STATE OF CALIFORNIA
NATURAL RESOURCES AGENCY
DEPARTMENT OF CONSERVATION
DIVISION OF OIL, GAS, AND GEOTHERMAL RESOURCES

ORDER TO INSPECT WELL AND ATTENDANT PRODUCTION FACILITIES
TO PREVENT DAMAGE TO LIFE, HEALTH, PROPERTY, AND NATURAL RESOURCES, AND PREPARE AND SUBMIT REPORT

NO. 1113
Dated: April 11, 2016
Operator: Rincon Island Limited Partnership
BY
Kenneth A. Harris Jr.
STATE OIL AND GAS SUPERVISOR

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

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

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

II. Definitions

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

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

“Production facility” means any equipment attendant to oil and gas production or injection operations. (Pub. Resources Code, § 3010.)
III. State Oil and Gas Supervisor Authority

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

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

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

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

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

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

Public Resources Code section 3270, subdivision (d) requires operators to maintain records of maintenance and repair operations, tests and inspections, and to provide the Supervisor with access to such records upon request.
Title 14 of the California Code of Regulations, section 1724.4, subdivision (d) requires operators to maintain and make available to the Division records pertinent to the status and history of any well safety device installed in any well, and the records of inspections, tests, and replacements thereof.

IV. Facts

RILP operates wells within State lease PRC1466. Well 102 is a long-term idle well within State Lease 1466, and is a well submerged under ocean waters within the jurisdiction of the State, and situated on the floor of the Pacific Ocean approximately 3000 feet from Rincon Island, in Ventura County, California, at Latitude 34.348785 and Longitude -119.456116.

The American Petroleum Institute ("API") number assigned to Well 102 is 21101653.

Well 102 was drilled in 1961 by a predecessor in interest to RILP for the well. RILP acquired Well 102 on November 1, 1996.

Based on information and belief, the wellhead for Well 102 was damaged sometime prior to 1990 by commercial fishing operations. Also based on information and belief, at no time since 1990 has any part of Well 102 been the subject of any inspection. Also based on information and belief, production lines may run from the wellhead to Rincon Island. Also based on information and belief, a “basket-style shroud” may exist on the wellhead for Well 102.

The wellhead and any production lines for Well 102 exist in a submerged marine environment. The potential exists for leakage from the well, wellhead, or production lines to occur, and that such leakage would not immediately be noticed or identified by the

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Operator, Division staff, or the public.

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

V. **Operator’s Required Actions**

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

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

B. Conduct inspection of the wellhead for Well 102;

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

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

E. Provide the Supervisor with the pipeline management plan containing information on the production lines attached to Well 102, pursuant to Title 14 of the California Code of Regulations, section 1774.2; and, provide the Supervisor with the preventative maintenance program plan required by Title 14 of the ORDER TO INSPECT WELL AND ATTENDANT PRODUCTION FACILITIES TO PREVENT DAMAGE TO LIFE, HEALTH, PROPERTY, AND NATURAL RESOURCES, AND PREPARE AND SUBMIT REPORT
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.
VI. Operator's Right to Appeal

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

DATED: April 11, 2016

[Signature]
Kenneth A. Harris Jr.
State Oil and Gas Supervisor

Cert. mail rec. no.: 70132250000090103841

ORDER TO INSPECT WELL AND ATTENDANT PRODUCTION FACILITIES TO PREVENT DAMAGE TO LIFE, HEALTH, PROPERTY, AND NATURAL RESOURCES, AND PREPARE AND SUBMIT REPORT
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: [Signature]

Signature: