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7 **STATE OF CALIFORNIA**  
8 **NATURAL RESOURCES AGENCY**  
9 **DEPARTMENT OF CONSERVATION**  
10 **DIVISION OF OIL, GAS, AND GEOTHERMAL RESOURCES**

11 **ORDER TO INSPECT WELL AND ATTENDANT**  
12 **PRODUCTION FACILITIES**  
13 **TO PREVENT DAMAGE TO LIFE, HEALTH,**  
14 **PROPERTY, AND NATURAL RESOURCES, AND**  
15 **PREPARE AND SUBMIT REPORT**

16 **NO. 1113**

17 **Dated: April 11, 2016**

18 **Operator: Rincon Island Limited Partnership**

19 **BY**

20 **Kenneth A. Harris Jr.**

21 **STATE OIL AND GAS SUPERVISOR**

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23 **ORDER TO INSPECT WELL AND ATTENDANT PRODUCTION FACILITIES TO PREVENT DAMAGE TO LIFE,**  
24 **HEALTH, PROPERTY, AND NATURAL RESOURCES, AND PREPARE AND SUBMIT REPORT**  
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1 **I. Introduction**

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3 Pursuant to Public Resources Code section 3224, the State's Oil and Gas  
4 Supervisor (Supervisor) may order tests to prevent damage to life, health, property and  
5 natural resources.

6 **Rincon Island Limited Partnership (RILP)** (hereinafter, "Operator") is the  
7 "operator," as defined in Public Resources Code section 3009, of "Well 102" (also  
8 identified as API number 21101653), located near Rincon Island, situated in Ventura  
9 County, California. Well 102 is under the custody and control of RILP as part of its lease  
10 of state lands from the California State Lands Commission, by way of lease PRC 1466.  
11 Based on the credible evidence described in section IV below, the Supervisor in the  
12 exercise of his judgment, is ordering RILP to conduct certain tests and inspections  
13 regarding Well 102 and attendant infrastructure (e.g., wellhead, production lines) in order  
14 to prevent possible damage to life, health, property and natural resources.

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16 **II. Definitions**

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18 **"Operator"** means "a person who, by virtue of ownership, or under the authority  
19 of a lease or any other agreement, has the right to drill, operate, maintain, or control a  
20 well or production facility." (Pub. Resources Code, § 3009.)

21 **"Long-term idle well"** means a well that has not produced oil or natural gas, or  
22 been used for injection, for six consecutive months during the last 10 (ten) or more years.  
23 (Pub. Resources Code, § 3008, subd. (e).)

24 **"Production facility"** means any equipment attendant to oil and gas production or  
25 injection operations. (Pub. Resources Code, § 3010.)

1 **III. State Oil and Gas Supervisor Authority**

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3 **Public Resources Code section 3106, and Title 14, California Code of**  
4 **Regulations, section 1740.1,** authorize the Supervisor to supervise the operation of oil  
5 and gas wells to “prevent, as far as possible, damage to life, health, property, and natural  
6 resources . . . .”

7 **Public Resources Code section 3224** provides that the Supervisor shall order  
8 tests which in his or her judgement are necessary to prevent damage to life, health,  
9 property, and natural resources.

10 **Public Resources Code section 3235** provides that the Supervisor may upon his  
11 or her own initiative make an investigation of wells within the State.

12 **Public Resources Code section 3013** provides that Division 3 of the Public  
13 Resources Code (sections 3000 through 3865) pertinent to oil and gas, shall be construed  
14 to allow the Supervisor to have all powers necessary to carry out the purposes of the  
15 Division.

16 **Title 14 of the California Code of Regulations, section 1777, subdivision (a),**  
17 requires operators to maintain production facilities in good condition in a manner to  
18 prevent leakage or corrosion and to safeguard life, health, property and natural resources.

19 **Title 14 of the California Code of Regulations, section 1777, subdivision (b)**  
20 requires operators to prepare written preventative maintenance program, and to document  
21 the steps taken in furtherance of the program.

22 **Public Resources Code section 3270, subdivision (d)** requires operators to  
23 maintain records of maintenance and repair operations, tests and inspections, and to  
24 provide the Supervisor with access to such records upon request.



1 Operator, Division staff, or the public.

2 The Division's records do not reflect that at any time since the date RILP acquired  
3 Well 102 has the Operator inspected the well, the wellhead, the production lines, or the  
4 area on the ocean floor near and around the wellhead or production lines.

