



DEPARTMENT OF CONSERVATION
STATE OF CALIFORNIA

DIVISION OF OIL,
GAS, & GEOTHERMAL
RESOURCES

- - -

801 K STREET
MS 20-20
SACRAMENTO
CALIFORNIA
95814

PHONE
916/445-9686

FAX
916/323-0424

TDD
916/324-2555

INTERNET
constrv.ca.gov

- - -

ARNOLD
SCHWARZENEGGER
GOVERNOR

NOTICE TO OPERATORS

Section 3203 of the California Public Resources Code (PRC) requires a "Notice of Intention" be filed with the Division before commencing any operation permanently altering, in any manner, the casing of a well.

The Division has become aware of a new wireline-tool technology that has the ability to drill through a cased borehole (and subsequently plug the hole made in the casing) to obtain reservoir fluid and pressure data. By definition, this process permanently alters the casing, even if the drilled hole is plugged and pressure tested successfully.

The Division requires that prior to running a well test such as the one described above, a "Notice of Intention" be filed with the local Division district office. The notice should identify the intended test intervals. Upon completion of the well test, the operator must file a work history, specifying the depths of the drilled holes and whether they were plugged successfully. This information is required for updating the well history and developing abandonment requirements for the well.

Please note that normal bonding requirements apply. PRC Section 3204 requires an operator to have bond coverage for any operation that permanently alters the casing of a well. This would include perforating for any reason, such as for the purpose of production, injection, *testing*, observation, or cementing.

Should you have any questions concerning these requirements, please contact your local Division district office.

October 29, 2004

DEPARTMENT OF CONSERVATION

801 K Street, MS 20-20
Sacramento, CA 95814-3530
(916) 445-9686
FAX (916) 323-0424



November 20, 2000

NOTICE TO OIL AND GAS OPERATORS

On September 25, 2000, Governor Davis signed into law AB 2581 (Maldonado), which amends a number of sections of the Public Resources Code (PRC). The new law becomes effective January 1, 2001. The following is a brief summary of the **most significant** statutory changes.

Section 3203 authorizes the Division of Oil, Gas, and Geothermal Resources (Division) to deny permits for new well operations if an operator fails to pay a civil penalty or charges assessed on oil and gas production, or fails to remedy violations specified in a civil penalty order.

Section 3208.1 clarifies who is responsible for replugging a hazardous well when the well is encountered in the course of a development project. Also makes Section 3208.1 conform to the plugging and abandonment responsibilities in to Section 3237.

Section 3219.5 requires the Division, in consultation with industry and insurers, to report to the Governor and the Legislature on or before July 1, 2001, on options for ensuring the existence of well-control insurance for drilling or redrilling exploratory oil and gas wells in areas where abnormally high or unknown subsurface pressure gradients exist.

Section 3236.5 provides additional authority to the Division to seek a court order to shut in production from well operations that are the subject of a civil penalty order if the operator has not corrected the violations and/or paid the civil penalty.

Section 3237 is modified to include unmaintained roads as a rebuttable presumption of desertion criteria for wells, for the purposes of ordering the plugging and abandonment of a well.

Section 3352 extends the amount of time, from 10 days to 30 days, that an appeal hearing may be postponed on a Division order, if it is determined that there is no immediate threat to human health, safety, or the environment.

Copies of the chaptered bill may be obtained at any Division office or on the Department of Conservation's web site at <http://www.consrv.ca.gov>.

William F. Guerard, Jr.
State Oil and Gas Supervisor
Division of Oil, Gas, and Geothermal Resources

DEPARTMENT OF CONSERVATION

801 K Street, MS 20-20
Sacramento, CA 95814-3530
(916) 445-9666



November 16, 1998

NOTICE TO OIL AND GAS OPERATORS

On September 30, 1998, Governor Wilson signed into law SB 1763 (Costa), which amends a number of sections of the Public Resources Code (PRC). The new law becomes effective January 1, 1999. The following is a brief summary of the **most significant** statutory changes.

Section 3202 requires all newly acquired idle wells to be covered by individual or blanket indemnity bonds. In addition, compliance with the provisions of section 3206 is required unless all idle wells are covered by individual well bonds under section 3204 or the operator has a \$1 million blanket bond.

Section 3204 increases the individual well bond amounts when an operator engages in new drilling or rework activity on or after January 1, 1999. (It will not be necessary to increase the bond amounts for individual well bonds accepted prior to that date.) For a well with drilled depth less than 5,000 feet, the bond level increases to \$15,000. For wells between 5,000 and 10,000 feet deep and wells deeper than 10,000 feet, the bond level increases to \$20,000 and \$30,000, respectively.

Section 3205 modifies provisions that allow an operator to provide a \$100,000 blanket bond to cover all of its onshore drilling activities. Beginning January 1, 1999, operators with 50 or fewer wells may meet the bonding requirement with a \$100,000 blanket bond. Operators with more than 50 wells may meet the bonding requirement with a \$250,000 blanket bond. Operators are provided two years to increase existing blanket indemnity bonds and five years, in \$30,000 annual increments, to increase existing \$100,000 cash blanket bonds to the \$250,000 level. In lieu of the above, an operator may submit a \$1 million bond to cover all its oil and gas operations, including idle wells.

Section 3205.5 extends the option of allowing a deposit in lieu of an indemnity bond for idle wells.

NOTICE TO OIL AND GAS OPERATORS

November 16, 1998

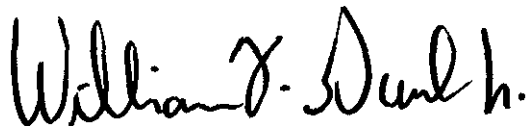
Page Two

Section 3206 allows operators four options, in lieu of a \$1 million blanket bond, for managing their idle-well inventory. An operator may:

- (1) Pay an annual fee for each idle well, based on the length of time a well has been idle -- \$100 for each well idle less than 10 years, \$250 for each well idle between 10 and 15 years, or \$500 for each well idle 15 years or longer; or
- (2) Establish an escrow account equivalent to \$5,000 for each idle well, with the required deposit funded completely within ten years; or
- (3) File a \$5,000 indemnity bond for each idle well; or
- (4) Establish an idle-well management plan that requires an operator to eliminate a certain percentage of long-term idle wells (those idle 10 years or longer) annually. ("Eliminate" means to return to production or injection, or plug and abandon.) If an operator elects the management-plan option, idle well fees or additional bonding requirements are not imposed. If the terms of an approved plan are not fulfilled, the operator will be required to implement one of the other options immediately and will be prohibited from using this option for five years.

Section 3258 increases to \$1 million the amount of money the Division of Oil, Gas, and Geothermal Resources (Division) is authorized to spend each year to plug and abandon orphan wells. After five years, the authorization reverts to the current \$500,000 annual level.

Copies of the chaptered bill may be obtained at any Division office or on the Department of Conservation's web site at <http://www.consrv.ca.gov>. In addition, workshops will be conducted at several locations in mid-January and February.



William F. Guerard, Jr.
State Oil and Gas Supervisor
Division of Oil, Gas, and Geothermal Resources

DEPARTMENT OF CONSERVATION

801 K Street, MS 20-20
Sacramento, CA 95814-3530
(916) 445-9686
FAX (916) 323-0424



August 14, 1998

NOTICE TO OPERATORS

New Pipeline Regulations

New production pipeline regulations will become effective on August 21, 1998. These regulations were promulgated as a result of Assembly Bill 3261, which extended Division of Oil, Gas, and Geothermal Resources (Division) jurisdiction to include pipelines associated with oil and gas production operations.

The new regulations are risk-based, with emphasis on potentially higher-risk pipelines. Pipelines located in environmentally sensitive areas will be subject to more stringent requirements.

Copies of the new regulations are available at any Division office, or at the Department of Conservation web site: <http://www.consrv.ca.gov>.

In the near future, the Division will hold a workshop in Bakersfield to answer questions regarding the new requirements. If you would like to attend, contact Bruce Hesson at (805) 654-4761 by September 4.

If there are any questions regarding the workshop or the regulations, please call Bruce Hesson at the above number or Bill Winkler at (916) 445-0806.

A handwritten signature in cursive script that reads "William F. Guerard, Jr.".

William F. Guerard, Jr.
State Oil and Gas Supervisor
Division of Oil, Gas, and Geothermal Resources

DEPARTMENT OF CONSERVATION

**DIVISION OF OIL, GAS,
AND GEOTHERMAL RESOURCES**

K Street MS 20- 20
SACRAMENTO, CALIFORNIA
95814-3530
445-9686

(916) 324-2555
TELEFAX (916) 323-0424



NOTICE TO OPERATORS

NEW DISTRICT 1 ADDRESS

The District 1 office of the Department of Conservation, Division of Oil, Gas, and Geothermal Resources is moving. Effective February 13, 1998 the office will be located at the following address:

Department of Conservation
Division of Oil, Gas, and Geothermal Resources
5816 Corporate Avenue, Suite 200
Cypress, California 90630-4731

The new phone and FAX numbers are:

Phone: (714) 816-6847

FAX : (714) 816-6853

William F. Guerard, Jr.
State Oil and Gas Supervisor

February 5, 1998

DEPARTMENT OF CONSERVATION

**DIVISION OF OIL, GAS,
GEOHERMAL RESOURCES**

K Street, MS 20 - 20 SACRAMENTO,
CALIFORNIA 95814-3530 (916) 445-9686
TDD (916) 324-2555
TELEFAX (916) 323-0424

NOTICE TO OPERATORS

During the 1995-96 legislative session, two bills were passed by the legislature that affect oil and gas operations in California. Senate Bill 2007 (Costa) and Assembly Bill 1376 (Bustamante) were signed by the Governor and became effective January 1, 1997. Summaries of the bills follow.

SB 2007 provides for a 10-year abeyance of the assessment on oil and gas produced from orphan and long-term (five years or more) idle wells that are returned to productive status. Furthermore, the Supervisor may permit an operator to evaluate the economic viability of an orphan well for 90 days without having to provide bond coverage or assuming plugging responsibility.

SB 2007 makes more specific the requirements for notifying the Supervisor when a well is transferred to or acquired by another operator. It also specifies that the operator transferring a well is not relieved of responsibility for the well until the new operator complies with Division requirements and the transfer is acknowledged, in writing, by the Supervisor.

The legislation also expands the definition of deserted wells, removing examples of prima facie evidence of desertion while adding examples of credible evidence and describing situations where a rebuttable presumption of desertion exists. The amendment also allows the Supervisor to hold a former operator of a well responsible for its plugging and abandonment if a subsequent operator lacks the financial resources and the transfer(s) occurred on or after January 1, 1996.

In addition, SB 2007: (1) combines the terms "operator" and "owner" by expanding the definition of "operator" to include persons with ownership rights and eliminates the definition of "owner"; (2) allows the Director a more reasonable timeframe for providing notice of an appeal hearing and for issuing a decision after a hearing; and (3) broadens the proposed construction activities for which the Supervisor can order a well reabandoned.

AB 1376 authorizes the Division to establish risk-based oil spill reporting requirements in the San Joaquin Valley. The Division, with the cooperation of the State Water Resources Control Board and the Department of Fish and Game, will develop field rules to specify spill-reporting thresholds based on the environmental conditions for a designated area. The new reporting thresholds, which would not apply to spills that enter or threaten waters of the state, must be established by January 1, 1998.

Copies of these bills may be obtained from any Division of Oil, Gas, and Geothermal Resources office and the legislation, as enacted, will be included in the next revision of Division Publication

January 21, 1997

William F. Guerard, Jr.
State Oil and Gas Supervisor

•

DEPARTMENT OF CONSERVATION

DIVISION OF OIL, GAS, AND GEOTHERMAL RESOURCES
4800 STOCKDALE HWY., SUITE 417
BAKERSFIELD, CALIFORNIA 93309-2694
(805) 322-4031



January 6, 1997

Notice to Kern County Operators

The U.S. Fish & Wildlife Service (USFWS) has notified this office that a field inspection of Kern County oil fields will be conducted to look for unprotected sumps, catch basins, and depressions containing oil that can trap birds and other wildlife. The USFWS considers free oil in unprotected oil field sumps as one of the primary causes of migratory bird loss. The Migratory Bird Treaty Act gives USFWS authority to take action and impose fairly significant penalties.

