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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 **FIRST AMENDED ORDER TO PLUG AND ABANDON WELLS,**
15 **DECOMMISSION ATTENDANT FACILITIES, AND RESTORE WELL SITES**
16 **NO. 1561A**

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18 **Operator: Standard Oil Company, LLC (11477)**
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This First Amended Order No. 1561A rescinds, supersedes, and replaces Order No. 1561, issued on September 25, 2025.

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).) An operator's failure to comply with idle well testing and management requirements for any idle well is conclusive evidence of desertion. (PRC, § 3206.1, subd. (e).)

Based on CalGEM's records, Standard Oil Company, LLC (**Operator**) is the "operator" (as defined in PRC section 3009) of the 41 wells identified on **Attachment A**, incorporated herein (the **Wells**), and is responsible (as specified in PRC section 3237, subdivision (c)(1)) for the plugging and abandonment of the Wells, the decommissioning of the production facilities attendant to the Wells and the nine facilities identified on Attachment A (the **Facilities**), and the restoration of the well sites for the Wells. All 41 Wells are located in the Kern Front Oil Field, with 22 of the wells located on the "Judkins" lease and 19 of the wells located on the "Mitchel" lease. CalGEM records indicate that, under applicable provisions of PRC sections 3206, 3206.1, and 3237, Operator has demonstrated evidence of desertion of the Wells and Facilities in its failure to comply with multiple provisions of the Public Resources Code and Regulations, including numerous failures to comply with idle well fee and idle well testing requirements, failure to comply with several orders of the Supervisor, and failure to respond to Supervisor inquiries and requests. Based on these ongoing failures to comply with the Public Resources Code and Regulations, the Supervisor has determined that the Wells and the Facilities are deserted.

1 Therefore, pursuant to PRC sections 3106, 3206, 3206.1, 3224, 3226, and 3237, and as set
2 forth below, the Supervisor is ordering Operator to plug and abandon the Wells, to
3 decommission the Facilities, and to restore the well sites for the Wells, consistent with all
4 applicable requirements, including PRC sections 3208, 3228, 3229, and 3230; Regulations
5 sections 1722, 1723 through 1723.8, 1724 through 1724.1, 1760, 1775, and 1776; and the
6 conditions included in any permit/approval CalGEM may issue pursuant to PRC section 3229;
7 and until that work is complete, perform remedial work and testing as necessary to prevent
8 damage to life, health, property, and natural resources.

9 CalGEM issued Order No. 1561 to Operator on September 25, 2025, ordering the
10 plugging and abandonment of the Wells. Order No. 1561 is incorporated herein as **Attachment**
11 **B**. On October 10, 2025, the Supervisor received a Notice of Acknowledgement of Appeal
12 related to Order No. 1561 from the Director's Office of Appeals. The Notice of
13 Acknowledgement of Appeal is incorporated herein as **Attachment C**. The Supervisor is now
14 amending Order No. 1561 to:

- 15 1. Add new facts to further support the Supervisor's finding of desertion; and
- 16 2. Clarify violations by well and lease area for ease of presentation at hearing.

17 **Attachment D**, incorporated herein, contains a list of definitions and authorities that are
18 applicable to this order.

19 **II. Conclusive Evidence of Desertion**

20 Based on CalGEM's records, at all times relevant to this order, Operator was the
21 "operator," as defined in PRC section 3009, of the Wells. At all times relevant to this order, 35 of
22 the Wells were idle wells as defined in PRC section 3008, subdivision (d). 28 of the Wells remain
23 idle at the time of order issuance, including all 19 wells on the "Mitchel" lease. Seven of the
24 previously idle wells on the "Judkins" lease became active in July 2021. Dates on which each
25 of the Wells became idle, and if applicable, changed status from idle to active, are included
26 in **Attachment A**, incorporated herein.

