

Department of Conservation, Geologic Energy Management Division
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STATE OF CALIFORNIA
NATURAL RESOURCES AGENCY
DEPARTMENT OF CONSERVATION
GEOLOGIC ENERGY MANAGEMENT DIVISION

ORDER TO PLUG AND ABANDON WELLS, DECOMMISSION ATTENDANT FACILITIES,
AND RESTORE WELL SITES
NO. 1670

Operator: Chaparral Petroleum, Inc. (C5100)
Field: Midway-Sunset
District: Central
County: Kern

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).)

Based on CalGEM's records, at all times relevant to this Order, Chaparral Petroleum, Inc. (**Operator**) is the "operator" (as defined in PRC section 3009) of the wells and facilities identified on **Attachment A**, incorporated herein (the **Well(s)** and **Facilities**), 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 restoration of the well sites for the Wells. The Wells are located within a health protection zone (**HPZ**) defined as areas within 3,200 feet of a sensitive receptor. (PRC, § 3280 (b).)

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 PRC and Regulations, including failures to pay idle well fees, failure to comply with idle well testing requirements, failure to perform the required remediation of the Wells, failure to submit annual production reports, and failure to comply with an order of the Supervisor.

Based upon a rebuttable presumption, credible, and conclusive evidence of desertion, described in more detail below, the Supervisor has determined that the Wells and Facilities are deserted.

Therefore, pursuant to PRC sections 3106, 3206, 3206.1, 3224, 3226, and 3237, and as set forth below, the Supervisor is ordering Operator to plug and abandon the Wells, to decommission the Facilities, and to restore the well sites for the Wells, 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 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.

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

II. Conclusive Evidence of Desertion of the Wells

Based on CalGEM's records, at all times relevant to this order, the Wells were idle wells as defined in PRC section 3008, subdivision (d).

API	Well Designation	Field	Approximate Idle Year Start Date
0402932903	1	Midway-Sunset	1930
0402932904	2B	Midway-Sunset	1930
0402938187	Transamerica 4	Midway-Sunset	2001
0402938188	Transamerica 5	Midway-Sunset	2001

Operator failed to comply with idle well requirements, discussed below, and this failure constitutes conclusive evidence that the Wells and Facilities are deserted.

A. Failure to Pay Idle Well Fees (PRC, § 3206, subd. (a))

PRC section 3206, subdivision (c), provides that failure to file the required idle well fee shall be conclusive evidence of desertion of the Wells pursuant to PRC section 3237.

Operator did not submit an Idle Well Management Plan in lieu of paying idle well fees, a process outlined by PRC section 3206, subdivision (a). Therefore, Operator was required to pay an idle well fee for each of its Wells that were idle in calendar years 2019, 2020, 2021, 2022, 2023, 2024, and 2025.

Operator was invoiced and sent delinquency notices regarding unpaid idle well fees. As of the date of this order, Operator has not paid its outstanding idle well fees due in 2020, 2021, 2022, 2023, 2024, 2025, and 2026. Operator's failure to pay the required idle well fees for the Wells is conclusive evidence of desertion. (PRC, § 3206, subd. (c).)

B. Failure to Compete Idle Well Testing (Regulations, §§ 1772.1, subds. (a)(2) and (a)(3); 1772.1.4, subd. (b))

PRC section 3206.1, subdivision (e), provides that failure to comply with any requirements of the regulations implementing idle well testing and management requirements shall be conclusive evidence of desertion of the Wells, permitting the Supervisor to order the Wells abandoned. Operator was required to comply with casing pressure testing requirements for the Wells, as required by Regulations section 1772.1, subdivision (a)(2), and clean out tag requirements for the Wells, as required by Regulations section 1772.1, subdivision (a)(3). An operator's failure to conduct casing pressure test or clean out tag in accordance with Regulations section 1772.1, subdivision (a)(2) and (a)(3), is conclusive evidence of desertion. Operator was required to comply with the annual benchmarks for the Idle Well Testing Compliance Work Plan (TCWP) as required by Regulations section 1772.1.4, subdivision (b).