USFWS anticipates initiating its field-surveillance efforts around April 1, and will be verifying compliance with Division sump-protection regulations. Section 1770 of the California Code of Regulations (CCR) requires that any sump containing oil or a mixture of oil and water be covered with screening to restrain entry of wildlife. Requirements for sump enclosures and screening are outlined in Section 1778 of the CCR. USFWS staff has indicated that enforcement criteria will be limited to compliance with Division regulations and that the efforts of operators to comply with CCR requirements will be considered in the level of enforcement, should such enforcement be necessary.

Lease inspections conducted by Division staff have determined that the vast majority of sumps and other operations facilities are in compliance with CCR requirements. This notice is meant to provide operators adequate time to bring any deficient sumps into compliance by constructing the required enclosures and screening, and by removing any other open pools of oil that can entrap migratory birds or other wildlife.

We strongly encourage all operators in Kern County to review their lease operations to ensure all sumps containing oil are fenced and netted properly, and that all remaining unprotected free oil is removed. If you have any questions you may contact Dave Mitchell or Joyce Jaszarowski in the Division's Bakersfield office. You may also contact Special Agent Frank Kuncir (USFWS) in Clovis at (209) 487-5773. He has offered to review the USFWS field-surveillance plan with all operators who inquire.

Hal Bopp
Deputy Supervisor

DEPARTMENT OF CONSERVATION
**DIVISION OF OIL, GAS,
AND GEOTHERMAL RESOURCES**

801 K Street, MS 20 • 20
SACRAMENTO, CALIFORNIA 95814-3530
445-9886
(916) 324-2555
TELEFAX (916) 323-0424



October 28, 1996

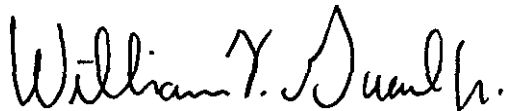
Notice to Operators

The U.S. Bureau of Land Management (BLM) and the California Department of Conservation, Division of Oil, Gas, and Geothermal Resources (Division), developed and signed a Memorandum of Understanding (MOU) that affects well operations on BLM-administered lands and/or mineral estates. The MOU became effective on March 15, 1996.

The MOU, whose purpose is to clarify and simplify the permitting and regulatory processes for operators and to minimize duplication, is comprised of a general statement of purpose and intent, followed by six operating agreements. As formulated, the operating agreements may be changed as further streamlining opportunities are identified or as the need arises.

Changes to the underground injection control (UIC) operating agreement were developed by the BLM and Division and reviewed by the Oil and Gas Work Group. Subsequently, the BLM and the Division have approved the modified operating agreement.

Two copies of the agreement are enclosed, one in strikeout and underline form to identify the changes readily, and the other in a finalized form that can be inserted in place of pages 13-15 in your copy of the MOU. If you have any questions, please contact Patty Gradek with BLM at 805/391-6131 or Hal Bopp with the Division at 805/322-4031.



William F. Guerard, Jr.
State Oil and Gas Supervisor
Division of Oil, Gas, and
Geothermal Resources



James Wesley Abbott
Area Manager
Caliente Resource Area
Bureau of Land Management

Enclosures

DEPARTMENT OF CONSERVATION
DIVISION OF OIL, GAS,
GEOTHERMAL RESOURCES
801 KStreet, MS 20 • 20
SACRAMENTO, CALIFORNIA 95614-3530
(916) 445-9688
TDD (916) 324-2555
TELEFAX (916) 323-0424



*original to
Nat Boyer for
distribution*

NOTICE TO OPERATORS

Idle-Well Policy

The number of long-term idle wells has been increasing over the years. Currently, about 21,000 of the 95,000 oil, gas, and injection wells in California have been idle for five or more years. Of those, approximately 10,000 have been idle for ten years or more, and over 5,000 have been idle for more than 15 years. In addition, the number of orphaned (deserted) wells, now at 1,200, has the potential to increase.

To address growing concerns for groundwater and resource protection, the Division developed a program to ensure the mechanical integrity of long-term idle wells. The program requires operators to submit information regarding the future use of such wells, if any, and to conduct periodic well testing. The program's purpose is to encourage the proper management of long-term idle wells having potential future use, rather than force their premature plugging and abandonment.

Although the program has been in place for a number of years, the growth trend of long-term idle wells has not diminished or reversed. Therefore, with some exceptions, the Division is modifying its program to focus on wells that have been idle the longest. In some cases, the modified program will reduce requirements for five-year idle wells and require a more thorough analysis and testing of wells that have been idle for ten years or more. The Division's goal is to maintain a program that is both reasonable and constructive.

It is important to demonstrate that the inventory of long-term idle wells is decreasing, thereby reducing the potential for future orphan wells, and that the idle wells maintained for future use have mechanical integrity sufficient to protect groundwater and other natural resources.

William F. Guerard, Jr.

William F. Guerard, Jr.
State Oil and Gas Supervisor

June 19, 1996

DEPARTMENT OF CONSERVATION

**DIVISION OF OIL, GAS,
AND GEOTHERMAL RESOURCES**801 K Street, MS 20 - 20 SACRAMENTO,
CALIFORNIA 95614-3530
(916) 445-9666
TDD (916) 324-2555

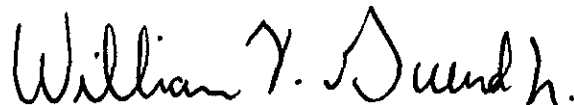
NOTICE TO OPERATORS

Horizontal Wells

Horizontal drilling is a technology that is developing rapidly. More horizontal wells were drilled in California last year than in all previous years combined, and the trend is continuing upward.

Some horizontal wells have been completed in close proximity to outer lease boundaries. In most of the older California oil fields, however, Spacing Act setback does not apply and drilling such a well, in which no portion of the wellbore crosses an outer lease boundary line, is allowed under State law. As the downhole location of a horizontal well is important, the Division has requested and will continue to request that the best available technology be used to survey the downhole coordinates of horizontal wells, especially those drilled adjacent to lease boundaries.

The drilling history and other information on horizontal wells is public record, with the exception of wells receiving confidential status (i.e., certain exploratory or prospect wells and wells using experimental techniques). Therefore, offset operators can use Division well records to review information concerning horizontal wells drilled on adjacent properties. For confidential horizontal wells, the Division will verify, upon request, the bottom-hole locations to assure offset operators that no portion of a wellbore crosses a lease boundary.




William F. Guerard, Jr.
State Oil and Gas Supervisor

May 17, 1996

DEPARTMENT OF CONSERVATION

DIVISION OF OIL, GAS, AND GEOTHERMAL RESOURCES
4800 STOCKDALE HWY., SUITE 417
BAKERSFIELD, CALIFORNIA 93309-2694
Phone (805) 322-4031
TELEFAX (805) 861-0279

Bopp
Jim OR
file *#*



April 4, 1996

NOTICE TO DISTRICT 4 OPERATORS

Recently, this office has become aware of the possible use of a cement with the designation of "R-2" being used in well plugging and abandonment operations. This notice is to remind all operators that cement used in well plugbacks and/or abandonments must meet the Division specifications, which require a minimum compressive strength of 1,000 psi and a maximum liquid permeability of 0.1 millidarcies, as outlined in the Supervisor's Notice to Operators dated January 8, 1990. Laboratory test results on any new cement mixtures intended for use in downhole plugging should be submitted to this Division for approval prior to actual use.

To date, we have not received any analysis or test results for "R-2" cement demonstrating the specified requirements would be met. Should any quantitative data be available on this cement and its mixtures, we request that the Division be supplied with copies of these tests for review.

Please contact Dave Mitchell, with this office if you have any questions.

Hal Bopp
Deputy Supervisor

DEPARTMENT OF CONSERVATION

DIVISION OF OIL, GAS, AND GEOTHERMAL RESOURCES

STOCKDALE HWY., SUITE 417

BAKERSFIELD, CALIFORNIA 93309-2694

Phone (805) 322-4031

TELEFAX (805) 861-0279

March 8, 1996

Notice toOperators

The U.S. Bureau of Land Management (BLM) and the California Department of Conservation, Division of Oil, Gas, and Geothermal Resources (Division), have developed and signed a Memorandum of Understanding (MOU) that affects well operations on BLM-administered lands and/or mineral estates.

The purpose of the MOU, which is attached, is to clarify and simplify the permitting and regulatory processes for operators, and to avoid duplication wherever possible. You will note that the format is a general statement of purpose and intent, followed by six Operating Agreements. The Operating Agreements may be changed as further streamlining opportunities are identified, or as the need arises.

The MOU will become effective on March 15, 1996. Please note that many provisions of this MOU have been in effect for some time. The most significant change is that, with few exceptions, permit applications will be filed with only one agency.

A general matrix identifying the responsible agency for most activities is also attached. As with any new process, questions will arise. If so, please contact either the BLM or Division. The following information summarizes the matrix:

Downhole Well Permit - Drilling, Reworking, Abandoning

1. Essentially, all production well permit applications (Applications for Permit to Drill and Sundries) will be filed with the BLM. Approvals and conditions will be prepared by BLM.
2. In the rare situation of BLM-administered surface and privately owned minerals, the Division would issue downhole permits.
3. Well summaries, histories, and logs must still be filed with both the BLM and Division after well work is completed.

Surface Operations

The BLM will permit all surface operations and inspect for compliance with environmental and lease-maintenance requirements. With the exception of injection facilities, the BLM permits and inspections will cover tank, pipeline, and other facility operations, the closure of surface impoundments (sumps), and site restoration following well plugging and abandonment activities.

The BLM will issue a Final Abandonment Notice for a well. Normally, the Division will not issue a Final Letter.

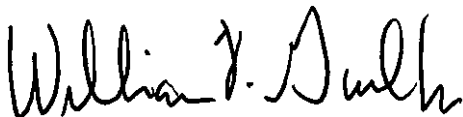
Underground Injection Control (UIC) Wells

1. The Division has primacy for UIC permitting and will approve all UIC projects and aquifer exemptions and permit all downhole work to drill, operate, convert production wells to UIC, or plug and abandon injection wells. This includes all Class II (oilfield) wells that inject liquid, steam, or gas.
2. Wells used for cyclic steam are administered as production wells and are permitted by the BLM.
3. Observation wells do not inject fluids and will be permitted by the BLM.
4. The BLM will approve notices to convert injection wells to production wells, or other use.
5. The Division will inspect the condition of UIC facilities, including injection pumps, pipelines, wellheads, etc.
6. The BLM will issue rights-of-way for pipelines used to transport off-lease produced water. Idle/Omhan Well Program

The BLM will conduct its idle-well monitoring program on BLM Land.

Bonding

When required by statute, State well-bond coverage must still be obtained, in addition to BLM lease bonds.



William F. Guerard, Jr.
State Oil and Gas Supervisor
Division of Oil, Gas, and
Geothermal Resources



Area Manager
Caliente Resource Area
Bureau of Land Management

Enclosures

DEPARTMENT OF CONSERVATION

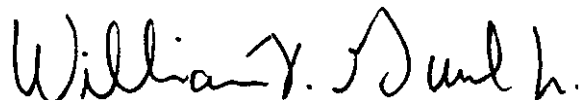
**DIVISION OF OIL, GAS,
GEOHERMAL RESOURCES**801 K Street, MS 20 - 20 SACRAMENTO,
CALIFORNIA 95814-3530 (916) 445-9666
TDD (916) 324-2555
TELEFAX (916) 323-0424

Notice to Operators

Recently, several incidents, including fatalities, involving the accumulation of carbon monoxide (CO) in well bores have come to the attention of the Division of Oil, Gas, and Geothermal Resources (Division). These occurrences are believed to be associated with extensive perforating operations; however, the investigations are continuing.

