



NOTICE TO OPERATORS
2021-02

February 12, 2021

ANNUAL PRODUCTION VOLUME DUE MARCH 15, 2021

The California Geologic Energy Management Division (CalGEM) is issuing this notice to inform and remind operators that annual production volume reporting is due to CalGEM on March 15, 2021. More information on the statutory requirements and process for this reporting is included with this notice in Attachment 1.

Operators are encouraged to utilize WellSTAR to submit their annual production data. Instructions to submit annual production reports online via WellSTAR are included with this notice as Attachment 2.

OR

Operators may also submit their annual production reports by completing the attached hard copy Form 122: Report of California Oil and Gas Production for Calendar Year 2020 and sending it to the following address:

CalGEM Attn: Program Support Unit
801 K Street, MS 18-05
Sacramento, CA 95814

Regardless of submission format, annual production volume reports are due to CalGEM on March 15, 2021.

If you have any questions or concerns regarding compliance with this notice, please contact the Programs Support Unit at (916) 445-9686 or Calgem_webmaster@conservation.ca.gov.

Uduak-Joe Ntuk
State Oil and Gas Supervisor

Attachment(s):

1. Annual Production Volume Reporting Information
2. Instructions for Reporting Annual Production Volume via WellSTAR
3. Form 122: Report of California Oil and Gas Production for Calendar Year 2020

Attachment 1: Annual Production Volume Reporting Information

No later than March 15, each operator is required to submit to the California Department of Conservation's Geologic Energy Management Division (CalGEM) an accurate report of the operator's total production in the preceding calendar year. This annual production report is part of the broader annual oil and gas assessment statutory process with which all oil and gas operators must comply.¹ The reported annual oil and gas production volumes are used by CalGEM to calculate operators' annual oil and gas assessments, charges, penalties, and fees, as applicable, as levied by CalGEM.² Thus, CalGEM will review the accuracy of all operators' annual production volume reporting in detail.

Annual production reporting can be completed in WellSTAR, and for the sake of efficiency and accuracy operators are encouraged to do that. Instruction on how to use WellSTAR to comply with the annual production reporting requirement can be found in Attachment 2. More information on the Form 122 online version can be found on CalGEM's public website:

<https://www.conservation.ca.gov/calgem/Documents/WellSTAR/All-Training/R4-Production-Annual-Data-QRG.pdf>. If you need assistance reporting in WellSTAR please contact Calgem_webmaster@conservation.ca.gov. Alternatively, operators may comply with the annual production reporting requirement manually using the CalGEM's Form 122: Annual Production Volume, which is attached herein. If you submit your annual production report in WellSTAR, then you are not required to submit the Form 122.

Failure to comply with the annual production reporting requirement on or before March 15, 2021, may result in an increased assessment. For operators that fail to timely and accurately report production, CalGEM is required to make an estimate of the operator's total production in the preceding calendar year.³ In fairness to all other operators proportionately assessed based on statewide reported production, CalGEM's estimation methodology errs on the side of overestimation. In addition, CalGEM may impose civil penalties or take other enforcement action against operators that fail to comply with this fundamental reporting requirement.

Please contact Calgem_webmaster@conservation.ca.gov with any questions about the annual production reporting requirement. If you believe this letter was delivered to you in error, please notify CalGEM as soon as possible.

¹ Pub. Resources Code, § 3405.

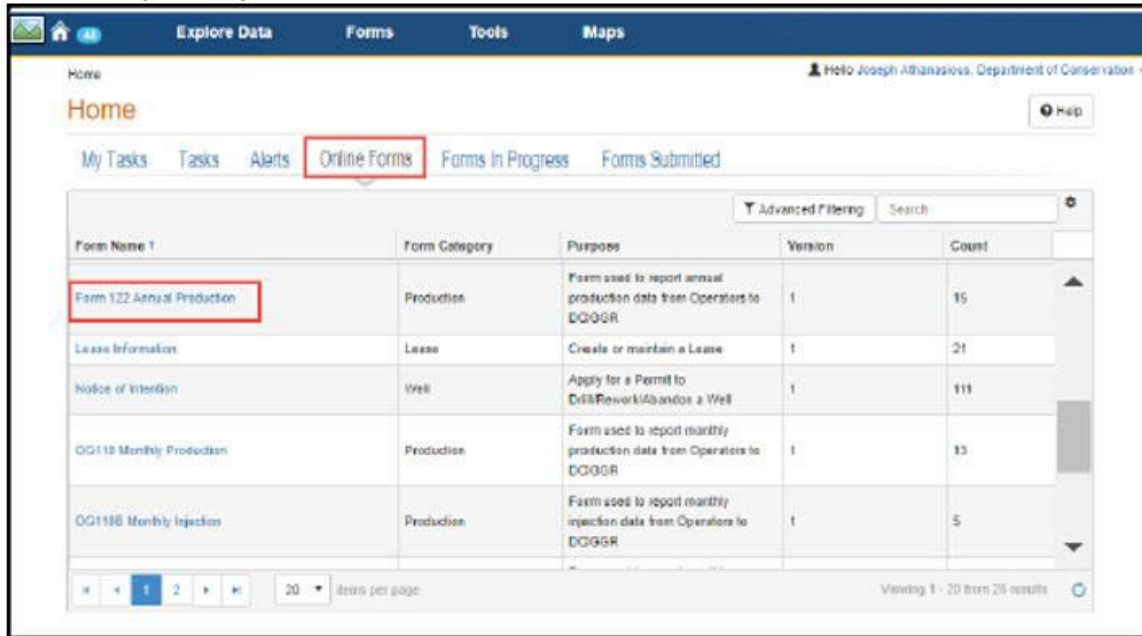
² Pub. Resources Code, § 3413.

