Well. As described in more detail below, Operator was required to provide CalGEM with written notification verifying whether there have been any changes to its right to operator the Well by July 1, 2023, and Operator has not done so. Operator's failure to verify its right to operate constitutes a violation of PRC § 3202, subdivision (c). CalGEM issued an Order to Pay Civil Penalties, Order No. 1410 on July 11, 2024, requiring Operator to verify its right to operate and pay a civil penalty, which it has not done so. Operator's failure to comply with Order No. 1410 is credible evidence and a rebuttable presumption of desertion.

CalGEM records show that, under applicable provisions of Regulations § 1772 et seq., the Operator was required to submit an idle well testing compliance work plan, meet the

1 testing benchmarks outlined in the idle well testing compliance work plan, remediate the Well,  
2 and perform idle well fluid level testing on the Well. However, the Operator has failed to fulfill  
3 these requirements. This failure provides credible and conclusive evidence of desertion,  
4 leading the Supervisor to determine that the Well is deserted.

5 As a result of the operator's failure to verify its right to operate the Well and comply with  
6 applicable provisions of Regulations § 1772 et seq., the Supervisor has concluded that there is  
7 both rebuttable presumptive and conclusive evidence of desertion, in accordance with PRC  
8 §§ 3106, 3206.1, 3224, 3226, and 3237. As set forth below, the Supervisor is ordering Operator to  
9 plug and abandon the Well, to decommission the facilities, and to restore the well site for the  
10 Well, consistent with all applicable requirements, including PRC §§ 3208, 3228, 3229, and 3230;  
11 Regulations §§ 1722, 1723 through 1723.8, 1724 through 1724.1, 1760, 1775, and 1776; and the  
12 conditions included in any permit or approval CalGEM may issue pursuant to PRC § 3229; and  
13 until that work is complete, perform remedial work and testing as necessary to prevent  
14 damage to life, health, property, and natural resources.

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

17 **There is a Rebuttable Presumption of Desertion of the Well**

18 A rebuttable presumption of desertion arises if an operator has failed to comply with an  
19 order of the Supervisor within the time provided by the order or has failed to challenge the  
20 order on a timely basis. (PRC, § 3237, subd. (a)(3)(C).) CalGEM Order No. 1410, issued on July  
21 11, 2024, was not appealed by Operator and became final on July 25, 2024. (**Attachment C**,  
22 incorporated herein.) Order No. 1410 required the Operator to:

- 23 1) Verify its right to operate, as directed in PRC § 3202, subdivision (c); and
- 24 2) Pay a civil penalty in the amount of four hundred dollars (\$400.00).

25 To date, CalGEM has not received verification of its right to operate from the Operator  
26 or payment of the civil penalty. Operator's failure to comply with Order No. 1410 is a  
27 rebuttable presumption of desertion. (PRC, § 3237, subd. (a)(3)(C).)

**There is Conclusive Evidence of Desertion of the Well**

A. Conclusive Evidence of Desertion

Conclusive evidence of desertion of a well is defined by PRC § 3206.1, subdivision (e). PRC § 3206.1, subdivision (e) provides that failure to comply with the requirements of the regulations implementing this section (e.g., Regulations §§ 1772.1.4, subd. (a), 1772.1.4, subd. (b), 1772.1, subds. (a)(1) and (b)), shall be conclusive evidence of desertion of the Well, permitting the Supervisor to order the Well abandoned pursuant to PRC § 3237. As shown below, Operator failed to comply with these requirements and this failure is conclusive evidence of desertion. Based on CalGEM's records, at all times relevant to this order, Operator was the operator of the Well, as defined in PRC § 3009. (**Attachment D**, incorporated herein, is a Report of Property and Well Transfer.) The Well was designated as idle by CalGEM on May 1, 2017, and the last reported production of oil or condensate to CalGEM occurred in April 2015. Therefore, at all times relevant to this order, the Well was an idle well as defined in PRC § 3008, subdivision (d).