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1 **A. Failure to Pay Idle Well Fees (PRC, § 3206, subd. (c).)**

2 As the operator of the Wells, Operator was required to pay an idle well fee for each of
 3 its idle wells that were idle in 2021 by May 1, 2022, as provided in the 2022 Idle Well Fee Invoice
 4 prepared by CalGEM, and idle in 2022 by May 1, 2023, as provided in the 2023 Idle Well Fee
 5 Invoice prepared by CalGEM, and Operator did not do so. (PRC, § 3206, subds. (a) &
 6 (a)(2)(B)(v).) (**Attachments E and F** incorporated herein.) In 2024, following the process for idle
 7 well management set forth in PRC section 3206, subdivision (a), Operator submitted an Idle
 8 Well Management Plan in lieu of paying idle well fees. However, the Supervisor determined
 9 that Operator failed to eliminate the number of long-term idle wells required under the Plan
 10 and in February 2025, issued a Notice of Cancellation of the Plan. Operator was therefore
 11 required to pay an idle well fee for each of its idle wells that were idle in 2023 by May 1, 2024,
 12 as provided in the 2024 Idle Well Fee Invoice prepared by CalGEM, idle in 2024 by May 1, 2025,
 13 as provided in the 2025 Idle Well Fee Invoice prepared by CalGEM, and idle in 2025 by May 1,
 14 2026, as provided in the 2026 Idle Well Fee Invoice prepared by CalGEM. (PRC, § 3206, subds.
 15 (a) & (a)(2)(B)(v).) (**Attachments G, H, and I** incorporated herein.) As of the date of this order,
 16 Operator has not paid its idle well fees for the Wells which were idle in 2021, 2022, 2023, 2024,
 17 or 2025. Since its acquisition of the Wells in in July and December 2020, Operator has paid zero
 18 dollars in idle well fees.

19 Operator's failure to pay the required idle well fees for the Wells is conclusive evidence
 20 of desertion. (PRC, § 3206, subd. (c).)

21 **B. Failure to Comply with Idle Well Testing and Management Requirements (PRC, §**
 22 **3206.1, subd. (e).)**

23 Of the 35 Wells which are or previously were idle since Operator's acquisition of the
 24 Wells in 2020, 33 Wells were idle as of April 1, 2019. These 33 Wells were therefore subject to idle
 25 well testing and management requirements in accordance with Regulations section 1772.1.4,
 26 including submittal of an Idle Well Testing Compliance Work Plan, and annual testing in
 27 accordance with that Plan. Two additional wells became idle in 2022: Judkins 1-5 and Judkins
 28 3-6. These wells were subject to idle well testing requirements in accordance with Regulations

1 section 1772.1, including performance of a casing pressure test and a fluid level test within 24
2 months of each well becoming idle.

3 As the operator of the Wells, Operator was required to submit an Idle Well Testing
4 Compliance Work Plan by June 1, 2019 for the 33 Wells which were idle as of April 1, 2019, as
5 required by Regulations section 1772.1.4, subdivision (a), and Operator failed to do so. As the
6 operator of the Wells, Operator was required to comply with annual testing benchmarks of the
7 33 Wells under an Idle Well Testing Compliance Work Plan, as required by Regulations section
8 1772.1.4, subdivision (b), and operator failed to do so. CalGEM issued Notices of Violation to
9 Operator regarding the outstanding Plan and the failure to meet testing benchmarks, and
10 when the violations were not remediated, CalGEM issued Order No. 1346 to Pay a Civil Penalty
11 to Operator on December 8, 2023. (**Attachment J**, incorporated herein.) Operator submitted a
12 Testing Compliance Work Plan in May 2024 which CalGEM accepted, but Operator did not
13 perform any idle well testing under the plan. Operator was required to complete testing on all
14 33 Wells covered by the Testing Compliance Work Plan by April 1, 2025, in accordance with
15 Regulations section 1772.1.4, subdivision (b). As of the date of this order, Operator has not
16 remediated the outstanding violations for 33 of the Wells which are overdue for testing.

17 Operator's failure to comply with idle well testing and management requirements for
18 the Wells is conclusive evidence of desertion. (PRC, § 3206.1, subd. (e).)

19 As the operator of the Wells, Operator was required to perform idle well testing on two
20 of the Wells which became idle after April 1, 2019: Judkins 1-5 and Judkins 3-6, including casing
21 pressure testing and fluid level testing within 24 months of each well becoming idle.

22 (Regulations, §1772.1.) Operator failed to do so. On April 16, 2024, CalGEM issued a Notice of
23 Violation for Failure to Conduct Idle Well Casing Pressure Testing to Operator. (**Attachment K**,
24 incorporated herein). On December 23, 2024, CalGEM issued a Notice of Violation for Failure
25 to Conduct Fluid Level Testing to Operator for these two Wells. (**Attachment L**, incorporated
26 herein.) On March 21, 2025, CalGEM issued a Notice of Violation for Failure to Comply with
27 Requirements After Unsuccessful Idle Well Testing to Operator. (**Attachment M**, incorporated
28

1 herein.) As of the date of this order, Operator has not remediated the outstanding violations
2 for the Judkins 1-5 and Judkins 3-6 wells which are overdue for testing.

