



NOTICE TO OPERATORS

NTO 2022-05

October 26, 2022

NOTIFICATION REQUIREMENTS FOR WITNESSING OIL, GAS, AND UNDERGROUND GAS STORAGE OPERATIONS

On September 27, 2022, new laws related to California Geologic Energy Management Division's (CalGEM) witnessing requirements in [Public Resources Code \(PRC\) section 3113](#) went into effect. The recent amendments to PRC section 3113 generally include some additional reporting requirements for CalGEM's witnessing activities and authorize CalGEM to witness some events remotely. However, if CalGEM is, by law, required to witness an event then remote witness may be utilized only as authorized, in writing, on a case-by-case basis by the State Oil and Gas Supervisor. The law requires CalGEM to record the authorizations to remote-witness events in writing and make the authorizations available to the public upon request.

Notification Requirement

CalGEM is issuing this notice to inform operators of the following:

1. Effective immediately, operators must provide sufficient advance written notice for inspections and tests requiring the presence of CalGEM personnel to occur consistent with CalGEM's regulations, specifically [California Code of Regulations, title 14, sections 1722, subdivision \(f\) and 1743, subdivision \(h\)](#). CalGEM advises operators to provide CalGEM at least two business-days' notice. Additionally, operators are advised to schedule operations within the hours of 0800-1600 on Monday through Friday excluding state holidays, where possible. Where it is not possible to schedule operations within those hours, CalGEM will consider alternate dates/times, but at least the two business-days' notice would still likely be needed.
2. An operator who fails to provide sufficient advance notice to CalGEM to witness required events or who proceeds with a shall-witness operation without CalGEM staff present may be subject to an enforcement action and CalGEM will not acknowledge the event or test as being performed.
3. CalGEM will require sufficient advance notice of 4 hours of any cancellations of scheduled witnessing events and operators will be

required to reschedule cancelled events with sufficient advance notice to allow CalGEM personnel to attend required witnessing events.

4. In the event that the relevant District office is unable to secure personnel for the "shall witnessing" operation, the District may require the operator to re-schedule the "shall witnessing" operation.
5. CalGEM recognizes that there are circumstances in which emergency work is required. Emergency witnessing events can take priority over pre-scheduled witnessing events. When emergency work is necessary, operators are advised to contact CalGEM by phone (see contact information below or visit our [website](#)). CalGEM staff will verify the status of an emergency situation and assist with facilitating a CalGEM representative to witness the event or preparation of a written request for authorization to remote witness the event. For purposes of this section, emergency witnessing events would pertain to a situation where emergency action is necessary to protect life, health, property, or natural resources. However, planned well work operations will not be considered as an emergency.
6. Consistent with CalGEM's regulations, for those inspections and tests that "may" require the presence of CalGEM personnel to occur, CalGEM must be provided sufficient advance notice, as outlined in the applicable regulations. This includes any test an operator reschedules, so that CalGEM has sufficient time to witness. When possible, CalGEM requests that operators schedule operations within the hours of 0800-1600 on Monday through Friday excluding state holidays. Where it is not possible to schedule operations within those hours, CalGEM will consider alternate dates/times.
7. If an operator fails to provide sufficient advance notice to CalGEM to witness "may-witness" events, then CalGEM will not acknowledge the event or test as being performed and additional enforcement action may be pursued.

Process for Notification and Authorization of Remote-Witness

1. Operators are advised to provide CalGEM sufficient advance notice of required witnessing events by notifying CalGEM about shall-witness events to be performed in writing (via email or in WellSTAR scheduler) at least two working days in advance of the event. Notifications can be sent to District personnel, while also cc'ing the relevant District inbox provided in the contact information included below.

2. The decision to request remote-witness authorization from the State Oil and Gas Supervisor for a shall-witness event will be determined by CalGEM District staff.
3. Where CalGEM District staff decide to request remote-witness authorization from the State Oil and Gas Supervisor for a shall-witness event, District staff will submit a memo with justification for remote-witness to the State Oil and Gas Supervisor for consideration.
4. Approval to remote-witness a shall-witness event will be memorialized in writing with the State Oil and Gas Supervisor's signature.

Questions and Contact Information

If operators have questions, please contact the local District office as follows:

Northern District:

(805) 937-7246 (Ventura and Orcutt offices)

(916) 322-1110 (Sacramento office)

CalGEMNorthern@conservation.ca.gov

Southern District:

(562) 637-4420

SouthernDistrictDispatch@conservation.ca.gov

Central District:

(661) 322-4031

CalgemInlandDispatch@conservation.ca.gov

A list of current "shall-witnessing" operations is provided for convenience as an attachment to this notice and will be posted on Division's website under "Oil and Gas – For Operators" section (<https://www.conservation.ca.gov/calgem/Pages/Oil-and-Gas.aspx>). However, please be apprised that operators are required to know and comply with existing laws and regulations that pertain to their operations and the requirements on the attached list which are subject to change as oil and gas laws are revised, therefore it is always best to verify requirements by referencing the actual language of the applicable statute or regulation.



