



NOTICE TO OPERATORS
2023-04

February 15, 2023

ANNUAL ASSESSMENT REPORTING DUE MARCH 15, 2023

The California Geologic Energy Management Division (CalGEM) is issuing this notice to inform and remind operators that their annual assessment report is due to CalGEM on or before March 15, 2023.

Each operator is required to submit to CalGEM an annual assessment report showing all information required, so that CalGEM may carry out the assessment. (Pub. Resources Code, §§ 3405; 3406.) This annual report is part of the broader assessment process with which all operators must comply.

Oil and gas operators must submit an oil and gas annual production volume report or "Form 122" showing the operator's total production in the preceding calendar year. (Pub. Resources Code, §§ 3402; 3403; 3405.) The Form 122 oil and gas annual production volume report for calendar year 2022 production is attached to this notice but may also be found on CalGEM's public website at:

https://www.conservation.ca.gov/calgem/pubs_stats/Pages/forms.aspx

Underground gas storage (UGS) operators must submit an underground gas storage annual field capacity and well counts report containing the field capacity and assessable wells for the preceding calendar year. (Pub. Resources Code, § 3403.5; 3405.) The annual UGS field capacity and well count reports for 2022 is attached to this notice. For more information on the annual field capacity and well counts report for 2022, please contact CalGEMNorthernUGS@conservation.ca.gov and CalGEMSupport@conservation.ca.gov.

Failure to comply with the annual reporting requirement on or before March 15, 2023 will result in an increased assessment.

For operators that fail to timely and accurately file their annual report, in accordance with Public Resources Code section 3408, CalGEM will estimate the operator's total production, field capacity, and assessable wells, as applicable, and apply a penalty of 10 percent to the assessment. In addition to the 10 percent penalty under Public Resources Code section 3408, CalGEM may impose civil penalties or take other enforcement action against operators that fail to comply with this fundamental reporting requirement.

Oil and gas operators are encouraged to utilize WellSTAR to submit their annual production volume report. Instructions to submit the report online via WellSTAR are

included with this notice. If you need assistance reporting in WellSTAR please contact CalGEMSupport@conservation.ca.gov. If an operator submits their annual production volume report in WellSTAR, they are not required to mail a hard copy.

All operators may submit the annual report by completing the applicable hard copy form and sending it to the following address:

Department of Conservation
CalGEM Attn: Operational Management Unit
715 P Street, MS 18-03
Sacramento, CA 95814

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


Gabe Tiffany
Acting State Oil and Gas Supervisor

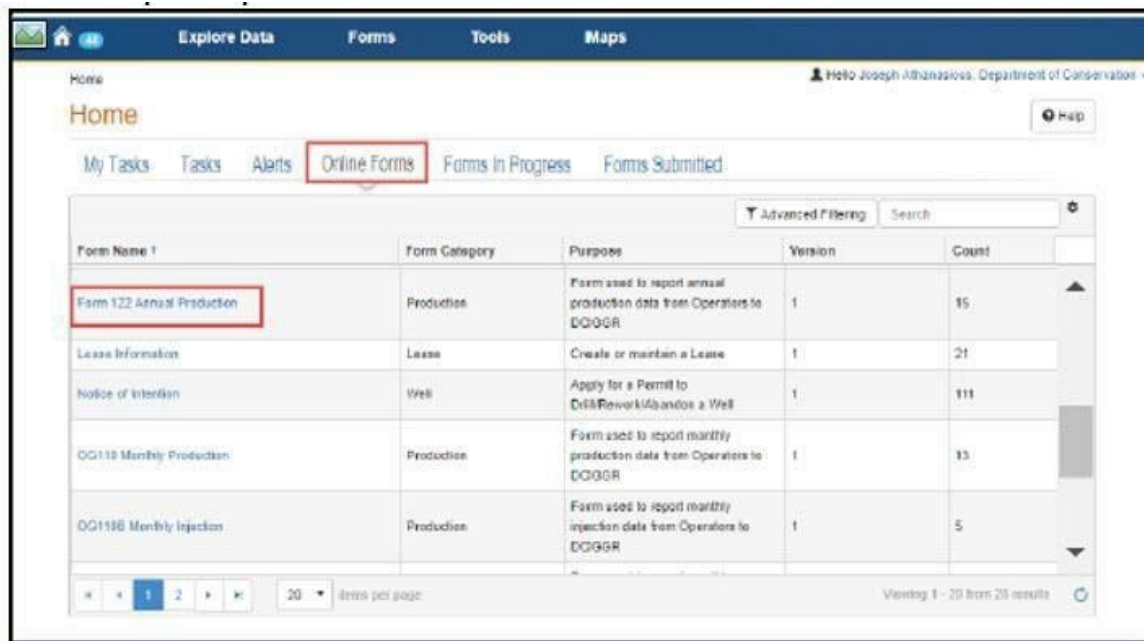
Attachment(s):

1. Instructions for Reporting Oil and Gas Annual Production Volume via WellSTAR
2. Form 122: Report of California Oil and Gas Production for Calendar Year 2022
3. UGS Annual field capacity and well counts Report for Calendar Year 2022

Attachment 1: Instructions for Reporting Oil and Gas 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 Help

Form Navigation

- 1. Form Information

Form Information

Complete the fields below. * Indicates required field.