Until the cause of the CO accumulations is determined with certainty and steps can be taken to eliminate the hazard, operators are advised to take reasonable precautions to protect personnel when long intervals are being perforated.

The Division recommends, as a minimum, that CO monitoring equipment and a vent line be installed and maintained operational during all extensive perforating operations.



William F. Guerard, Jr.
State Oil and Gas Supervisor

November 20, 1995

DEPARTMENT OF CONSERVATION
DIVISION OF OIL, GAS,
GEOHERMAL RESOURCES

801 K Street - MS 20
SACRAMENTO, CALIFORNIA 95814-3530
(916) 445-9686
TDD (916) 324-2555
TELEFAX (916) 323-0424

NOTICE TO OIL, GAS, AND GEOTHERMAL OPERATORS

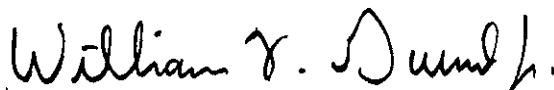
On October 11, 1993, the Governor signed into law AB 1504 (Chapter 1179) which amends Sections 3202, 3205.1, 3234, 3752, and repeals Section 3242 of the Public Resources Code. The new law becomes effective January 1, 1994.

Section 3202 is amended to clarify bonding requirements in connection with the transfer of ownership of wells that have been idle for five or more years. Section 3202(f) requires an operator acquiring a well that has been idle for at least five years to file an individual or blanket indemnity bond with the Division of Oil, Gas, and Geothermal Resources. Section 3206 requires existing owners of long-term idle wells to pay a \$100 annual fee or to provide a bond. The new law makes clear that the \$100 annual fee or bond required by Section 3206 cannot be used to satisfy the more stringent bonding requirements of Section 3202(f).

Section 3205.1 is amended to provide the State Oil and Gas Supervisor with authority to require offshore operators to provide additional security to cover the costs of plugging and abandoning their offshore wells if the Supervisor determines that the \$250,000 blanket bond currently required of offshore operators and the security required by the applicable state lease are insufficient to cover these costs.

Sections 3234 and 3752 are amended to eliminate the requirement that a public hearing automatically be held whenever an operator requests an extension of confidential status for well records. Instead, a 30-day public comment period will be provided, and a public hearing will be held if a written complaint is received.

section 3242 is repealed because the methane gas study which it authorizes has been completed and the provision now is obsolete.



William F. Guerard, Jr.
state Oil and Gas Supervisor

December 13, 1993

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

9th STREET, ROOM 1310

SACRAMENTO, CALIFORNIA

95814 (916) 445-9686

TELEFAX (916) 323-0424

NOTICE TO ALL OIL, GAS, AND GEOTHERMAL
OPERATORS AND AGENTS

Effective June 1, 1992 the Department of Conservation, Division of Oil and Gas Headquarters, District 6, and Geothermal Sacramento offices will relocate to the following locations:

HEADQUARTERS :

Department of Conservation
Division of Oil and Gas - MS 20
801 K Street, 20th Floor
Sacramento, CA 95814-3530
(916) 445-9686

GEOTHERMAL :


Department of Conservation
Division of Oil and Gas - Geothermal
20th Floor, MS 21
801 K street

DISTRICT 6 :

Sacramento, CA 95814-3530
(916) 323-1788

Department of Conservation
Division of Oil and Gas - District 6
20th Floor, MS 22
801 K Street
Sacramento, CA 95814-3530
(916) 662-4683

A new telephone number for the District 6 office will be announced later in June. Other telephone numbers will remain the same as present.


K. P. Henderson
Acting Chief

May 25, 1992

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

9th STREET, ROOM 1310

SACRAMENTO, CALIFORNIA

95814 (916) 445-9586

TDD (916) 324-2555

TELEFAX (916) 323-0424

NOTICE TO ALL .OPERATORS

New District 2 Address

Effective February 1, 1992, the District 2 office of the Department of Conservation, Division of Oil & Gas will be moving to the following address:

1000 s. Hill Road, suite 116
Ventura, Ca 93003-4458

The telephone number will remain the same: (805) 654-4761.

K.P. Henderson
Acting Chief

January 24, 1992

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

9th STREET, ROOM 1310

SACRAMENTO, CALIFORNIA

95814 (916) 445-9686

TDD (916) 324-2555

TELEFAX (916) 323-0424



NOTICE TO OPERATORS

California Oil & Gas Fields, Volume 2, Available

The 1991 revised edition of California Oil & Gas Fields, Southern, Central Coastal, & Offshore California (Publication TR12), is now available from the Department of Conservation, Division of Oil and Gas. The publication includes contour maps, cross sections, and data sheets for each oil and gas field.

Copies are \$20.00 each, and prepayment is required for all orders under \$25.00.

Order from the Division of Oil and Gas, 1416 9th street, Room 1310, Sacramento, CA 95814. Call (916) 445-9686 for further information.

A handwritten signature in black ink, appearing to read "K. P. Henderson".

K. P. Henderson
Chief Deputy

January 1992

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

9th STREET, ROOM 1310

SACRAMENTO, CALIFORNIA

95814 (916) 445-9686

TDD (916) 324-2555


TELEFAX (916) 323-0424



NOTICE TO OPERATORS

As you are aware, the Division of Oil and Gas assigns an API Number to each exploratory, production, and injection well drilled within the State. Due to the tremendous number of wells drilled within Kern county, the County API Code (029-) for new wells is reaching the maximum allowable. There are about 500 API Numbers remaining until 029-89999 is reached (the -90000 series is reserved for special uses). When this point is reached, the Division will begin issuing API Numbers with a newly assigned Kern County Code (030-). The first well with the new code will be assigned API Number 030-00001.

Those operators using a computerized database may need to make adjustments to accommodate the additional county Code. If there are any questions, contact Jim Campion in Sacramento at (916) 323-1779.


M. G. Mefferd
State Oil & Gas Supervisor

October 7, 1991

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

9h STREET, ROOM 1310

SACRAMENTO, CALIFORNIA

95814 (916) 445-9686

TDD (916) 324-2555

TELEFAX (916) 323-0424



NOTICE TO OPERATORS

On November 19, 1990, the Division of Oil and Gas sent a notice to all operators regarding the provisions of a new law (SB 2693, Bergeson) that became effective January 1, 1991. To implement the provisions of SB 2693, Section 3206 has been added to the Public Resources Code. It requires operators to file a bond or fee for unbonded wells that have been idle for the five-year period immediately prior to January 1st of each year. A well falls into the idle well category if it has not produced oil or natural gas or injected fluids for at least a continuous six months during the applicable five-year period.

By June 1 of each year, the Division will, through its well statistics data system, identify the wells that are idle according to the criteria of the new law. On or before July 1st of each year, operators will be notified of the specific idle wells for which a fee or bond must be filed with the Division. The filing date for the fees and/or bonds will be around August 15.

The operator of record, as of the notification date (July 1), will be responsible for paying the fees and/or submitting the appropriate bonding.

In the July 1st notification to operators, instructions will be provided regarding the different options that are available for attaining compliance. The options are: (1) a \$100 fee for each idle well, or (2) an individual idle well bond in the amount of \$5,000, or (3) a blanket bond in the amount of \$100,000 for all of the operator's idle wells. For operators proposing to rework idle wells, the submittal of the normal bond specified for rework operations is required in lieu of a fee or idle well bond.

The notification on July 1st will also indicate the final date for compliance, penalties for noncompliance, and the fact that noncompliance could result in the issuance of an order to plug and abandon the well (e).

Individual bonds for idle wells are eligible for release following the completion of six continuous months of well production or injection, or following the plugging and abandonment of a well. Also, idle well bonds can be released by the substitution of a replacement bond, or upon the payment of annual fees.

Questions regarding status or changes of status for individual wells should be directed to the appropriate Division district office.

fiw-M. G. Mefferd
State Oil and Gas Supervisor

January 16, 1991

DEPARTMENT OF CONSERVATION
DIVISION OF OIL AND GASSACRAMENTO, CALIFORNIA 95814
(916) 445-9686
TDD (916) 324-2555
TELEFAX (916) 323-0424

NOTICE TO OPERATORS

FOR SALE - DUPLICATE OIL AND GAS WELL PRODUCTION AND INJECTION
RECORDS

On March 1, 1991, the Division of Oil and Gas will sell 639 boxes (15¹¹x12¹¹x10¹¹, 30-50 lbs.) of duplicate hardcopy oil and gas well production and injection records to the highest bidder. Generally, the records cover a period ranging from 1915 to 1976. The records have been packed by various offices, therefore, may not follow the same packing procedure; however, most records will be alphabetical by operator.

No confidential documents are included in this sale.

Bid requirements and bid forms may be obtained from:

Elaine Shields
Department of Conservation
Division of Oil and Gas
1416 9th street, Room 1310
Sacramento, CA 95814

All Bids Must Be Delivered In A sealed Envelope No Later Than March 1, 1991, 3:00 p m., to the Department of Conservation, Division of Oil and Gas, 1416 9th Street, Room 1310, Sacramento, CA 95814.

If you need additional information, please call Elaine Shields at (916) 323-1790.

M. G. Mefferd
State Oil and Gas Supervisor

January 11, 1991



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
CALIFORNIA STATE OFFICE
2800 COITAGE WAY, ROOM E-2845
SACRAMENTO, CALIFORNIA
95825-1889



IN REPLY REFER TO.

NOTICE TO GEOTHERMAL OPERATORS

The California State Office of the Bureau of Land Management (BLM), and the Department of Conservation, Division of Oil and Gas (Division), have developed jointly standardized procedures for collecting and reporting geothermal production and injection data in all geothermal fields in California. The new procedures should eliminate unnecessary duplication in reporting production and injection data by the geothermal operators and will allow for timely processing and key entry of the data by our respective agencies.

Enclosed are copies of the new forms which replace all existing BLM (USGS-9-1963) and Division (OGG110-S,W,I) forms. The new forms are effective for the reporting month of January 1990. Also enclosed is a draft version of a new "Geothermal Steam Production, Water Production, and Injection Reports" manual (Publication M-11), which replaces the existing Publication M-11. Please submit any suggestions for improving the manual to the BLM or Division by March 1, 1990.

Further information can be obtained from the appropriate BLM or Division office listed in draft Publication M-11.

Robert M. Anderson (Date)
Deputy State Director
Bureau of Land Management
Division of Mineral Resources
2800 Cottage Way
Sacramento, CA 95825

W. G. MERRERA
W. G. MERRERA (Date)
State Oil and Gas Supervisor
Department of Conservation
Division of Oil and Gas
1416 Ninth Street, Room 1310
Sacramento, CA 95814

TAKE
RIDE IN
AMERICA

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

1416 9th STREET, ROOM 1310

SACRAMENTO, CALIFORNIA 95814

(916) 445-9686

TDD (916) 324-2555

TELEFAX (916) 323-0424



NOTICE TO OPERATORS

DIVISION OF OIL AND GAS
MECHANICAL INTEGRITY TEST (MIT) REQUIREMENTS

In addition to performing radioactive tracer surveys, temperature surveys, and spinner surveys, which are the primary methods of determining mechanical integrity in Class II injection wells, the Division of Oil and Gas now requires the Standard Annular Pressure Test (SAPT) in certain instances.

The SAPT is required on all new or converted water-disposal and waterflood wells prior to commencing initial injection, and once every five years thereafter. Afl SAPT is also required any time a tubing packer is unset .

When performing the SAPT, a well should be tested at either the maximum anticipated injection pressure or 200 psi -- whichever is greater. The pressure must be held for at least 15 minutes, and a pressure decline of no more than ten percent is allowed for a valid test.

Also, the frequency of MIT's for waterflood wells has been changed. Survey results evaluated by the Division indicate that annual MIT's for waterflood wells are unwarranted. Therefore, MIT's for waterflood wells will be required once every two years, unless there is good cause to modify the requirement to fit specific circumstances and types of projects.