Notices of Violation were sent to Operator regarding its outstanding failures to perform casing pressure testing and clean out tags on the Wells, and failures to meet annual benchmarks under a Testing Compliance Work Plan. CalGEM issued a Notice of Violation on July 28, 2022, regarding overdue testing. (**Attachment C**, incorporated, herein.)

Well API	Well Designation	Casing Pressure Test Overdue as of:	Clean Out Tag Overdue as of:
0402938187	Transamerica 4	4/1/2020	4/1/2020
0402938188	Transamerica 5	4/1/2021	4/1/2021

Casing pressure testing and clean out tag testing for each of the Wells was due as indicated in the table above. Operator's failure to conduct the required testing is conclusive evidence of desertion. (PRC, § 3206.1, subd. (e).)

C. Failure To Remediate After Failing to Successfully Complete Idle Well Testing (Regulations, § 1772.1, subd. (b))

Pursuant to Regulations section 1772.1, subdivision (b), within 12 months of failing to conduct a successful casing pressure test or clean out tag, Operator was required to do one of the following: (1) bring the Wells into compliance, (2) partially plug and abandon the Wells in accordance with Regulations section 1752, (3) plug and abandon the Wells in accordance with PRC section 3208, or (4) schedule the Wells for plugging and abandonment under an approved Idle Well Management Plan or an approved Testing Waiver Plan. An operator who fails to conduct a casing pressure test or clean out tag constitutes failing to successfully complete idle well testing.

CalGEM issued a Notice of Violation on May 17, 2023, regarding failure to comply with remediation requirements after unsuccessful idle well testing. (**Attachment D**, incorporated, herein.)

Well API	Well Designation	Test Type	Test Due Date	Test Remediation Due Date
0402938187	Transamerica 4	Casing Pressure Test	4/1/2020	4/1/2021
0402938187	Transamerica 4	Clean Out Tag	4/1/2020	4/1/2021
0402938188	Transamerica 5	Casing Pressure Test	4/1/2021	4/1/2022
0402938188	Transamerica 5	Clean Out Tag	4/1/2021	4/1/2022

1 The remediation for each of the Wells was due as indicated in the table above. To
2 date, Operator has not remediated any of the Wells. As a result, Operator has failed to comply
3 with the requirements of Regulations section 1772.1, subdivision (b). Operator's failure
4 to comply with idle well remediation requirements for the Wells after failing to successfully
5 complete idle well testing is conclusive evidence of desertion. (PRC, § 3206.1, subd. (e).)

6
7 **III. Failure to Conduct Fluid Level Testing (Regulations, § 1772.1, subdivision (a)(1)).**

8 Within 24 months of a well becoming an idle well, Operator shall conduct a fluid-level
9 test for all idle wells, pursuant to Regulations section 1772.1, subdivision (a)(1). An operator's
10 failure to conduct fluid testing in accordance with Regulations section 1772.1, subdivision
11 (a)(1) is conclusive evidence of desertion. (PRC, § 3206.1, subd. (e).)

12 Fluid level tests were due for idle wells Transamerica 4 (API 0402938187) and
13 Transamerica 5 (API 0402938188) by April 1, 2021. CalGEM issued a Notice of Violation
14 on December 23, 2024. (**Attachment E**, incorporated herein.) To date, CalGEM has not
15 received any evidence indicating that Operator conducted the fluid level testing. As a result,
16 Operator has failed to comply with the requirements of Regulations section 1772.1, subdivision
17 (a)(1).
18

19 In conclusion, the above idle well violations constitute conclusive evidence of
20 desertion and permit the Supervisor to order the Wells be plugged and abandoned. Operator
21 failed to pay idle well fees, failed to conduct casing pressure testing, failed to conduct clean
22 out testing, and failed to conduct fluid level testing, failed to comply with the testing
23 benchmarks of a TCWP, and failed to remediate the Wells.
24

25 **IV. Rebuttable Presumption of Desertion**

26 Under PRC § 3237, subdivision (a)(3)(C) a rebuttable presumption of desertion
27 arises when an operator fails to comply with an order of the Supervisor within the time
28 provided by the order or has failed to challenge the order on a timely basis.