³ Pub. Resources Code, § 3408.

Attachment 2: Instructions for Reporting Annual Production Volume via WellSTAR

Navigating to Form 122 in WellSTAR

1. Logon to your WellSTAR account.
2. Click the home button in the upper left-hand corner.
3. Select Online Forms on the toolbar.
4. Select "Form 122 Annual Production.



5. Complete all data fields indicated by *.
6. Enter a description that provided important key points such as operator name or reporting period.
7. Click "Save & Continue" located at the bottom of the form.

Form 122 Annual Production

Form Information

Complete the fields below. * Indicates required field

Form Name
Form 122 Annual Production

Organization *

Reporting Year *
2018

Description ⓘ

All comments are discoverable records, open to public review.

Cancel Save & Continue

8. Review the pre-populated monthly and annual data. Note: If any data populated is incorrect, navigate to Online Forms and complete appropriate form to update data. Once data is updated, submit a new Form 122.
9. Click Next.

All volumes below are based on reported data. If you are missing data for a month, the volume is estimated.
To submit monthly data, visit your Forms list and fill out appropriate form. * Indicates required field

Form Navigation

- 1. Form Information
- 2. Operator Information ✓
- 3. Monthly Data
- 4. Annual Production
- 5. Document Upload
- 6. Form Submit
- 7. Confirmation
- 8. Review Comments
- 9. Review

Monthly Data

Month	Total Oil Produced (bbl)	Gross Gas Produced (Mcf)	Produced Gas Injected (Mcf)	Produced Gas Used in OG Operations (Mcf)
January	-	-	-	-
February	-	-	-	-
March	-	-	-	-
April	-	-	-	-
May	-	-	-	-
June	-	-	-	-
July	-	-	-	-
August	-	-	-	-
September	-	-	-	-
October	-	-	-	-
November	-	-	-	-
December	-	-	-	-
Total	0	0	0	0

10. Enter or amend required data indicated by *.

11. Click "Next."

12. Click "Submit."

The image shows a web-based form titled "Annual Production". On the left is a "Form Navigation" sidebar with a list of steps: 1. Form Information, 2. Operator Information (checked), 3. Monthly Data (checked), 4. Annual Production (highlighted in blue), 5. Document Upload, 6. Form Submit, 7. Confirmation, 8. Review Comments, and 9. Review. The main form area has a blue header "Annual Production" and a note: "Certain fields below are pre-populated based on monthly reported data as shown on the previous step. You may edit these fields if you so choose. All input is subject to review." A legend indicates "* Indicates Required Field".

Oil

O1	Total oil and/or condensate produced *	0
	<input type="text" value="0"/>	-minus-
O2	Oil produced from reactivated idle wells *	0
	<input type="text" value="0"/>	
O3	Assessable oil produced (O1 - O2):	0

Gas

G1	Gross hydrocarbon gas produced *	0
	<input type="text" value="0"/>	-minus-
G2	Hydrocarbon gas produced from reactivated idle wells *	0
	<input type="text" value="0"/>	
G3	Assessable gross hydrocarbon gas produced (G1 - G2):	0
		-minus-
G4	Produced hydrocarbon gas injected *	0
	<input type="text" value="0"/>	
G5	Net hydrocarbon gas produced (G3 - G4):	0
		-minus-
G6	Produced hydrocarbon gas used in oil- or gas-producing operations *	0
	<input type="text" value="0"/>	
G7	Assessable hydrocarbon gas (G5 - G6):	0

At the bottom of the form are three buttons: "Back", "Next" (highlighted in orange), and "Save".