M. G. Mefferd
State Oil and Gas Supervisor

January 9, 1990

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

9th STREET, ROOM 1310

SACRAMENTO, CALIFORNIA

95814 (916)445-9686

TDD (916) 324-2555

TELEFAX (916) 323-0424

NOTICE TO GEOTHERMAL OPERATORS

The California State Office of the Bureau of Land Management (BLM), and the Department of Conservation, Division of Oil and Gas (Division), have developed jointly standardized procedures for collecting and reporting geothermal production and injection data in all geothermal fields in California. The new procedures should eliminate unnecessary duplication in reporting production and injection data by the geothermal operators and will allow for timely processing and key entry of the data by our respective agencies.

Enclosed are copies of the new forms which replace all existing BLM (USGS-9-1963) and Division (OGG110-S,W,I) forms. The new forms are effective for the reporting month of January 1990. Also enclosed is a draft version of a new "Geothermal steam Production, Water Production, and Injection Reports" manual (Publication M-11), which replaces the existing Publication M-11. Please submit any suggestions for improving the manual to the BLM or Division by March 1, 1990.

Further information can be obtained from the appropriate BLM or Division office listed in draft Publication M-11.

Robert M. Anderson (Date)
Deputy State Director
Bureau of Land Management
Division of Mineral Resources
2800 Cottage Way
Sacramento, CA 95825

M. G. Mellett
State Oil and Gas Supervisor
Department of Conservation
Division of Oil and Gas
1416 Ninth Street, Room 1310
Sacramento, CA 95814

January 8, 1990

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

9th STREET, ROOM 1310

SACRAMENTO, CALIFORNIA 95814

(916) 445-9686

TDD (916) 324-2555

TELEFAX (916) 323-0424




NOTICE TO OPERATORS

The American Petroleum Institute (API) defines a competent cement plug as one that maintains a compressive strength of at least 1,000 pounds per square inch (psi) and a maximum liquid permeability of 0.1 millidarcy (md.) Published studies, as well as recent independent testing, indicate that the following limits on sand/cement ratios are required for a cement slurry to produce a plug that maintains an adequate compressive strength and permeability over time, under most conditions.

1. For critical cement plugs intended to isolate oil, gas, geothermal, and freshwater zones, the sand/cement weight ratio is limited to 2:1.
2. For noncritical cement plugs in which permeability is not a major concern, such as surface plugs or plugs used in lieu of mud, the sand/cement weight ratio cannot exceed 4:1.

Your cooperation in disseminating this information to personnel affected by these requirements is appreciated.


M. G. Neffert
State Oil and Gas Supervisor

January 8, 1990

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

91h STREET, ROOM 1310
SACRAMENTO, CALIFORNIA
95814 (916) 445-9686
TDD (916) 324-2555
TELEFAX (916) 323-0424



NOTICE TO ALL OPERATORS

New District 3 Address

Effective November 27, 1989, the District 3 office of the Department of Conservation, Division of Oil and Gas will be moved from 301 W. Church Street, Santa Maria, CA 93454, to:

5075 S. Bradley Road, Suite 221
Santa Maria, CA 93455

The new telephone number will be: (805) 937-7246.


M. G. Mefferd
State Oil and Gas Supervisor

November 14, 1989

DEPARTMENT OF CONSERVATION
DIVISION OF OIL AND GAS800 STOCKDALE HWY.. SUITE #417
BAKERSFIELD, CALIFORNIA 93309
(805) 322-4031

March 23, 1989

TO: OIL & GAS OPERATORS AND SERVICE COMPANIES

Recent changes in the Division of Oil and Gas regulations, along with recent personnel changes in the petroleum industry, have prompted several requests for us to present a forum explaining the functions and operations of the Division and, in particular, the Bakersfield district office.

In response to those requests, the Bakersfield office has developed an information seminar for presentation to interested parties.

LOCATION: Our office (a city of approximately 25) or a site of your choosing.

TOPICS:

- * Permitting, approval and testing of injection wells and projects, new wells, reworks, abandonments
- * **Environmental Compliance**
- * BOPE requirements and configurations
- * Forms - which to use and how to fill them out
- * Division laws and regulations
- * Office procedures/services available to the public.

This forum is an excellent opportunity for you, and your staff, to ask questions and for us to explain our functions and operations.

If you feel that this can be a benefit to your company please contact Randy Adams of my staff to schedule a date and time, We will adapt the presentation to meet your companies needs,

Sincerely,

A handwritten signature in black ink, appearing to read "E. A. Welge".

E. A. Welge
Deputy Supervisor

DEPARTMENT OF CONSERVATION
DIVISION OF OIL AND GAS


911th STREET, ROOM 1310
SACRAMENTO, CALIFORNIA 95814
(916) 445-9686
TDD (916) 324-2555
TELEFAX (916) 323-0424

NOTICE TO OPERATORS

Recent studies have demonstrated that the use of sodium iodide, methyl iodide, and ethyl iodide as tracers for the evaluation of steamflood wells leads to inaccurate or inconclusive results. The radioactive iodide tracers tend to decompose into water-soluble components at downhole conditions, with the tracers preferentially following the liquid phase rather than the vapor phase. Such a problem can be minimized when radioactive inert gas tracers (argon, krypton, and xenon) are used. Such tracers are stable at steam conditions and have been shown to be reliable vapor-phase tracers.

Consequently, only inert gas tracers will be allowed when tracer surveys are being used to demonstrate the mechanical integrity of steamflood wells for Division of Oil and Gas purposes. Such a restriction does not apply to other surveys that may be run in steamflood wells.

Your cooperation in disseminating this information to personnel affected by this requirement is appreciated.


M. G. Mefferd
State Oil and Gas Supervisor

February 17, 1989

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

1416 9th STREET, ROOM 1310
SACRAMENTO, CALIFORNIA 95814
(916) 445-9686
TDD (916) 324-2555
TELEFAX (916) 323-0424

NOTICE TO OPERATORS

Effective November 1, 1988, the California Division of Oil and Gas (Division) and the Bureau of Land Management (BLM) entered into a Memorandum of Understanding (MOU), regarding the procedures for processing and approving applications for Class II injection well projects that occur on lands administered by the BLM. This MOU does not apply to cyclic steam injection/production wells.

The MOU recognizes that the Division of Oil and Gas has been delegated authority by the Environmental Protection Agency (EPA) to administer the Class II Underground Injection Control (UIC) Program on federal lands in California. The MOU also recognizes that the BLM is mandated to have administrative and technical interests for all injection projects and injection wells on federal lands.

Therefore, to meet the responsibilities of both agencies, and to provide an effective permitting process that is more efficient and nonduplicative, procedures have been developed that will result in coordinated responses and a single UIC permit.

The following is a summary of the processes and procedures that operators should be particularly aware of when submitting applications for UIC projects, drilling individual Class II injection wells, subsequent injection well operations, and conversion of wells to injection:

1. Applications for Class II projects on BLM lands will continue to be filed by the operator with the appropriate Division district office identifying federal lands affected. The Division will forward a copy of the application to the BLM office for review and comment. Within 15 days, the Division and BLM will consult with one another regarding project requirements and issues. Following an additional 15-day public comment period, and the resolution of any comments or concerns, the Division may issue a project approval letter that includes the conditions of approval. (NOTE: Project approval does not grant well drilling approval.)

2. Applications for Permits to Drill (APDs) individual Class II injection wells on all federal mineral estate lands should be submitted by the operator on federal/state combined Form 3160-3 to the appropriate BLM office with a copy submitted to the appropriate Division district office. The BLM will post the application for 30 days pursuant to federal law, and the BLM will process the application to ensure compliance with the National Environmental Quality Act (NEPA). If the operator submits the APDs simultaneously with the project proposal, this will expedite the public review process required for federal lands. Consultation between the BLM and the Division, regarding the technical and environmental aspects of the drilling and injection proposal, will ensure a single coordinated response to the applicant.

The Division will prepare and send the final permit to the applicant. The permit will incorporate Division and BLM technical and environmental conditions of approval.

3. For subsequent injection well operations, and conversions of wells to injection for all federal mineral estates, operators should continue to submit proposals to the Division and to the BLM. The BLM will review the proposals for impacts upon reservoir management and the need for any right-of-way permit. Comments or requests for extensions of time, in the event that surface review is needed by BLM, will be provided to the Division within seven days. Final approvals for subsequent well operations and conversions are to be issued by the Division, with a copy to the BLM. The permit will incorporate or make reference to Division and BLM technical and environmental conditions of approval.
4. Inspections by BLM and Division staff will continue to be coordinated, to avoid duplication whenever possible.

NOTICE TO OPERATORS (BLM/CDOG)

Page 3

Further information regarding the MOU can be obtained from the BLM California state office in Sacramento, the BLM district office in Bakersfield, or any district office of the California Division of Oil and Gas.

Ed Hastey 3/15/89
Ed Hastey (Date)
State Director
Bureau of Land Management
2800 Cottage Way
Sacramento, CA 95825

M. G. Meffert
M. G. Meffert (Date)
State Gas Supervisor
Department Conservation
Division of Oil and Gas
1416 Ninth Street, Room 1310
Sacramento, CA 95814

March 1, 1989

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

9th STREET, ROOM 1310
SACRAMENTO, CALIFORNIA
95814 (916) 445-9686
TDD (916) 324-2555
TELEFAX (916) 323-0424



NOTICE TO OPERATORS

Two bills sponsored by the Division of Oil and Gas that affect oil, gas, and geothermal operators were passed by the Legislature during the 1988 legislative session. Senate Bill 1958 by Senator Don Rogers and Assembly Bill 3740 by Assembly member Trice Harvey were signed into law by the Governor and will become effective on January 1, 1989.

Although there are several minor changes to the Public Resources Code (PRC), the new laws include three important changes that operators should be particularly aware of: First, Section 3202 specifies new bonding requirements for inactive wells that are sold or transferred; second, Section 3236.5 provides new procedures when an appeal is made regarding the imposition of a penalty; and third, Section 3420 provides for a more efficient method of assessing and paying charges on oil and gas production.

The following is a summary of the changes that were made as a result of the passage of SB 1958 and AB 3740.

Posting of the Office Hours at District Offices (Section 3105)

Present law requires the Division of Oil and Gas to post certain specified office hours that the district deputy will be present in the district office.

The new law deletes the posting requirement since State policy requires that offices be open on a five-day, 40-hour week basis.

Sale or Exchange of Oil and Gas Wells (Section 3201)

Present law provides for the reporting to the Division of the sale or exchange of a well within 30 days. The new law clarifies that the transfer or exchange must be reported even if the operator does not own or lease the land on which the well is located.

Bond for Transferred Well that is Inactive (Section 3202)

Presently, bonding is not required when a well changes ownership. Beginning January 1, 1989, a bond will be required if a well has been inactive for the five-year period prior to the transfer, and if the well has been bonded prior to the transfer. The bonding will ensure funding for any remedial action that the State may have to take if the new operator deserts the well.

Notice of Drilling
(Section 3203)

Present law requires the Division to respond within ten days when an operator submits to the Division a notice of intent to commence drilling. If the Division fails to respond within ten working days, the notice is considered approved. The new law clarifies that the ten-working-day clock starts upon receipt of the notice.

Also, the law specifies a list of information that should be included on the notice. Since the specified information constitutes only a partial listing of information needed, while the printed forms contain a more complete listing, the statute is amended to state that the printed notice indicates the information that is needed from the operator. No change is made to the provision that allows the supervisor to ask for other data that is pertinent.

Release of Surety Bonds for Injection Wells
(Section 3208)

For the purpose of releasing surety bonds, present law does not explicitly indicate when a bond for an injection well can be released. The new law makes the release date consistent with that for oil and gas wells where bond release can occur after six months of sustained production.

Records for a Completed Well
(Section 3215)

Present law requires a well operator to submit well records to the Division within 60 days of well completion. Since the date of completion for a well can be subject to different interpretations, the new law clarifies that for this purpose completion means the date of cessation of drilling.

Obsolete Definition of Well Completion
(Section 3217)

Present law indicates that a well is completed within 30 days after it had started to produce. New law eliminates this provision because it no longer has any application to any specific section of the laws.