B. Idle Well Violations Supporting Conclusive Evidence of Desertion

As the operator of the Well, Operator was required to submit an idle well testing compliance work plan, comply with the testing benchmarks of an idle well testing compliance work plan, remediate the Well, and conduct idle well fluid level testing. (Regulations §§ 1772.1.4, subd. (a), 1772.1.4, subd. (b), 1772.1, subds. (a)(1) and (b).) These violations will be addressed in turn.

1. Failure to submit an Idle Well Testing Compliance Work Plan (Regulations § 1772.1.4, subd. (a))

Regulations § 1772.1.4, subdivision (a) provides that operators shall submit an Idle Well Testing Compliance Work Plan. CalGEM notified Operator that its idle well testing compliance work plan, consistent with Regulations § 1772.1.4, subdivision (a), was due on June 1, 2019. On June 24, 2022, CalGEM advised the operator the idle well testing compliance work plan was past due and provided a date for submission by July 15, 2022. (**Attachment E**, incorporated herein, is a Notice of Violation that CalGEM sent on June 24, 2022, with a deadline to submit the idle well testing compliance work plan by July 15, 2022.) To date, CalGEM has not received an idle well testing compliance work plan from Operator. Operator has failed to

comply with the requirements of Regulations § 1772.1.4, subdivision (a).

2. Failure to Meet Idle Well Testing Compliance Work Plan Benchmarks Due to Failed Casing Pressure Testing (Regulations § 1772.1.4, subd. (b))

Regulations § 1772.1.4, subdivision (b) provides that operators shall comply with conducting annual testing benchmarks of the Well under an idle well testing compliance work plan. The casing pressure testing, as required by the idle well testing compliance work plan, was due on June 1, 2020. (Regulations § 1772.1.4, subd. (a).) CalGEM notified Operator on July 28, 2022, that its annual testing benchmark under an idle well testing compliance work plan was past due. (Regulations § 1772.1.4, subd. (b).) (**Attachment F**, incorporated herein, is a Notice of Violation that CalGEM sent on July 28, 2022.) Therefore, Operator has failed to comply with the requirements of Regulations § 1772.1.4, subdivision (b).

3. Failure to remediate after unsuccessful idle well testing (Regulations § 1772.1, subd. (b))

Within 12 months of failing to conduct a successful casing pressure test pursuant to Regulations § 1772.1, subdivision (a)(2), Operator was required to bring the well into compliance, partially plug and abandon the well in accordance with Regulations § 1752, plug and abandon the well in accordance with PRC § 3208 or schedule the well for plugging and abandonment under an approved Idle Well Management Plan or an approved Testing Waiver Plan (Regulations § 1772.1, subd. (b)). As of the date of this order, the Operator has not undertaken any of these required remedial actions.

Regulations § 1772.1, subdivision (b) provides that operators shall remediate the Well after unsuccessful idle well testing, including failing to conduct a successful casing pressure test consistent with Regulations § 1772.1, subdivision (a)(2). The remediation was due by April 1, 2021. CalGEM notified Operator that remediation of the Well, consistent with Regulations § 1772.1, subdivision (b), was past due on January 8, 2025. (**Attachment G**, incorporated herein, is a Notice of Violation that CalGEM sent on January 8, 2025.) To date, Operator has not remediated the Well. Operator has failed to comply with the requirements of Regulations § 1772.1, subdivision (b).