3 Operator's failure to comply with idle well testing and management requirements for
4 the Wells is conclusive evidence of desertion. (PRC, § 3206.1, subd. (e).)

5 **III. Rebuttable Presumption of Desertion**

6 As the operator of the Wells, Operator was required to comply with orders issued by the
7 Supervisor. In the past three years, the Supervisor issued three separate civil penalty orders to
8 Operator for its failure to comply with the Public Resources Code and Regulations. The
9 Supervisor issued Order No. 1346 to Pay a Civil Penalty on December 8, 2023, Order No. 1404 to
10 Pay Civil Penalties on June 18, 2024, and Order No. 1461 to Pay a Civil Penalty and Perform
11 Remedial Work on November 7, 2024. (**Attachments J, N, and O** incorporated herein.) To date,
12 Operator has not fully complied with these three orders; Operator has not paid any of the
13 outstanding civil penalties nor remediated the outstanding violations for the Wells and
14 Facilities.

15 Operator's failure to comply with an order of the Supervisor within the time provided in
16 the order and failure to challenge the order on a timely basis create a rebuttable presumption
17 of desertion. (PRC, § 3237, subd. (a)(3)(C).)

18 As the operator of the Wells, Operator was required to provide CalGEM with written
19 notification verifying whether there have been any changes to its right to operate each of its
20 wells by July 1, 2021, and by July 1 of every other year thereafter, in accordance with PRC
21 section 3202, subdivision (c), and Operator failed to do so. Operators are required to provide
22 this notification even if there have been no such changes. CalGEM issued a Notice of
23 Violation to Operator regarding this violation on August 4, 2023. On June 18, 2024, the
24 Supervisor issued Order No. 1404 to Pay Civil Penalties (**Attachment N**). To date, Operator has
25 not provided CalGEM with written notification verifying whether there have been any
26 changes to its right to operate each of the Wells.

27 Operator's failure to comply with PRC section 3202 creates a rebuttable presumption of
28 desertion. (PRC, § 3237, subd. (a)(3)(E).)

1 At 15 of the Wells, the production facilities or injection equipment associated with the
 2 Wells has been removed from the well site for at least two years, creating a rebuttable
 3 presumption of desertion. (PRC, § 3237, subd. (a)(3)(B).) At three of the Wells, Operator has
 4 failed to maintain the access road to the Wells and Facilities site passable to oilfield and
 5 emergency vehicles, creating a rebuttable presumption of desertion. (PRC, § 3237, subd.
 6 (a)(3)(F).)

7 **IV. Credible Evidence of Desertion**

8 In addition to issuing three civil penalty orders, CalGEM has issued multiple Notices of
 9 Violation to Operator since 2023 and attempted to contact Operator regarding its many
 10 violations and idle wells. To date, Operator has failed to respond to CalGEM's notices and
 11 outreach regarding the Wells and Facilities. The lack of response by Operator to inquiries and
 12 requests from CalGEM constitutes credible evidence of desertion. (PRC, § 3237, subd. (a)(2).)

13 While Operator has reported production for 13 Wells on the "Judkins" lease, CalGEM
 14 believes the data may be inaccurate due to identical volumes reported for 12 of the Wells
 15 over a period of five years. Two of the "Judkins" lease Wells were missing equipment necessary
 16 for production for over a year, during which time Operator reported production from each
 17 well. Operator reported thousands of gallons of produced water at its "Judkins" lease, but until
 18 April 2026 lacked injection approval at its water disposal well, "Judkins" 5-8, raising questions
 19 about the disposal of water produced during its operations. CalGEM issued a production
 20 verification request to Operator in May 2026, and Operator failed to provide data to
 21 substantiate its reported production by the deadline included in the request. Operator's poor
 22 reporting practices and failure to respond to CalGEM's production verification request
 23 constitute credible evidence of desertion. (PRC, § 3237, subd. (a)(2).)