Notice of Completion of a Well Abandonment
(Section 3232)

Present law provides that a notice must be given to the Division within 60 days of the completion of a well abandonment. This requirement appears both in Public Resources Code Section 3215 and Section 3232. The new law removes the redundant language from Section 3232.

Appeal of Penalty
(Section 3236.5)

When imposition of a civil penalty is appealed, the new law provides that a hearing before the Supervisor shall be held in either Sacramento or the appropriate district office. Previously, the hearing could only be heard in the district office. Also, the new law provides that the Supervisor's final decision on the provisions of the penalty are reviewable by the Superior Court rather than the Director.

Penalties for Late Payment of Assessment
(Section 3402)

Present law provides for a system of State assessments on well operators and owners. In case several parties have an interest in a well, the assessment is apportioned accordingly. However, such apportionment does not apply when an operator is assessed a penalty for a late payment. The new law clarifies that the penalty in question is for a late payment, and corrects an erroneous reference to a code section.

Assessment on Natural Gas Production
(Section 3403)

Present law specifies the volume of natural gas and oil that is used as the basis for the computation of the annual assessments. To conform with historical practices, the new law specifies that the rate shall be based on each 10,000 cubic feet of gas produced rather than each 1,000 cubic feet. This does not result in any change to the total assessment.

Assessment Collection
(Section 3420)

The new law provides a more efficient and cost-effective procedure to collect charges that are used to support the State's regulatory effort for oil and gas operations. Also, the improved procedure will benefit numerous oil and gas operators. Specifically, the law will eliminate all charges of less than \$10 and require that charges of less than \$500 be paid in one payment rather than two, as currently allowed.

Definition of Low-Temperature Geothermal Resources
(Section 3703.1)

Present law does not define a low temperature geothermal resource except through the inference in the definition of a low-temperature geothermal well. The new law defines a low-temperature geothermal resource. The definition will lead to the logical conclusion that any well that produces low temperature geothermal resources should be classified as a low-temperature geothermal well.

Distribution of Geothermal Information
(Sections 3716 and 3717)

Current law requires the Division to collect information on geothermal wells and to file copies of the information with the Director of Water Resources, the State Geologist, and the appropriate California Regional Water Quality Control Board. To avoid sending copies of information that may not be pertinent or utilized by the three agencies, the new law provides that the information shall be available to those agencies upon request.

Temperature Gradient Monitoring
(Sections 3724.1 and 3724.35)

Current law refers to geothermal observation wells; however, this well-type has taken on an ambiguous meaning in the law. In the geothermal industry, observation wells are usually referred to as temperature-gradient wells. The new law makes changes to distinguish between wells drilled for observation purposes and those drilled for monitoring temperature gradients.

Filing or Injection Reports
(Section 3745)

Current law requires the filing of geothermal production reports; however, no mention is made of the need to account for the volume of fluids injected. New law clarifies the existing reporting procedures by specifically indicating that injection reports must be filed in the same manner as production reports.

Notice to Abandon
(Section 3747)

Present law requires operators to inform the Division five days prior to a proposed well abandonment, or the removal of casing from a well. New law increases the period for prior notification to ten days. This will provide consistency with other provisions of law that allow the Division sufficient time to respond to requests for approval to perform well work.


Inspection of Geothermal Facilities
(Section 3754)

Current law allows Division inspectors to inspect geothermal wells. Since there are other geothermal well facilities, such as pipelines that may cause potential problems, the new law specifies that a geothermal operator cannot refuse to permit an inspector from performing inspections of appurtenant facilities.

Time to Submit Directional Surveys
(Section 3757.1)

Current law allows the geothermal operator 30 days to submit a subsurface directional survey, if made. New law changes the time to 15 days to provide consistency with the time provided to oil and gas operators.

If there are any questions regarding these changes, please contact any of the Division's district offices or Headquarters in Sacramento


M. G. Mefferd
State Oil and Gas Supervisor.

December 20, 1988

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

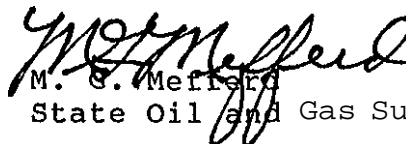
1416 9th STREET, ROOM 1310
SACRAMENTO, CALIFORNIA 95814
(916)445-9686
TDD (916) 324-2555
TELEFAX (916) 323-0424

NOTICE TO OPERATORS

Section 1723.6(b) of the California Code of Regulations requires that any explosives used in casing-recovery operations must be utilized only by a licensed handler with the required permits. To be consistent with State law, a person handling explosives for well-abandonment operations (cavity shots, etc.) must also possess a current, valid California Blaster's License.

Therefore, during well-abandonment operations requiring the use of explosives in the hole, the Division of Oil and Gas will require a competent blaster (having a current, valid California Blaster's License) to be physically present at the well site to accomplish the blasting operation and/or direct and supervise others in such operation.

Your cooperation in informing personnel affected by this requirement will be appreciated.


M. S. Mefford
State Oil and Gas Supervisor

August 9, 1988

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

1416 9th STREET, ROOM 1310
SACRAMENTO, CALIFORNIA 95814
(916) 445-9686
TOD (916) 324-2555
TELEFAX (916) 323-0424



NOTICE TO OPERATORS

Section 3300 of the Public Resources Code states:

The unreasonable waste of natural gas by the act, omission, sufferance, or insistence of the lessor, lessee or operator of any land containing oil or gas, or both, whether before or after the removal of gasoline from the gas, is opposed to the public interest and is unlawful. The blowing, release, or escape of gas into the air shall be prima facie evidence of unreasonable waste.

This section is not intended to preclude the limited flaring or stacking of natural gas for testing and safety purposes, or during gas plant shut-downs.

Therefore, to enforce this statute in a reasonable manner, it is necessary that, with the exception of emergency situations, approval be obtained from the appropriate district office before flaring or stacking can begin. The following information must be provided to the district office:

1. Location of occurrence.
2. Reason for occurrence.
3. Estimate of gas flow-rate.
4. Approximate duration.

When necessary, the information may be provided by telephone.

If you have any questions regarding this notice, please do not hesitate to call any district office of this Division.


M. G. Mefferd
State Oil and Gas Supervisor

August 9, 1988

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

1416 9th STREET, ROOM 1310
SACRAMENTO, CALIFORNIA
95814 (916) 445-9686

NOTICE TO OPERATORS

On September 2, 1987, the Governor signed into law SB 1353 (Chapter 409) which amends Section 3205.5 and adds Section 3205.2 to the Public Resources Code.

The new law, which became effective January 1, 1988, defines a Class II commercial water disposal well as a well that is used to dispose of oilfield waste water for a fee. The law requires that each well be covered by a \$50,000 indemnity bond until the well is abandoned. In lieu of the bond, a deposit of other than money or bearer bonds or bearer notes may be used. Also, a blanket bond filed by an operator to cover all the operations in drilling, re-drilling, deepening, or permanently altering the casing of all the wells of an operator may be used in lieu of the \$50,000 indemnity bond.

The following is the language of the new law containing all provisions and a definition of a Class II commercial water disposal well.

"The people of the State of California do enact as follows:

"SECTION 1. Section 3205.2 is added to the Public Resources Code, to read:

"3205.2. (a) Notwithstanding Section 3204, any person who engages in the operation of a Class II commercial waste water disposal well, as defined in subdivision (d), shall file an indemnity bond with the supervisor for fifty thousand dollars (\$50,000) for each well so used. The bond shall cover all operations of drilling, re-drilling, deepening, altering casing, maintaining, or abandoning the well and attendant facilities. The bond shall be executed by the person as the principal, and by an authorized surety company as the surety, and, except for differences in the amount, shall be in substantially the same language and upon the same conditions as provided in Section 3204.

"(b) A blanket bond submitted under Section 3205 may be used in lieu of the bond required in subdivision (a), except that the termination and cancellation shall be in accordance with subdivision (c).

"(c) Notwithstanding Section 3207, any bond issued in compliance with this section may be terminated and canceled and the surety relieved of all obligations thereunder when the well is properly abandoned or another valid bond has been substituted therefor.

"(d) A Class II commercial waste water disposal well is a well which is used to dispose of oilfield waste water for a fee and which is regulated by the division pursuant to this chapter and Subpart F (commencing with Section 147.250) of Part 147 of Title 40 of the Code of Federal Regulations .

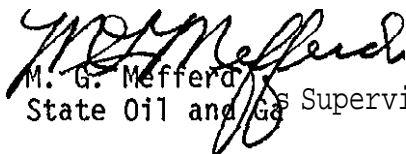
"SEC. 2. Section 3205.5 of the Public Resources Code is amended to read:

"3205.5. In lieu of the bond required by Sections 3204, 3205, 3205.1, and 3205.2, a deposit may, with the written approval of the supervisor, be given pursuant to Article 7 (commencing with Section 995.710) of Chapter 2 of Title 14 of Part 2 of the Code of Civil Procedure, other than a deposit of money or bearer bonds or bearer notes."

To determine which wells need an indemnity bond, the Division of Oil and Gas is in the process of reviewing all Class II disposal well projects. Operators with commercial wells will be notified and provided with bond forms that are to be used by the company to provide bond coverage.

If you have any questions, please contact the local Division of Oil and Gas district office. The telephone numbers are:

Long Beach	(213) 590-5311
Ventura	(805) 654-4761
Santa Maria -	(805) 925-2686
Bakersfield -	(805) 322-4031
Coalinga	(209) 935-2941
Woodland	(916) 662-4683


M. G. Mefferd
State Oil and Gas Supervisor

January 13, 1988

operators
1/13/88

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS1416 9th STREET, ROOM 1310
SACRAMENTO, CALIFORNIA 95814 -9686

NOTICE TO OPERATORS

This is to remind you that the law requires the filing, with the Division of Oil and Gas, of true and reproducible copies of all electrical, physical, or chemical logs, tests, or surveys that are made in conjunction with the drilling, reworking, or abandonment of an oil, gas, or geothermal well. This requirement includes the filing of mud logs, if made.

With the exception of the log known by the trade name Cyberlook, all computer-generated logs, whether made by in-house computer analysis or by a well services company, must be filed with the Division of Oil and Gas. However, any operator, when submitting a computer-generated log, may submit on a case-by-case basis a written statement showing that the computer log is derived from either experimental logs and tests or interpretive data and, therefore, is not a well record, subject to public access under Section 3234(d) of the Public Resources Code. If such showing is satisfactory to the Division, the computer log will be held permanently confidential.

To ensure that the Division's filing requirements are met, the well history (Form OG103 or OGG103 filed subsequent to any drilling, rework, or abandonment operation must list all logs, tests, or surveys made during the operation. All of these records (except the Cyberlook) must be filed with the appropriate Division of Oil and Gas office within 60 days of well completion, suspension, or abandonment.

If you have any questions regarding this notice, please do not hesitate to contact any of the Division offices.


M. S. Heffern
State Oil and Gas Supervisor

October 5, 1987

DEPARTMENT OF CONSERVATION
DIVISION OF OIL AND GAS
1416 9th STREET, ROOM 1310
SACRAMENTO, CALIFORNIA
95814 (916) 445-9686



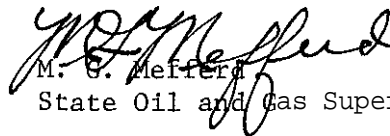
NOTICE TO ALL OPERATORS

NEW DISTRICT 6 ADDRESS

As of August 9, 1987, the District 6 office of the California Division of Oil and Gas will be moved from 117 West Main Street, Suite 11, Woodland, California 95695, to:

221 West Court Street, Suite 1
Woodland, CA 95695

The District 6 telephone number will remain the same: (916) 662-4683.


M. G. Meffert
State Oil and Gas Supervisor

July 17, 1987

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

SACRAMENTO, CALIFORNIA 95814


(916)- 323-1788

NOTICE TO GEOTHERMAL OPERATORS

To accommodate the space needs of the Department of Conservation's Division of Administrative Services, the Division's geothermal headquarters, District G1, and C,E,Q.A. Unit office staff in Sacramento has been relocated to the California Energy Commission building at 1516 Ninth Street, Room 402, effective May 11, 1987.