Form Name
Form 122 Annual Production

Organization *

Reporting Year *

Description ⓘ

All comments are discoverable records, open to public review.

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.

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

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.

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 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 that an asterisk (*) denotes a required field. The form is divided into "Oil" and "Gas" sections. The "Oil" section includes fields O1 (Total oil and/or condensate produced), O2 (Oil produced from reactivated idle wells), and O3 (Assessable oil produced). The "Gas" section includes fields G1 (Gross hydrocarbon gas produced), G2 (Hydrocarbon gas produced from reactivated idle wells), G3 (Assessable gross hydrocarbon gas produced), G4 (Produced hydrocarbon gas injected), G5 (Net hydrocarbon gas produced), G6 (Produced hydrocarbon gas used in oil- or gas-producing operations), and G7 (Assessable hydrocarbon gas). Each field has a text input box with a value of "0" and a spinner control. At the bottom of the form are "Back", "Next", and "Save" buttons.

Field ID	Field Name	Value
O1	Total oil and/or condensate produced *	0
O2	Oil produced from reactivated idle wells *	0
O3	Assessable oil produced (O1 - O2):	0
G1	Gross hydrocarbon gas produced *	0
G2	Hydrocarbon gas produced from reactivated idle wells *	0
G3	Assessable gross hydrocarbon gas produced (G1 - G2):	0
G4	Produced hydrocarbon gas injected *	0
G5	Net hydrocarbon gas produced (G3 - G4):	0
G6	Produced hydrocarbon gas used in oil- or gas-producing operations *	0
G7	Assessable hydrocarbon gas (G5 - G6):	0



Natural Resources Agency
 DEPARTMENT OF CONSERVATION
**REPORT OF CALIFORNIA OIL AND GAS PRODUCTION
 FOR CALENDAR YEAR 2022**

State Oil and Gas Supervisor, 715 P Street, MS 18-03, Sacramento, CA 95814-3530, Phone: 916-445-9686,
www.conservation.ca.gov

The following statement is made in compliance with the provisions of Article 7, Chapter 1, Division 3 of the Public Resources Code, which provides for the supervision and protection of the natural resources of petroleum and gas and for the assessment of charges that, upon collection, shall be deposited to the credit of the Oil, Gas, and Geothermal Administrative Fund.

(Assessment notice will be mailed to this address. If not correct as shown, please change.)

SEE INSTRUCTIONS BEFORE COMPLETING THIS FORM

Oil and/or Condensate

State Totals
(omit decimals)

- 1. Total oil and/or condensate produced **bbl**
- 2. Oil produced from wells meeting the criteria under Public Resources Code § 3238(a). **bbl**

NOTE: Please provide the information below for oil produced by wells meeting this criteria. If additional space is required, please see attached table.

Well API Number	Produced Oil Volume (BBL)	Last Production Date Before Inactivity	Reactivation Date	Number of years of continuous inactivity

- 3. Assessable oil produced (line 1 minus line 2) **bbl**

Gas

- 1. Gross hydrocarbon gas produced **Mcf**
- 2. Hydrocarbon gas produced from wells meeting criteria under Public Resources Code § 3238(a) **Mcf**

NOTE: Please provide the information below for oil produced by wells meeting this criteria. If additional space is required, please see attached table.

Well API Number	Produced Gas Volume (MCF)	Last Production Date Before Inactivity	Reactivation Date	Number of Years of Continuous Inactivity

- 3. Assessable gross hydrocarbon gas produced (line 1 minus line 2) **Mcf**
- 4. Produced hydrocarbon gas injected (pressure maintenance, recycling, etc.) **Mcf**
- 5. Net hydrocarbon gas produced (line 3 minus line 4) **Mcf**
- 6. Produced hydrocarbon gas used in oil- or gas-producing operations **Mcf**
- 7. Assessable hydrocarbon gas (line 5 minus line 6) **Mcf**

Prepared by: _____ (_____) _____
Name Name of firm or employer, if any Phone

I declare under penalty of perjury that this report has been examined by me and is, to the best of my knowledge and belief, a true, correct, and complete report.

Name (type or print) Title Date

Signature Phone E-mail

Note: For corporations, this verification shall be made by the President, Vice President, Treasurer, or Secretary. For other forms of ownership, verification shall be made by a responsible officer or holder of major interest.

