



NOTICE TO OPERATORS

2023-05

February 23, 2023

REQUIREMENTS FOR REVIEW OF IDLE WELL FEE INVOICES AND PAYMENT BY MAY 1, 2023

The California Geologic Energy Management Division (CalGEM) is issuing this notice to inform and remind operators of requirements for requesting review of their idle well fee amount and payment of idle well fees.

Under California Public Resources Code (PRC) section 3206, operators of any idle well that was idle at any time in the previous calendar year shall either pay idle well fees by May 1 or file a plan for the elimination of long-term idle wells. CalGEM will send idle well fee invoices to operators no later than April 1, and if there are any errors in the invoice the operator may apply to CalGEM at any time before May 1 to request that the fee amount be corrected. (PRC, § 3417.5.)

CalGEM strongly encourages operators to submit any request to have an idle well fee amount reviewed to the Idle Well Program at CalGEMIdleWells@conservation.ca.gov as soon as possible so that errors can be corrected before May 1. **Regardless of whether a request for a correction is pending with CalGEM, operators are required to pay the fee amount as invoiced by May 1.** If CalGEM makes a correction in the amount owed following payment by the operator, any differences in amount owed will be rectified.

By operation of statute, failure to pay the amount invoiced by May 1 will result in the imposition of a penalty of 10 percent and 1.5 percent interest per month. (PRC, § 3420, subds. (b) & (d).) Additionally, failure to comply with idle well requirements, including timely payment of idle well fees, may lead to other enforcement action by CalGEM, such as an order to abandon the well based upon a finding of desertion. (See, e.g., PRC, §§ 3206, subd. (c), 3237.)

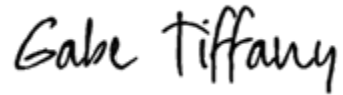
As a reminder, operators may submit fees and payments to CalGEM online, via electronic funds transfer at <https://www.govone.com/PAYCAL/Home/SelectAgency>.

For a more detailed explanation of the electronic funds transfer procedure, please navigate to **Notice to Operators (NTO) 2021-08** at:
https://www.conservation.ca.gov/calgem/for_operators/Pages/NoticetoOperator.aspx

NTO 2023-05
February 23, 2023

If you have any questions or concerns regarding compliance with this notice, please contact CalGEM Headquarters at (916) 445-9686 for referral to the Idle Well Program or CalGEMIdleWells@conservation.ca.gov.

Sincerely,

A handwritten signature in black ink that reads "Gabe Tiffany". The signature is written in a cursive, slightly slanted style.

Gabe Tiffany
Acting State Oil and Gas Supervisor