Although the staff has relocated, the mailing address and telephone numbers remain the same, Therefore, please continue to direct all geothermal correspondence, field test calls, and inquiries for this office to:

Division of Oil and Gas
Geothermal Section
1416 Ninth Street, Room 1310
Sacramento, California 95814
Telephone: (916)323-1788


M. G. Mefferd
State Oil and Gas Supervisor

May 15, 1987

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

1416 9th STREET, ROOM 1310
SACRAMENTO, CALIFORNIA 95814
(916) 445-9686

November 17, 1986

NOTICE TO OIL AND GAS OPERATORS

In compliance with the Federal Environmental Protection Agency (EPA) requirements, the Division of Oil and Gas (Division) has prepared a Quality Assurance (QA) Plan for the proper sampling, handling, and testing of fluid samples used in the permitting, surveillance, and enforcement of the Division's Underground Injection Control (UIC) Program.

The provisions of the plan apply to the Division when collecting samples for surveillance and enforcement activities, and apply also to all operators that must collect samples pursuant to Division injection project requirements. The purpose of the plan is to ensure that all persons involved with fluid sampling utilize procedures to obtain data that are technically valid, scientifically defensible, and of proven effectiveness.

Operators collecting samples for compliance with Division requirements must follow an acceptable sampling and testing program. Appropriate bottles, such as glass or polyethylene, must be used for the type of fluid sampled and fluid analysis requested; necessary preservatives or preservation techniques must be used to preserve the stability of the fluid constituents; and appropriate field measurements (i.e., temperature, pH, conductivity) must be taken so that the laboratory can be provided with important information on the physical state of the fluid at the time of sampling.

An accurate written chain-of-custody record must be kept to trace the possession of a sample from the moment of its collection until the time of analysis. A chain-of-custody record provides assurance of the sample's origin and the timeliness of the submittal to the lab. Also, the sample bottle should be labeled to indicate pertinent information about the sample, and the laboratories performing the analyses must use EPA-accepted analytical methodologies. Furthermore, to avoid confusion and errors created when mg/l and ppm are used interchangeably, the Division requires that all analyses be recorded in mg/l. The Division also recommends the use of laboratories that are certified by the State Department of Health Services.

NOTICE TO OIL AND GAS OPERATORS

Page 2

November 17, 1986

Enclosed for your information and use is a copy of the chain-of-custody form and a copy of a label that will be used by the Division when collecting samples. Also, laboratories that will be analyzing your samples should be contacted for information and assistance on all aspects of the fluid collection and record-keeping procedures.

Further instructions on QA compliance requirements will be incorporated into all future injection project approval letters and will be provided at annual project-review meetings. If you have any questions on the QA Program requirements, please do not hesitate to contact the appropriate Division district office.


M. G. Meffers
State Oil and Gas Supervisor

Enclosures

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

1416 9th STREET, ROOM 1310
SACRAMENTO, CALIFORNIA 95814
(916) 445-9686


NOTICE TO OPERATORS

Field tests have shown that the cement-inflated , external casing packer can be an effective and reliable means of affecting a water shutoff.

Therefore, the Division has adopted a policy of accepting the use of this packer in lieu of a conventional water shutoff test in production wells, provided the following criteria are met:

1. The packer type has been field tested in a number of wells and has demonstrated zonal isolation under water shutoff conditions acceptable to the Division.
2. The packer is not less than 20 feet in length and is set in an impermeable zone.
3. The pressure chart indicates that the packer has been properly set.
4. A copy of the pressure chart , certified by the service company engineer in charge of the packer-setting operation and a copy of the data sheet showing pressure calculations (see attached) is filed with the appropriate Division district office.

A Division engineer will inspect an electric log of the well, vis-a-vis the packer setting depth, and the pressure chart. If the Division disagrees with the interpretation of the information provided, further test data may be required.


M. G. Melford
State Oil and Gas Engineer

Attachments

April 29, 1986

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

1416 9th STREET, ROOM 1310

SACRAMENTO, CALIFORNIA 95814

(916) 445-9686

NOTICE TO GEOTHERMAL OPERATORS

To streamline the administration of the Division of Oil and Gas geothermal regulatory program and to reduce operator's costs, the Division will no longer retain a portion of the geothermal drilling fee to cover the administrative costs for reviewing and processing a Notice of Intention to Drill a Geothermal Resources Well.

Consequently, the drilling fee will be refunded in full when a Notice of Intention to Drill is cancelled by an operator.


M. G. Mefferd
State Oil and Gas Supervisor

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS1416 9th STREET, ROOM 1310
SACRAMENTO, CALIFORNIA 95814 -9686


NOTICE TO OIL, GAS, AND GEOTHERMAL OPERATORS

Division of Oil and Gas field engineers recorded 1,112 deficiencies while inspecting and testing blowout-prevention equipment during calendar year 1985. This high number of BOPE deficiencies indicates that our engineers are being called out prematurely for BOPE tests and inspections.

The Division has a limited number of engineers to cover all of the oil, gas, and geothermal operations in the State. An unnecessarily large percentage of their time in the field is spent on BOPE inspections and tests because of the numerous deficiencies discovered during the inspection/testing process.

The recommended procedure to follow is to call the Division after making a successful test of the blind/blank rams. Then, you can commence running *in* the hole and prepare for testing the annular and pipe ram preventers and the auxiliary equipment. The Division inspector can approve the successful blind/blank ram test from either the data on the well recording device or from the test information entered on the tour sheet and signed by the person in charge. The remaining tests of the annular, pipe, and auxiliary equipment can be conducted for the inspector, as required.

We would appreciate your company's adoption of this recommended procedure.


M. G. Mefferd
State Oil and Gas Supervisor

March 28, 1986

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

1416 9th STREET, ROOM 1310
SACRAMENTO, CALIFORNIA 95814
(916) 445-9686



NOTICE TO GEOTHERMAL OPERATORS

It has been brought to my attention that in some cases operators are not filing complete records of all logs, tests and surveys with the division as required by law. These records include but are not limited to the following, if such data exist:

1. Mud and penetration rate log.
2. Data from all core sample tests, including porosity, permeability, and fluid saturation.
3. Complete data on all formation tests.
4. Complete data on all production tests..
5. Any data pertaining to a formation in which the well is completed, including flowing or static pressure measurements, pressure buildup tests, fall-off and draw-down tests, reservoir limit tests, and interference tests.
6. Complete analyses of steam and/or water recovered during the testing of all wells. Water analyses shall include resistivity (Rw).
7. Pressure, temperature, water level, and water quality data measured in observation wells. Ongoing measurements "of this nature can be submitted at intervals to be worked out with the district engineer.

Division engineers will be contacting your field office(s) in the near future to discuss this matter further. If you have any immediate questions, please do not hesitate to contact Dick Thomas, 1416 Ninth Street, Room 1310, Sacramento, California 95814, phone (916) 323-1788.


M. G. Wefferd
State Oil and Gas Supervisor

. . February 18, 1986

NOTICE TO GEOTHERMAL OPERATORS

Bernd Beutenmuller, the head of the Division's Geothermal C.E.Q.A. Unit, has accepted a promotion in another State agency and is no longer an employee of the Division of Oil and Gas.

The Division's Geothermal C.E.Q.A. responsibilities will now be handled by our Geothermal Officer, Richard Thomas, and Assistant Geothermal Officer, Rob Habel (who will begin working for this Division on March 3, 1986). They can be contacted at the Division of Oil and Gas, 1416 Ninth Street, Room 1326-A, phone 916-323-1788.

In the past, Division expenses for preparing or overseeing the preparation of C.E.Q.A. documents have been reimbursed by charging for time worked, overhead, and travel expenses. To simplify the accounting process, the Division will charge a flat fee, effective immediately, for providing these same services. These fees are based on the average billings for Division C.E.Q.A. services during the last four years and are as follows:

Notice of Exemption	\$500
Negative Declaration	\$2,000
Environmental Impact Report	\$5,000

In spite of the staff reduction, which will reduce the amount to be raised by the annual geothermal well fee, we intend to maintain the level of environmental review service that we have provided in the past to operators drilling geothermal exploratory wells in California.


M. G. Mefferd
State Oil and Gas Supervisor

February 7, 1986

DEPARTMENT OF CONSERVATION
DIVISION OF OIL AND GAS

1416 9th STREET, ROOM 1310
SACRAMENTO, CALIFORNIA 95814
(916) 445-9686

NOTICE TO ALL OPERATORS

New District 2 address

As of September 9, 1985, the District 2 office of the California Division of Oil and Gas will be moved from 146 S. Ojai Street, Santa Paula, California 93060, to:

6401 Telephone Road, Suite 240
Ventura, California 93003-4458

The new District 2 telephone number will be: (805) 654-4761


M. G. Mefferd
State Oil and Gas Supervisor

September 4, 1985

DEPARTMENT OF CONSERVATION
DIVISION OF OIL AND GAS6 9th STREET, ROOM 1310
SACRAMENTO, CALIFORNIA 95814
(916) 445-9686

April 15, 1985

NOTICE TO OPERATORS

This notice supersedes previous notices concerning the submission to the Division of Oil and Gas of computer-generated logs.

With the exception of the log known by the trade name Cyberlook, all computer-generated logs, whether made by in-house computer analysis or by a well services company, shall be filed with the Division of Oil and Gas pursuant to Section 3215 of the Public Resources Code. No Cyberlook logs need be submitted.

When filed, the Division will treat the computer logs as well records for the purposes of the public access provisions of Section 3234 of the Public Resources Code. However, any operator, when submitting a computer-generated log, may submit on a case-by-case basis a written statement showing that the computer log is derived from either experimental logs and tests or interpretive data and, therefore, is not a well record, subject to public access under Section 3234(d) of the Public Resources Code. If such showing is satisfactory to the Division, the computer log will be held permanently confidential.



M. G. Neffert
State Oil and Gas Supervisor

DEPARTMENT OF CONSERVATION
DIVISION OF OIL AND GAS

1416 9th STREET ROOM 1310

SACRAMENTO, CALIFORNIA 95814

445-9686



April 8, 1985

NOTICE TO GEOTHERMAL OPERATORS

To expedite the processing of requests for confidential status of well records (pursuant to Sections 1997.1 and 1997.2 of the California Administrative Code), please submit those requests directly to the appropriate **geothermal district office**. The attached map shows the geothermal district offices and the counties they serve.

If you have any questions on this procedure, please contact Doug Stockton, 1416 Ninth Street, Room 1310, Sacramento, California 95814; telephone (916) 323-1788.


M.G. Mefferd
State Oil and Gas Supervisor

Attachment

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS6 9th STREET, ROOM 1310
SACRAMENTO, CALIFORNIA
95814 (916) 445-9686

December 10, 1984

NOTICE TO OIL AND GAS OPERATORS

The Division of Oil and Gas recently encountered a situation in which an operator, who was using 1,1,1-Trichloroethane to obtain water cuts, was disposing of the used solvent into the produced water system. The produced water containing the solvent was then converted to steam for use in steam-injection wells. This solvent, as well as other products used for cleaning and laboratory work, such as toluene and phenols, are categorized by the State Department of Health Services as hazardous. Disposal of these products into a Class II injection well is illegal and could jeopardize continuance of the project. These products should be disposed of properly, such as by being placed in drums and shipped by a licensed hauler to an appropriate State-licensed facility.

In addition, a requirement for all injection projects permitted by the Division of Oil and Gas is that the Division must be notified whenever there is a change in the fluid being injected into a disposal or enhanced recovery well.

Please review your operations and rectify any procedures or practices that do not conform to these requirements.

If you have any questions regarding this matter, feel free to contact Si Cordova at 1416 Ninth Street, Room 1310, Sacramento, CA 95814; phone: (916) 323-1777.

A handwritten signature in cursive script, appearing to read "M. G. Mefferd".