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State Oil and Gas Supervisor

Required Witnessing Events for Oil, Gas, and Underground Gas Storage Operations

October 2022

Onshore

<p>§ 1722.5</p> <p>View Document - California Code of Regulations (westlaw.com)</p>	<p>Blowout prevention and related well control equipment shall be installed, tested, used, and maintained in a manner necessary to prevent an uncontrolled flow of fluid from a well. Division of Oil, Gas, and Geothermal Resources publication No. MO 7, "Blowout Prevention in California," shall be used by Division personnel as a guide in establishing the blowout prevention equipment requirements specified in the Division's approval of proposed operations." M07 section 5-1 states: "If BOPE inspection and/or testing is required on the division's permit, inspections shall be made by a division representative accompanied by the operator's and/or contractor's representative. The division inspector shall verify that all requirements for casing, BOPE, hole-fluid monitoring equipment, and pressure rating are satisfied.</p>
<p>§ 1722(c)</p> <p>View Document - California Code of Regulations (westlaw.com)</p> <p>§ 1722.5/M07</p> <p>View Document - California Code of Regulations (westlaw.com)</p> <p>§ 1723(e)</p> <p>View Document - California Code of Regulations (westlaw.com)</p>	<p>For certain critical or high-pressure wells designated by the Supervisor, a blowout prevention and control plan, including provisions for the duties, training, supervision, and schedules for testing equipment and performing personnel drills, shall be submitted by the operator to the appropriate Division district deputy for approval."</p> <p>(e) Blowout Prevention Equipment. Blowout prevention equipment may be required during plugging and abandonment operations. Any blowout prevention equipment and inspection requirements determined necessary by the district deputy shall appear on the approval to plug and abandon issued by the Division.</p>

Required Witnessing Events are subject to change as California's Oil and Gas Laws are revised. This is a summary of existing regulations with witnessing requirements for reference. Actual witnessing requirements should be verified by referencing the regulation. Operators are required to know the current witnessing requirements at the time of a witnessing event.

<p>§1723.7 (b)</p> <p>View Document - California Code of Regulations (westlaw.com)</p>	<p>Oil and gas zone plug--may witness placing and shall witness location and hardness.</p>
<p>§1723.7(d)(1)-(3)</p> <p>View Document - California Code of Regulations (westlaw.com)</p>	<p>Freshwater protection:</p> <p>(1) Plug in open hole--may witness placing and shall witness location and hardness. Plug in cased hole--shall witness placing or location and hardness.</p> <p>(2) Cementing through perforations--may witness perforating and shall witness cementing operation.</p> <p>(3) Cavity shot--may witness shooting and shall witness placing or location and hardness of required plug.</p>
<p>§1723.7 (e)</p> <p>View Document - California Code of Regulations (westlaw.com)</p>	<p>Casing shoe plug -shall witness placing or location and hardness.</p>
<p>§1723.7(g)</p> <p>View Document - California Code of Regulations (westlaw.com)</p>	<p>Surface plug--may witness emplacement and shall witness or verify location.</p>

Offshore

<p>§1744.5</p> <p>View Document - California Code of Regulations (westlaw.com)</p> <p>1744.6(c)</p> <p>View Document - California Code of Regulations (westlaw.com)</p>	<p>1744.5: This equipment shall be installed, tested, used, and maintained in a manner necessary to prevent an uncontrolled flow of fluid from a well. Division personnel shall use the current edition of Division of Oil, Gas, and Geothermal Resources Manual No. M07, "Oil and Gas Well Blowout Prevention in California," as a guide in establishing the blowout prevention equipment requirements specified in the Division's approval of proposed operations. 1744.6(c): (c) Inspection of the complete drilling fluid system shall be made by a Division inspector. Approval of the system is required prior to drilling out the shoe of the first surface casing.</p>
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<p>§1744.2(e)&(f)</p> <p>View Document - California Code of Regulations (westlaw.com)</p>	<p>(e) Protective casing. This casing shall be set when required by well conditions, such as lost circulation or abnormal pressures. When this string does not extend to the surface, the lap shall be cemented and tested by a fluid entry test to determine whether a seal between the protective string and next larger string has been achieved. The test shall be witnessed and approved by a Division inspector and recorded on the driller's log.</p> <p>(f) Production casing. This casing shall be cemented as noted in Section 1744.3 below and a test of water shut-off made above the zones to be produced or injected into. The test shall be witnessed and approved by a Division inspector before completing the well for production or injection. In injection wells, the Supervisor may approve the demonstration of the shut-off by running of a survey within 30 days after injection commences. The survey must show that injection fluid is confined to the approved injection interval.</p>
<p>§ 1744.4</p> <p>View Document - California Code of Regulations (westlaw.com)</p>	<p>All casing pressure tests shall be witnessed and approved by a Division inspector prior to drilling out of the casing or perforating opposite possible oil or gas zones. Inspection of data recorded by a device approved by the Division may be substituted for witnessing.</p>
<p>§1745.10</p> <p>View Document - California Code of Regulations (westlaw.com)</p>	<p>Operations to be witnessed by a Division inspector include tests for location and hardness of plugs placed across oil or gas zones open to the well, across fresh water zones, across casing shoes, cementing through junk, and placing of the surface plug. Geologic or mechanical conditions may require changes or additions to the schedule of inspections.</p>
<p>§1747 (c)</p> <p>View Document - California Code of Regulations (westlaw.com)</p>	<p>Each subsurface safety device and tubing plug installed in a well shall be tested at intervals not exceeding one month and a report filed with the Division within five (5) days. Failures shall be reported to the Division immediately. The tests shall be performed in the presence of a Division inspector following installation or reinstallation and at 90-day intervals thereafter. The Supervisor may adjust the testing sequence based on equipment performance.</p>
<p>§1747.10</p> <p>View Document - California Code of Regulations (westlaw.com)</p>	<p>The safety and pollution control systems shall be tested and inspected every month and a report filed with the Division. Failures shall be reported to the Division immediately. A Division inspector shall witness the tests and inspect the systems at the time production is commenced and at 90-day intervals thereafter. The Supervisor may adjust the testing and inspection sequence based on equipment performance.</p>

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