Failure to file this report by March 15, 2023 will result in an estimate of production for assessment purposes being made by the Department of Conservation as provided for in section 3408, of the Public Resources Code. If you fail to timely file your annual production report, a penalty assessment will be added to your charge pursuant to Public Resources Code section 3420.

INSTRUCTIONS

1. This form is to be used in reporting California oil, condensate, and natural gas production for the calendar year 2022. A verified report must be returned, even if no production is being reported.
2. Mail to the California Geologic Energy Management Division, Attn: Form 122, 715 P Street, MS 18-03, Sacramento, CA 95814-3530 no later than March 15, 2023. If you fail to timely file your annual production report, a penalty assessment will be added to your charge pursuant to Public Resources Code section 3420.
3. An explanation must accompany this form when the name of the producer on this report does not correspond to the name of the producer given in the monthly production reports filed with the State Oil and Gas Supervisor.
4. All production of oil and/or condensate must be reported, with deductions only for water and impurities. **Do not make any deductions for royalty oil or for oil consumed as fuel on the property.** *The assessment on oil and/or condensate is based on production, not sales.*
5. A deduction is allowed for oil or gas produced from wells meeting the criteria under Public Resources Code section 3238, subdivision (a). Public Resources Code section 3238, subdivision (a) provides “for oil and gas produced in this state from a well that qualifies under Public Resources Code section 3251 or that has been inactive for a period of at least the preceding five consecutive years, the rate of the charge shall be reduced to zero for a period of 10 years.”

To claim this deduction, the following information must be provided for each well:

Field Definitions

Data Element	Instructions	Acceptable Values	Required
Assessment Year:	Assessment Year	Date (YYYY)	Y
Well API Number	API NUMBER (CA State Code + County Code + WellID). Enter the API number for the Wells included under PRC 3238, one in each row. This is a required field. No Hyphen	Number (10-digit) e.g. 04xxxxxxx	Y
Produced Oil Volume (BBL)	Captures the total barrels of clean oil or condensate produced during assessment year.	Whole number; Value is ≥ 0 without fractions.	Y
Produced Gas Volume (MCF)	Captures the total gross gas produced during the assessment year.	Whole number; Value is ≥ 0 without fractions.	Y
Last Production Date Before Inactivity	Captures the production month and year the well last produced before becoming inactive	Date (MM/YYYY)	Y
Reactivation Date	Captures the month and year well was brought back to production	Date (MM/YYYY)	Y
Number of Years of Continuous Inactivity	Captures the duration in years of inactivity	Whole number; Value is ≥ 0	Y

6. Assessable hydrocarbon gas means gas produced minus allowable deductions during the calendar year 2022. Allowable deductions are made for wells qualifying under Public Resources Code section 3238, subdivision (a), gas used for recycling, pressure maintenance, or in other oil-producing operations.

7. Report oil and/or condensate volumes in barrels and gas volumes in thousand cubic feet (Mcf).
8. Additional resources are available on the Department of Conservation, Geologic Energy Management Division (CalGEM) website. See links below:
 - WellSTAR training videos can be found on CalGEM public website for additional instructions on how to complete a Form 122:
https://www.youtube.com/watch?v=0qUHoahXxOA&list=PLErBtDSML9r5xhyJJ1hvPQlhc_T9u5afr
 - An electronic copy of the Form 122 can be found on CalGEM's public website:
https://www.conservation.ca.gov/calgem/pubs_stats/Pages/forms.aspx
 - For questions or concerns, please contact CalGEM's Operational Management Unit at CalGEMSupport@conservation.ca.gov.

NOTE: If wells were sold or transferred during the calendar year 2022, production up to the date of transfer must be reported. **You will be assessed for your portion of the year's production.**



information and justification for removal in the table below. If any assessable well(s) was omitted from the attached list of assessable wells, add the well and related information to the table below.

Well Name	Field	API	Justification for removal or addition

Field Capacity

The total gas storage capacity, including base and working gas capacity, of each underground gas storage facility in cubic feet:

Field Name	Field Capacity in cubic feet

Prepared by: _____ on behalf of _____
 Name Operator Name

I declare under penalty of perjury that this report has been examined by me and is to the best of my knowledge and belief a true, correct, and complete report.

_____	_____	_____
Name	Title	Date
_____	_____	_____
Signature	Phone	E-mail

Note: For corporations, this verification shall be made by the President, Vice President, Treasurer, or Secretary. For other forms of ownership, verification shall be made by an owner, responsible officer or holder of a majority interest.

Failure to file this report by March 15, 2023 will result in an estimation of the number of assessable wells and field capacity for assessment purposes being made by the Department of Conservation, and the addition of a 10% penalty, as provided for in Public Resources Code section 3408.



Field Capacity and Assessable Wells for <OPERATOR NAME>