M. G. Mefferd
State Oil and Gas Supervisor

DEPARTMENT OF CONSERVATION

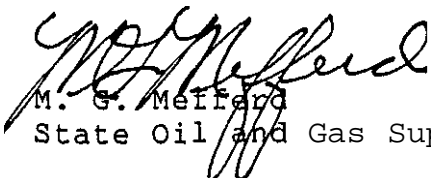
DIVISION OF OIL AND GAS1416 9th STREET, ROOM 1310
SACRAMENTO, CALIFORNIA 95814
(916) 445-9686

November 28, 1984

NOTICE TO GEOTHERMAL OPERATORS

Attached is a copy of a Division of Oil and Gas Budget Change Proposal for fiscal year 1985-86. This proposal is being submitted for your review and comment pursuant to Section 3724.5 of the Public Resources Code. The proposed budget change, as expressed in the attached proposal, will establish a simpler more equitable method of funding for the Geothermal Regulation Section's California Environmental Quality Act Unit by reducing it from a \$162,000 reimbursable program to a \$70,000 General Fund program.

If you have comments or questions, please direct them to Si Cordova by December 21, 1984. Telephone: 916-323-1777.


M. G. Mefford
State Oil and Gas Supervisor

Attachment

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

1416 9th STREET, ROOM 1310

SACRAMENTO, CALIFORNIA 95814

(916) 445-9686



November 9, 1984

NOTICE TO OIL, GAS, AND GEOTHERMAL OPERATORS

several bills affecting California oil, gas, and geothermal operators have recently been signed into law. The new laws are summarized below:

AB 3002, Rogers. This new law becomes effective January 1, 1985 and will amend the Public Resources Code by excluding development oil and gas wells from confidential status, unless extenuating circumstances can be documented. Therefore, with minor exception, only the records of prospect (exploratory) wells will be eligible for confidential status at the owner's request. In addition, AB 3002 will allow the release of the records of onshore confidential wells on leases that have expired or have been terminated.

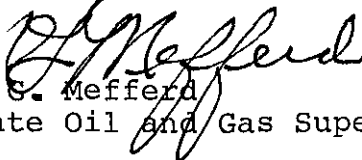
AB 3560, Wyman. For the violation of laws relating to the regulation of the drilling, operation, maintenance, and abandonment of oil, gas, and geothermal wells, AB 3560 increases the maximum amount for a civil penalty to \$5,000 for each violation. The bill also provides that penalties may be imposed for violations of Division of Oil and Gas regulations. AB 3560 also permits the State Oil and Gas Supervisor to impose the civil penalty instead of requiring the filing of a lawsuit. The actual amount of the penalty imposed will be based upon such factors as the extent of harm caused by the violation, the persistence of the violation, and the number of prior violations by the operator. This new law becomes effective on January 1, 1985.

AB 3379, Costa. AB 3379, also effective on January 1, 1985, updates Public Resources Code statutes that are either nonspecific or archaic. For example: (1) the bill provides the Division of Oil and Gas with specific authority rather than implied authority to adopt regulations; (2) the bill eliminates some duties assigned to the Division of Oil and Gas in 1915 that are no longer applicable because current methods practiced by operators and improved technology preclude the need of the Division to be involved; (3) the method of computing gas-storage assessments has been changed to a well basis rather than a volume basis; (4) clarification has been made to indicate that all oil produced in California must be reported to the Division of Oil and Gas regardless of the method used to produce the oil.

AB 2941, Clute and Presley. AB 2941, now in effect, specifically exempts from an annual well assessment all low-temperature

geothermal wells and wells used for observation purposes. The annual assessment is used for supporting the State's effort in regulating the drilling, operation, maintenance, and abandonment of geothermal wells.

If you have any questions regarding these law changes, please feel free to call Bob Reid at (916) 445-9686.


S. Mefferd
State Oil and Gas Supervisor

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

6 9th STREET, ROOM 1310

SACRAMENTO, CALIFORNIA 95814

(916) 445-9686

March 9, 1984

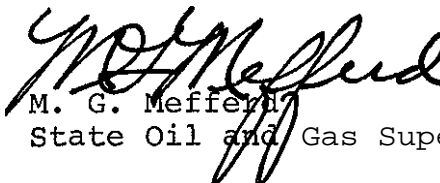
NOTICE TO GEOTHERMAL OPERATORS

The Division of Oil and Gas for the past five years has honored requests by operators to maintain the surface locations of specified geothermal observation wells confidential for periods of up to two years. The administrative expense of doing this has been considerable and the continuation of this process appears unwarranted.

The surface locations of all proposed observation wells must be revealed to the public during the environmental review process required by the California Environmental Quality Act. Furthermore, local-agency permitting processes reveal these locations to interested persons.

It is apparent that we have been keeping locations confidential that have been released to the public by at least one and probably two other means. We are therefore considering adopting the policy of publishing the locations of all observation wells on our geothermal maps, and releasing these locations to the public on request.

If you have any comments on this proposed policy, I would appreciate receiving them by May 1, 1984.



M. G. Mefferd
State Oil and Gas Supervisor

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

1416 9th STREET, ROOM 1310

SACRAMENTO, CALIFORNIA 95814

(916) 445-9686



NOTICE TO OPERATORS

The Division of Oil and Gas has initiated a Well Bond Rider form {OG188) to be used to amend bonds on file with the Division.

All amendments to existing bonds should be made on the new bond form beginning on January 2, 1984. Although riders received on other forms may be accepted, we discourage their use because they generally lack the required information.

The new forms are available upon request at any Division office.

A handwritten signature in cursive script, appearing to read "M. G. Mefferd".

M. G. Mefferd
State Oil and Gas Supervisor

December 23, 1983

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

6 9th STREET, ROOM 1310
SACRAMENTO, CALIFORNIA 95814
(916) 445-9686



November 22, 1983

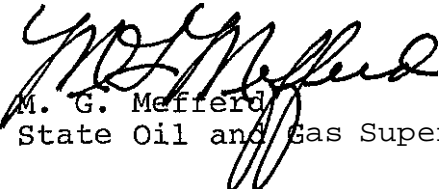
NOTICE TO OPERATORS

The purpose of this notice is to clarify the meaning of my October 3, 1983 Notice to Operators concerning the release of well records by operators to commercial petroleum information services .

Unfortunately, the October 3 notice has been misconstrued by many of its recipients. It was intended to point out that, if an operator releases particular well data to a commercial petroleum information service for public distribution, the operator has placed these particular data in the public domain and has waived their confidentiality. That is, the operator has waived the privilege under Sections 3234 and 3752 of the Public Resources Code to have the Division retain these data as confidential. These data no longer fall within the public records exemption of Section 6254(k) of the Government Code.

However, I want to emphasize that only the data released by the operator to the commercial service for public distribution will be released by the Division to the public. All other data will remain confidential, as the operator has not waived the privilege to have them held confidential. For example, an entire confidential well record will not be released merely because an operator has released the well depth to a commercial service for publication. Only the well depth will be released to the public by the Division. Furthermore, if an operator releases a confidential well record to a commercial service for limited distribution, the record will remain confidential in Division files.

I hope that this clarifies the matter and relieves the concerns regarding this policy. If not, I am certainly open to further comments.


M. G. Mefferd
State Oil and Gas Supervisor

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

6 9th STREET, ROOM 1310
SACRAMENTO, CALIFORNIA 95814
(916) 445-9686



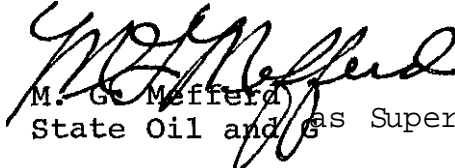
*NOTICE TO
OIL, GAS, AND GEOTHERMAL
OPERATORS*

Several bills affecting California oil, gas, and geothermal operators have recently been signed into law by the Governor. The new laws, which are summarized below, will become effective on January 1, 1984.

1. AB 988 (Assemblyman Baker) abolishes the Geothermal Resources Board (GRB). The GRB was created primarily to make recommendations on geothermal development and serve as an appeals body; however, the GRB has not met since 1978. Appeals from orders of the State Oil and Gas Supervisor will now be submitted to the Director of the Department of Conservation, in the same manner as appeals relating to orders involving oil and gas operations. Other functions of the GRB that are within the normal realm of duties of the Supervisor will be assumed by the Supervisor.
2. AB 1466 (Assemblyman Rogers) provides the Division of Oil and Gas with authority to place an annual well fee on certain geothermal wells, for the purpose of providing funding to the Division for the supervision of geothermal resource wells. The well fee will be imposed upon each producing, service, and idle well that existed at any time during the calendar year preceding the fee-assessment date (proposed to be July 1). The fee will not be charged against: (1) shallow observation wells, (2) wells that have been approved for suspension, and (3) low-temperature wells if the resource is used domestically or in a noncommercial manner. A system for determining the fee and administering the fee collection will be adopted by regulation after public hearing. The hearing will be held early next year. All interested parties will be advised of the date and location.

The first fees will be collected for support of geothermal supervision during the 1984-85 fiscal year, which begins on July 1, 1984. The Division will continue to collect drilling fees pursuant to Section 3724 of the Public Resources Code.

3. SB 1144 (Senator Speraw) authorizes the State Oil and Gas Supervisor to order the reabandonment of any previously abandoned well when the construction of a structure over or in the proximity of the well could result in a hazard. The cost of reabandonment operations will be the responsibility of the owner of the property upon which the structure will be located, although in some cases the cost may be borne by the State.


M. G. Mefferd
State Oil and Gas Supervisor

October 13, 1983

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

16 9th STREET, ROOM 1310
SACRAMENTO, CALIFORNIA 95814
(916) 445-9686

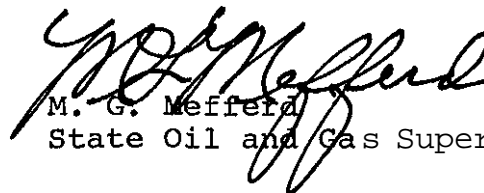


October 3, 1983

NOTICE TO OPERATORS

We have been informed that some well records being held in confidential status by the Division of Oil and Gas have been released to one or more commercial petroleum information services. The Division considers such a release a waiver of confidentiality and will open these records to public inspection after notification of the operator. This policy will also apply to well depths that operators have released to petroleum information services or scouting publications.

As an added item of interest, the Department of Conservation now has a permanent Director. Don L. Blubaugh was appointed Director effective September 15, 1983, and I returned to my position of State Oil and Gas Supervisor after serving eight months as Interim Director of the Department. Simon Cordova has resumed his position of Chief Deputy after serving as Acting Chief of the Division during my absence.


M. G. Mefferd
State Oil and Gas Supervisor

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

6 9th STREET, ROOM 1310
SACRAMENTO, CALIFORNIA 95814
(916) 445-9686



September 1983

NOTICE TO ALL OPERATORS

Some operators have requested the ability to report their production and injection data using floppy diskette. The Division of Oil and Gas has now installed and tested an IBM 5280 system, making it possible to accept data written on this medium, subject to the following conditions:

1. Operators not currently authorized to report via computerized media will need to obtain approval from Division headquarters and will be asked to undergo a testing phase.
2. Data can be written on any eight-inch floppy diskette compatible with an IBM 5280 system.
3. Due to our transmission rates, operators using this medium can have no more than 3,000 records submitted monthly. (Operators having more than 3,000 should use magnetic tapes as outlined in the CDOG Computerized Operator Manual.)

We hope this will accommodate the operators' requests, as well as improve the accuracy and timeliness of our files.

Any questions should be directed to Marylea Swain of the Data Guidance Unit of the Department of Conservation, (916) 323-0421.

State Oil and Gas Supervisor

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GASSACRAMENTO, CALIFORNIA 95814
(916) 445-9686

May 3, 1983

NOTICE TO OPERATORS

The Governor has indicated to his executive agencies that the review of regulations should receive major priority in the coming months. The goal of this review will be to substantially eliminate unnecessary and burdensome regulations. The Governor is cognizant of past efforts to review and eliminate regulations (the AB 1111 process). However, he feels it is essential that regulations be further scrutinized by current State policy makers •

This project has been given a relatively short time frame. If you have any comments, concerns, or suggestions regarding the regulations of the Division of Oil and Gas in Chapter 4, Title 14 of the California Administrative Code, I would appreciate receiving them by June 1, 1983.

