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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 WELLS, DECOMMISSION**
15 **ATTENDANT FACILITIES, AND RESTORE WELL SITES**
16 **NO. 1648**

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18 **Operator: Imperial Occidental, Inc. (I0127)**

19 **Field: Long Beach**

20 **Southern District**
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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 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 timely submit history of work performed on its well pursuant to PRC section 3215 is credible evidence of desertion (PRC, § 3237, subd. (a)(2).) Based upon credible evidence of desertion and a rebuttable presumption of desertion, described below, the Supervisor has determined that the Well is deserted.

At all relevant times, Imperial Occidental, Inc. (**Operator**) was the "operator" (as defined in PRC section 3009) of the Well (**Well**) identified on **Attachment A**, incorporated herein, and is responsible (as specified in PRC section 3237, subdivision (c)(1)) for the plugging and abandonment of the Well and the restoration of the well site for the Well. CalGEM records indicate that, under applicable provisions of PRC section 3237, Operator has demonstrated evidence of desertion of the Well in its failure to comply with multiple provisions of the Public Resources Code and Regulations, including failure to submit history of work performed on the well, and failure to comply with the orders of the Supervisor. Based on these failures to comply with the Public Resources Code and Regulations, the Supervisor has determined that the Well is deserted.

Therefore, pursuant to PRC sections 3106, 3215, 3224, 3226, and 3237, and as set forth below, the Supervisor is ordering Operator to plug and abandon the Well 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 or approval CalGEM may

1 issue pursuant to PRC section 3229; and until that work is complete, perform remedial work
2 and testing as necessary to prevent damage to life, health, property, and natural resources.

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

5 **II. Rebuttable Presumption of Desertion**

6 Based on CalGEM's records, at all times relevant to this order, Operator was the
7 "operator," as defined in PRC section 3009, of the Well.

8 A rebuttable presumption of desertion arises if an operator fails 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, § 3237, subdivision (a)(3)(C).)

11 On March 16, 2022, the Supervisor issued an Order to Pay a Civil Penalty and Perform
12 Remedial Work No. 1247 requiring Operator to pay a civil penalty and perform remedial work
13 following Operator's failure to timely submit a Pipeline Management Plan. (**Attachment C**,
14 incorporated herein.) CalGEM served the order a second time on April 7, 2022, to a new
15 address. The Operator did not file an appeal to Order No. 1247 and the order became final on
16 April 22, 2022. To date, CalGEM has not received a Pipeline Management Plan from the
17 Operator nor payment of the civil penalty.

18 On July 21, 2023, the Supervisor issued an Order to Plug and Abandon No. 1322 to
19 Operator requiring the Operator to plug and abandon wells. (**Attachment D**, incorporated
20 herein.) The Operator failed to timely appeal Order No. 1322 and the order became final on
21 August 7, 2023. To date, the Operator has failed to comply with Order No. 1322.

22 Operator's failure to comply with the Supervisor's Orders No. 1247 and 1322 creates a
23 rebuttable presumption of desertion. (PRC, § 3237, subdivision (a)(3)(C).)

24 **III. Credible Evidence of Desertion**

25 The Supervisor has determined based on credible evidence that the Well is deserted.
26 Pursuant to PRC section 3215, Operator was required to file true copies of the log, core record,
27 and history of work performed within 60 days after the date of cessation of drilling or rework of
28 the Well. As of the date of this order, Operator has failed to comply with PRC section 3215.

1 On or about June 16, 2010, CalGEM issued a permit approving Operator to rework (drill
2 out cement plugs and return to production) the Well. (**Attachment E** incorporated herein.) On
3 or about May 20, 2011, in response to a CalGEM inquiry, Operator submitted a supplementary
4 proposal indicating that the work had not been completed but that Operator intended to
5 begin work on or about July 1, 2011. CalGEM issued a permit based on Operator's
6 supplementary proposal on or about May 27, 2011. On or about August 30, 2011, Operator
7 notified CalGEM that work under the permit had commenced as of August 30, 2011, and
8 would resume on or about October 1, 2011. (**Attachment F**, incorporated herein.) Pursuant to
9 PRC section 3215, Operator was required to submit the history of work performed including
10 providing true copies of the log, well records, and core records for the work performed within
11 60 days of cessation of drilling operations. To date, CalGEM has not received any history of
12 work performed for the Well from the Operator.

13 Therefore, Operator's failure to comply with reporting requirements for the Well
14 specified in PRC section 3215 is credible evidence of desertion. (PRC, § 3237, subd. (a)(2).)

15 **IV. Operator's Required Actions**

16 For the reasons stated herein, CalGEM has determined that the Well is deserted.
17 Therefore, pursuant to PRC sections 3106, 3215, 3224, 3226, and 3237, **IT IS HEREBY ORDERED**
18 that Operator plug and abandon the Well and restore the well site for the Well consistent with
19 all applicable requirements of PRC sections 3208, 3224, 3228, 3229, and 3230; Regulations
20 sections 1722, 1723 through 1723.8, 1724 through 1724.1, 1760, 1775, and 1776; and the
21 conditions included in any permit CalGEM may issue pursuant to PRC section 3229. Until that
22 work is complete, Operator is ordered to perform remedial work and testing on the Well as
23 necessary to prevent damage to life, health, property, and natural resources.

24 **V. Operator's Appeal Rights**

25 Operator may appeal this Order by filing a timely written notice of appeal with the
26 Director as described in Article 6 (Appeals and Review) of Division 3 of the PRC, commencing
27 with PRC section 3350. (PRC, §§ 3225, subd. (d); 3236.5, subd. (c); 3237, subd. (b).) If this Order
28 is mailed to you, the Director must receive the appeal within (15) days from the date the

1 Supervisor mails the Order. To file an appeal, a written notice of appeal may be sent via U.S.
2 mail to:

3 Department of Conservation
4 Director's Office of Appeals
5 715 P Street, MS 19-06 (Legal Office, Chief Counsel)
6 Sacramento, California 95814

7 Or via electronic mail:

8 OfficeofAppeals@conservation.ca.gov

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

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

18 **VI. Consequences of Noncompliance**

19 Failure to comply with Section IV (Operator's Required Actions) of this Order could
20 subject Operator to further enforcement action. PRC section 3236 makes it a misdemeanor for
21 any person who violates, fails, neglects, or refuses to comply with any of the provisions of the
22 oil and gas conservation laws commencing at PRC section 3000. PRC sections 3236.2 and
23 3236.3 authorizes the Supervisor to refer for civil penalties and injunctive relief for failure to
24 comply with an order or for violation of any provision in Chapter 1 of Division 3 of the PRC or
25 any regulation that implements those statutes. PRC section 3236.5 authorizes the Supervisor to
26 impose a civil penalty on a person who violates any provision in Chapter 1 of Division 3 of the
27 PRC or any regulation that implements those statutes, and the Supervisor may in the future
28 impose further civil penalties based on the facts and omissions underlying this Order. PRC

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

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DATED: 6/18/2026

Doug Ito
Doug Ito
State Oil and Gas Supervisor