24 Operator contends that it does not have access to the 19 "Mitchel" lease Wells due to
 25 cancellation of its lease by the surface rights owner, the Bureau of Land Management (BLM),
 26 following Operator's failure to make payments under the lease. Operator's inability to access
 27 the "Mitchel" lease Wells constitutes credible evidence of desertion. (PRC, § 3237, subd.
 28 (a)(2).) Operator also contends that its lack of access to the Wells relieves it of responsibility for

1 the Wells, a position which contradicts Public Resources Code section 3201, subdivision (a),
2 which states "The operator shall not be relieved of responsibility for the well or production
3 facility until the supervisor or the district deputy acknowledges the sale, assignment, transfer,
4 conveyance, exchange, or other disposition, in writing, and the person acquiring the well or
5 production facility is in compliance with Section 3202." Operator has never submitted written
6 notice to CalGEM of the transfer of the lease to another operator, in accordance with PRC
7 section 3201, and no new operator has provided CalGEM notice of its acquisition of the
8 "Mitchel" lease Wells, in accordance with PRC section 3202. Operator is therefore not relieved
9 of responsibility for the "Mitchel" lease Wells, as explicitly outlined in statute. (PRC, § 3201, subd.
10 (a).) Furthermore, although now denying ownership citing cancellation of its lease in 2022,
11 Operator included all 19 of the "Mitchel" lease Wells on both the Idle Well Management Plan
12 and the Idle Well Testing Compliance Work Plan it submitted to CalGEM in 2024.

13 As the Operator of the Wells, Operator is required to maintain the Wells and Facilities in
14 accordance with the requirements of the Public Resources Code, and Operator has failed to
15 do so. Operator's widespread noncompliance and multitude of violations at the Wells and
16 Facilities constitutes credible evidence of desertion. (PRC, § 3237, subd. (a)(2).)

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

18 For the reasons stated herein, CalGEM has determined that the Wells and the Facilities
19 are deserted. Therefore, pursuant to PRC sections 3106, 3206, 3206.1, 3224, 3226, and 3237, **IT IS**
20 **HEREBY ORDERED** that Operator plug and abandon the Wells, decommission the Facilities, and
21 restore the well sites) for the Wells consistent with all applicable requirements of PRC sections
22 3208, 3224, 3228, 3229, and 3230; Regulations sections 1722, 1723 through 1723.8, 1724 through
23 1724.1, 1760, 1775, and 1776; and the conditions included in any permit CalGEM may issue
24 pursuant to PRC section 3229. Until that work is complete, Operator is ordered to perform
25 remedial work and testing on the Wells and the Facilities as necessary to prevent damage to
26 life, health, property, and natural resources.

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

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

8 Department of Conservation
9 Director's Office of Appeals
10 715 P Street, MS 19-06 (Legal Office, Chief Counsel)
11 Sacramento, California 95814

12 Or via electronic mail:

13 OfficeofAppeals@conservation.ca.gov

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

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

24 **VII. Consequences of Noncompliance**

25 Failure to comply with Section V (Operator's Required Actions) of this order could
26 subject Operator to further enforcement action. PRC section 3236 makes it a misdemeanor
27 for any person who violates, fails, neglects, or refuses to comply with any of the provisions of
28 the oil and gas conservation laws commencing at PRC section 3000. PRC sections 3236.2 and

1 3236.3 authorizes the Supervisor to refer for civil penalties and injunctive relief for failure to
2 comply with an order or for violation of any provision in Chapter 1 of Division 3 of the PRC or
3 any regulation that implements those statutes. PRC section 3236.5 authorizes the Supervisor to
4 impose a civil penalty on a person who violates any provision in Chapter 1 of Division 3 of the
5 PRC or any regulation that implements those statutes, and the Supervisor may in the future
6 impose further civil penalties based on the facts and omissions underlying this order. PRC
7 section 3237 authorizes the Supervisor to order the plugging and abandonment of a well or
8 the decommissioning of a production facility if an operator has failed to comply with an order
9 of the Supervisor within the time provided by the order or has failed to challenge the order on
10 a timely basis. PRC section 3359 makes it a misdemeanor to fail or neglect to comply with an
11 order of the Supervisor. Each day's further failure, refusal, or neglect is a separate and distinct
12 offense. (PRC, § 3359.) By issuance of this Order, the Supervisor does not waive the right to
13 take further enforcement actions. PRC sections 3236.2 and 3236.3 authorizes the Supervisor to
14 seek civil penalties and injunctive relief for failure to comply with an order or for violation of
15 any provision in Chapter 1 of Division 3 of the PRC or any regulation that implements those
16 statutes.

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18
19 DATED: 6/3/2026

Doug Ito
Doug Ito
State Oil and Gas Supervisor