On May 4, 2026, CalGEM issued Order No. 1625 Order to Pay a Civil Penalty and Perform Remedial Work (**Order 1625**) incorporated herein as **Attachment F**. In Order 1625, Operator was required to pay a civil penalty and remediate tank violations observed by CalGEM staff during an inspection. Operator has not paid the outstanding civil penalties nor remediated the outstanding violations. To date, CalGEM has not received confirmation that Operator has complied with Order 1625 and Operator failed to challenge the order on a timely basis. This creates a rebuttable presumption of desertion.

V. Credible Evidence of Desertion

In determining whether a well and facility are deserted, the Supervisor may consider multiple factors, including the lack of response of the operator to inquiries and requests from the supervisor and the extent of compliance by the operator with the requirements of this chapter. (PRC, § 3237, subd. (a)(2).) PRC section 3406 provides that operators are required to file an annual oil and gas production report with CalGEM. Credible evidence of desertion exists when an operator fails to submit the requested annual production reports.

Operator was required to file an annual production report on or before March 17, 2025, for the calendar year 2024. CalGEM issued a Notice of Violation on or about April 1, 2025, regarding the missing report. (**Attachment G**, incorporated herein.) To date, CalGEM has not received the missing annual production report or a response from Operator. Operator has failed to comply with the requirements of PRC section 3406, constituting credible evidence of desertion.

VI. Operator's Required Actions

For the reasons stated herein, CalGEM has determined that the Wells and Facilities are deserted. Therefore, pursuant to PRC sections 3013, 3106, 3206.1, 3224, 3226, and 3237, **IT IS HEREBY ORDERED** that Operator plug and abandon the Wells, decommission the production facilities, and restore the well sites for the Wells consistent with all applicable requirements of PRC sections 3208, 3224, 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 CalGEM may issue pursuant to PRC section 3229. Until that work is complete, Operator is ordered to

perform remedial work and testing on the Wells and the Facilities as necessary to prevent damage to life, health, property, and natural resources.

VII. 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 section 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 fifteen (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

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 section 3226, if, within thirty (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 section 3423. (PRC, § 3356.)

VIII. Consequences of Noncompliance

Failure to comply with Section VI (Operator's Required Actions) of this order could subject Operator to further enforcement action. PRC section 3236 makes it a misdemeanor

1 for any person who violates, fails, neglects, or refuses to comply with any of the provisions of
2 the oil and gas conservation laws commencing at PRC section 3000. PRC sections 3236.2 and
3 3236.3 authorizes the Supervisor to refer for civil penalties and injunctive relief for failure to
4 comply with an order or for violation of any provision in Chapter 1 of Division 3 of the PRC or
5 any regulation that implements those statutes. PRC section 3236.5 authorizes the Supervisor to
6 impose a civil penalty on a person who violates any provision in Chapter 1 of Division 3 of the
7 PRC or any regulation that implements those statutes, and the Supervisor may in the future
8 impose further civil penalties based on the facts and omissions underlying this order.

9 PRC section 3237 authorizes the Supervisor to order the plugging and abandonment of
10 a well or the decommissioning of a production facility if an operator has failed to comply with
11 an order of the Supervisor within the time provided by the order or has failed to challenge the
12 order on a timely basis. PRC section 3359 makes it a misdemeanor to fail or neglect to comply
13 with an order of the Supervisor. Each day's further failure, refusal, or neglect is a separate and
14 distinct offense. (PRC, § 3359.) By issuance of this Order, the Supervisor does not waive the
15 right to take further enforcement actions.

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17
18 DATED: 8/26/2026

Doug Ito

Doug Ito
State Oil and Gas Supervisor