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

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8 For the reasons stated above, **IT IS HEREBY ORDERED**, pursuant to Public  
9 Resources Code sections 3106, subdivision (a), 3224, and 3225, that **Operator shall, on**  
10 **or before June 1, 2016:**

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12 **A.** Conduct an inspection of the ocean floor near and around (i.e., within a one  
13 hundred (100) foot radius) of Well 102;

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15 **B.** Conduct inspection of the wellhead for Well 102;

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17 **C.** Conduct inspection of any production lines attached to Well 102;

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19 **D.** Conduct an inspection of the ocean floor near and around (i.e., fifty (50) feet on  
20 either side) any production lines attached to Well 102;

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22 **E.** Provide the Supervisor with the pipeline management plan containing  
23 information on the production lines attached to Well 102, pursuant to Title 14 of  
24 the California Code of Regulations, section 1774.2; and, provide the Supervisor  
25 with the preventative maintenance program plan required by Title 14 of the

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California Code of Regulations, section 1777, subdivision (b);

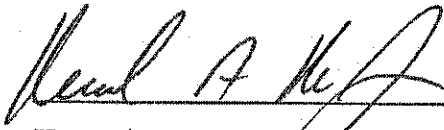
**F.** Provide the Supervisor with copies of all records (pertinent to Well 102 and attendant production facilities to Well 102) of maintenance, repairs, test, and inspections, in accordance with Public Resources Code section 3270, subdivision (d) and Title 14 of the California Code of Regulations, section 1724.4, subdivision (d), and as required by this Order pursuant to Title 14 of the California Code of Regulations, section 1724.4, subdivision (d), if applicable.

**G.** Prepare and submit to the Supervisor a report describing the findings made during the above-noted inspections, including but not limited to, the condition of the ocean environment in the area near and around Well 102, the condition of the wellhead for Well 102, the condition of any production lines attached to Well 102, and the condition of any “basket-style shroud” or any other protective equipment or infrastructure found on or near the wellhead for Well 102. The report must include (a) photographic imagery of the area near and around Well 102 and the wellhead for Well 102, (b) video-graphic imagery of the area near and around Well 102 and the wellhead for Well 102, and (c) a description of any remedial, repair or removal work potentially needed for the wellhead and production lines for Well 102 to maintain the well in good condition and in a manner to prevent leakage or corrosion, and to generally safeguard life, health, property, and natural resources (as required by Title 14, California Code of regulations, section 1777, subdivision (a)). The report must be reviewed and/or prepared by a physical engineer certified and licensed by the State of California.

1 **VI. Operator's Right to Appeal**

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3 Operator may appeal this Order by filing a written notice of appeal with the  
4 Director of the California Department of Conservation as described in Article 6 (Appeals  
5 and Review) of Division 3 of the Public Resources Code, commencing with Public  
6 Resources Code section 3350. (see also, Pub. Resources Code, § 3225, subd. (d).)  
7 Failure to timely file a notice of appeal will waive Operator's right to challenge this  
8 Order. If not timely appealed, this Order will become final. When the order becomes  
9 final, the required actions become due, as described above in Section "V." (Operator's  
10 Required Actions). If Operator timely files a notice of appeal, the Director will inform  
11 the Operator of the appeal hearing date, time, and place. Following the hearing, Operator  
12 will receive a written decision that affirms, sets aside, or modifies the Order.

13  
14 DATED: April 11, 2016

15   
16 Kenneth A. Harris II.  
17 State Oil and Gas Supervisor

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19  
20 Cert. mail. rec. no.: 70132250000090103841

## PROOF OF SERVICE BY CERTIFIED U.S. MAIL

- 1) I am at least 18 years of age, not a party to this action, and I am a resident of or employed in the county where the mailing took place.
- 2) My business address is: Department of Conservation, Division of Oil, Gas, and Geothermal Resources, Headquarters, 801 K Street, MS 18-05, Sacramento, CA 95814-3530
- 3) I served a copy of the following documents:  
**ORDER TO INSPECT WELL AND ATTENDANT PRODUCTION FACILITIES TO PREVENT DAMAGE TO LIFE, HEALTH, PROPERTY, AND NATURAL RESOURCES, AND PREPARE AND SUBMIT REPORT ORDER NO. 1113**  
by enclosing them in an envelope and placing the envelope for collection and mailing by certified U.S. mail on the date and at the place shown in item 4 following our ordinary business practices. I am readily familiar with this business's practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service in a sealed envelope with postage fully prepaid.
- 4) The envelope was addressed and mailed as follows:
  - a. Name of person served:  
Ms. Susan Whalen, Agent  
Rincon Island Limited Partnership
  - b. Address:  
5750 W. Pacific Coast Hwy.  
Ventura, CA 93001-9748
  - c. Date mailed: April 11, 2016
  - d. Place of mailing: Sacramento, California
- 5) I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date: 4/11/16

Name: DANA Colman

Signature: 