4. Failure to conduct fluid level testing (Regulations § 1772.1, subd. (a)(1))

Regulations § 1772.1, subdivision (a)(1) provides that operators shall conduct fluid level testing for all idle wells. The fluid level testing for the Well was due April 1, 2021. CalGEM notified Operator that its fluid level testing, consistent with Regulations § 1772.1, subdivision (a)(1), was past due on December 23, 2024, and provided a date for submission by February 22, 2025. (**Attachment H**, incorporated herein, is a Notice of Violation that CalGEM sent on December 23, 2024, with a deadline to conduct fluid level testing by February 22, 2025.) To date, Operator has not conducted fluid level testing on its idle Well. Operator has failed to comply with the requirements of Regulations § 1772.1, subdivision (a)(1). In conclusion, above idle well violations constitute conclusive evidence of desertion and permit the Supervisor to order the well be plugged and abandoned. Operator failed to submit an idle well testing compliance work plan, comply with the testing benchmarks of an idle well testing compliance work plan, remediate the Well, and conduct idle well fluid level testing on the Well. (Regulations §§ 1772.1.4, subd. (a), 1772.1.4, subd. (b), 1772.1, subds. (a)(1) and (b).) State law provides that this failure is conclusive evidence of desertion of the Well, permitting the Supervisor to order the Well plugged and abandoned. (PRC §§ 3206.1, subd. (e), 3237, subd. (a).)

## II. Operator's Required Actions

For the reasons stated herein, CalGEM has determined that the Well is deserted. Therefore, pursuant to PRC §§ 3106, 3206.1, 3224, 3226, and 3237, **IT IS HEREBY ORDERED** that Operator plug and abandon the Well, decommission the facilities, and restore the well site for the Well consistent with all applicable requirements of PRC §§ 3208, 3224, 3228, 3229, and 3230; Regulations §§ 1722, 1723 through 1723.8, 1724 through 1724.1, 1760, 1775, and 1776; and the conditions included in any permit CalGEM may issue pursuant to PRC § 3229. Until that work is complete, Operator is ordered to perform remedial work and testing on the Well as necessary to prevent damage to life, health, property, and natural resources.

### III. Operator's Appeal Rights

Operator may appeal this Order by filing a timely written notice of appeal with the Director as described in Article 6 (Appeals and Review) of Division 3 of the PRC, commencing

with PRC § 3350. (PRC, §§ 3225, subd. (d); 3236.5, subd. (c); 3237, subd. (b).) If this Order is mailed to you, the Director must receive the appeal within (15) days from the date the Supervisor mails the Order. To file an appeal, a written notice of appeal may be sent via U.S. mail to:

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

Or via electronic mail:

[OfficeofAppeals@conservation.ca.gov](mailto:OfficeofAppeals@conservation.ca.gov)

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

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

#### **IV. Consequences of Non-Compliance**

Failure to comply with Section IV (Operator's Required Actions) of this order could subject Operator to further enforcement action. PRC § 3236 makes it a misdemeanor for any person who violates, fails, neglects, or refuses to comply with any of the provisions of the oil and gas conservation laws commencing at PRC § 3000. PRC §§ 3236.2 and 3236.3 authorizes the Supervisor to refer for civil penalties and injunctive relief for failure to comply with an order or for violation of any provision in Chapter 1 of Division 3 of the PRC or any regulation that implements those statutes. PRC § 3236.5 authorizes the Supervisor to impose a civil penalty on

a person who violates any provision in Chapter 1 of Division 3 of the PRC or any regulation that implements those statutes, and the Supervisor may in the future impose further civil penalties based on the facts and omissions underlying this order. PRC § 3237 authorizes the Supervisor to order the plugging and abandonment of a well or the decommissioning of a production facility if an operator has failed to comply with an order of the Supervisor within the time provided by the order or has failed to challenge the order on a timely basis. PRC § 3359 makes it a misdemeanor to fail or neglect to comply with an order of the Supervisor. Each day's further failure, refusal, or neglect is a separate and distinct offense. (PRC, § 3359.) By issuance of this Order, the Supervisor does not waive the right to take further enforcement actions. PRC §§ 3236.2 and 3236.3 authorizes the Supervisor to seek civil penalties and injunctive relief for failure to comply with an order or for violation of any provision in Chapter 1 of Division 3 of the PRC or any regulation that implements those statutes.

DATED: 3/7/2025

Doug Ito  
Doug Ito  
State Oil and Gas Supervisor