Simon Cordova
Acting Chief
Division of Oil and Gas

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

1416 9th STREET, ROOM 95814

SACRAMENTO, CALIFORNIA

(916) 445-9686



March 8, 1983

NOTICE TO
OFFSHORE OPERATORS

This is to remind you that the Division of Oil and Gas is to be notified as soon as any emergency actions are taken at offshore drilling or production facilities in response to severe weather conditions or other hazardous situations. Emergency actions include complete shut in or shut down of a facility, evacuation, or any other mitigative or precautionary actions required because of a threat to the facility or personnel.

This notification will not only alert us to the possibility of an incident that may require joint industry and government action, but will also provide us with timely and factual information that can be disseminated to concerned parties.

Simon Cordova
Acting Chief
Division of Oil and Gas

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

SACRAMENTO, CALIFORNIA 95814

(916) 445-9686



NOTICE TO OPERATORS
REGARDING
UNDERGROUND INJECTION CONTROL PROGRAM
(Enhanced Recovery and Disposal Projects)

Under the provisions of Section 1425 of the federal Safe Drinking Water Act, the Environmental Protection Agency (EPA) has approved the Division of Oil and Gas' (CDOG) application to regulate injection wells that are used in relation to oil- and gas-producing operations (Class II wells). By this approval, the EPA has granted authority beginning March 14, 1983 to the CDOG to administer an Underground Injection Control (UIC) program for the purpose of preventing any injection that endangers an underground source of drinking water (USDW).

Although the injection control program that the CDOG has administered in the past will still apply in most respects, there are changes that operators should be particularly aware of when making application for new projects or modifying existing projects. Under the new program, the CDOG is responsible for the issuance of project and injection well permits, monitoring injection performance, and enforcing any actions that may be necessary to ensure that drinking water sources are protected. Implementation of this new UIC program will require that the CDOG consult with the Regional Water Quality Control Boards regarding permit requirements for each project and with the EPA regarding project compliance and enforcement.

Further, injection can only occur into hydrocarbon-bearing zones or into aquifers, or portions thereof, that contain a total dissolved solids (TDS) content that exceeds 10,000 parts per million. To inject into aquifers of less than 10,000 ppm requires a special exemption from the EPA. Also, as a general rule, more time will be required for an operator to obtain a project permit than in the past, because provisions of the UIC program require that the CDOG provide for public review and comment. There may also be the need to schedule public hearings if substantive concerns are expressed during the public comment period.

When the EPA approved the State program, the approval also included exemptions for most of the nonhydrocarbon-producing aquifers that are currently being used for waste disposal purposes. However, there are still a few aquifers that have not been exempted because pertinent data to support an exemption are either not available or the aquifer does not qualify for continued injection. Operators that are injecting into aquifers that have not been exempted will be notified.

For any additional information related to the implementation of this program or aquifer exemptions, please contact any of the CDOG offices.

Acting Chief
Division of Oil and Gas

2/28/83

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

1416-9th STREET, ROOM 1310
SACRAMENTO, CALIFORNIA 95814
(916) 445-9686



NOTICE TO ALL OPERATORS

New District 1 Address

As of January 24, 1983, the District 1 office of the California Division of Oil and Gas will be moved from 5199 East Pacific Coast Highway, Suite 309-N, Long Beach, California 90804, to:

245 West Broadway, Suite 475
Long Beach, California 90802

The District 1 phone number will be unchanged: (213) 590-5311.

Simon Cordova
Acting Chief
Division of Oil and Gas

January 12, 1983

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

1416 - 9th STREET, ROOM 1310
 SACRAMENTO, CALIFORNIA 95814
 (916) 445-9686



December 28, 1982

NOTICE TO OPERATORS

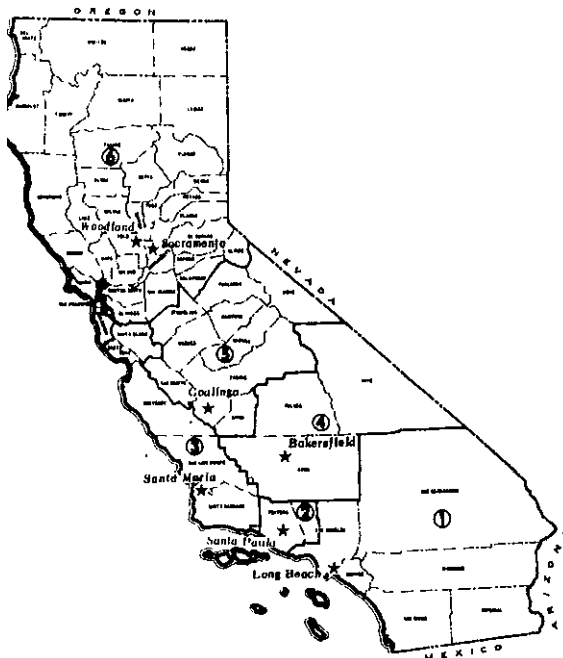
The members of the Great Valley Operators Committee have agreed to accept standardized projected section lines for parts of Northern California that are unsurveyed by the U. S. Geological Survey.

The Division of Oil and Gas will adopt these standardized lines for the Sacramento Valley area (District 6, see map below) on January 1, 1983. After that date, all new well locations in unsurveyed portions of District 6 should be submitted to the Division with coordinates based on the new standardized lines.

The new projected lines have been placed on copies of USGS topographic quadrangle maps (see list on back of this notice) and on all Division maps for District 6. These USGS and Division maps can be purchased from the Division at a price of \$3.00 each.

All Division maps covering District 6 also show the old section corners used before January 1, 1983, for use in locating wells reported to the Division prior to that date.

If you have any questions regarding this project, please call Wally Fung at (916) 323-1784.



M. G. Mefferd
 M. G. Mefferd
 State Oil and Gas Supervisor

OFFICES

- Headquarters: 1416 9th Street, Rm. 1316-35, Sacramento 95814
 Phone: (916) 445-9686
- District No. 1: 5199 E. Pacific Coast Hwy., Suite 309-N, Long Beach 90804
 Phone: (213) 590-5311
- District No. 2: 146 S. Ojai Street, P.O. Box 67, Santa Paula 93060
 Phone: (605) 525-2105
- District No. 3: 301 W. Church Street, P.O. Box 227, Santa Maria 93454
 Phone: (805) 925-2686
- District No. 4: 4800 Stockdale Hwy., Suite 417, Bakersfield 93309
 Phone: (805) 322-4031
- District No. 5: 466 N. Fifth Street, P.O. Box 616, Coalinga 93210
 District No. 6: 117 W. Main Street, Suite 11, Woodland 95695
 Phone: (916) 662-4683
- District No. 6: 117 W. Main Street, Suite 11, Woodland 95695
 Phone: (916) 662-4683

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

1416-9th STREET, ROOM 1310

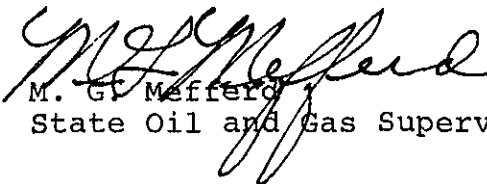
SACRAMENTO, CALIFORNIA 95814

(916) 445-9686

**NOTICE TO OPERATORS**

This is to remind you that the law requires the filing, with the Division of Oil and Gas, of all electrical, physical, or chemical logs, tests, or surveys that are made in conjunction with the drilling, reworking, or abandonment of an oil, gas, or geothermal well. This requirement includes the filing of mud logs, if made.

To ensure that these requirements are met, the well history (Form OG103 or OGG103) filed subsequent to any drilling, rework, or abandonment operation must list all such logs, tests, or surveys made during the operation. All of these records must be filed with the appropriate Division of Oil and Gas office within 60 days of well completion, suspension, or abandonment. Division office locations and districts are shown on the back of this notice.


M. G. Mefferd
State Oil and Gas Supervisor

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

1416-9th STREET, ROOM 1310
SACRAMENTO, CALIFORNIA 95814
(916) 445-9686




NOTICE TO OPERATORS

It is a requirement of the Division of Oil and Gas that the involved operator promptly contact the appropriate Division district office of the following types of incidents, if such incidents are related to oil or gas drilling or producing operations:

- (1) Blowouts
- (2) Fires
- (3) Hazardous gas leaks
- (4) Accidents involving fatality, serious injury, or substantial property loss.

Your compliance with this requirement will allow this Division to investigate these occurrences promptly, and make appropriate statements or recommendations in a timely manner, when they are warranted.


M. G. Mefford
State Oil and Gas Supervisor

July 1, 1982

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS1416-9th STREET, ROOM 1310
SACRAMENTO, CALIFORNIA 95814
(916) 445-9686

NOTICE TO ALL OPERATORS

Assembly Bill No. 1616 (Rogers) was introduced during the 1981 legislative session to improve provisions set forth in the Public Resources Code that pertain to the Division's regulation of oil, gas, and geothermal operations.

The bill was signed into law on September 24, 1981, and will become effective on January 1, 1982. Provisions of the bill that are of direct interest to operators are listed below.

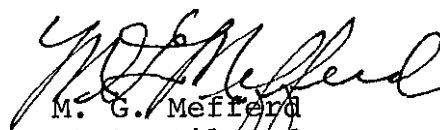
Sections 3205.5 and 3728.5. For the drilling, redrilling, deepening, or altering the casing of a well, an indemnity bond is required to secure the State against any losses. This bill deletes the provisions that allow an operator to submit bonds issued by the United States or the State of California in lieu of an indemnity bond issued by a surety company. Cash bonds and investment certificates will still be acceptable.

Section 3232. This amendment pertains to the filing of well abandonment records with the Division. The time for filing has been extended from five to sixty days.

Section 3225. For an operator to make an appeal of a written order made by the Division concerning any operations, prior law required the operator to make a request that the Division prepare a definite order on the subject. The new law permits an operator to file an appeal to the Director of the Department of Conservation on the original order rather than having to request an additional order from the Division.

Sections 3350 and 3762. Operators that appeal an order will now have ten days to file with the Director. Prior law allowed five days.

Section 3409. An amendment has been made regarding the penalties that are imposed against operators who fail to report, for assessment purposes, their annual oil and gas production volumes. The change will make the penalty provisions more realistic.


M. G. Mefford
State Oil and

Gas Supervisor

November 30, 1981

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS1416-9th STREET, ROOM 1310
SACRAMENTO, CALIFORNIA 95814
(916) 445-9686*NOTICE TO OPERATORS*

Effective January 1, 1982, total sales under \$25.00 of maps, publications, and copies of records by the Division of Oil and Gas will be accepted on a cash basis only. We will continue to invoice charges in excess of \$25.00.

We regret that we can no longer provide a charge service to our customers for the lower amount. However, more than half of all charge sales are for amounts under \$25.00, and we can no longer justify such sales in our budgeting process.

Your cooperation in informing personnel affected by this change will be appreciated.

Sincerely,

A handwritten signature in cursive script, appearing to read "M. G. Mefferd".

M. G. Mefferd
State Oil and Gas Supervisor

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

1416-9th STREET, ROOM 1310

SACRAMENTO, CALIFORNIA 95814

(916) 445-9686



NOTICE TO OIL AND GAS OPERATORS

The purpose of this notice is to explain the responsibilities of the Division of Oil and Gas under the California Environmental Quality Act (CEQA), with respect to the drilling of oil and gas wells.

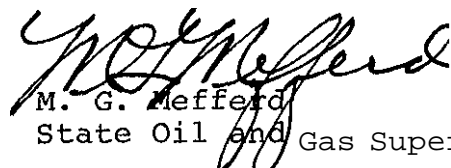
It is a common misconception that the Division is the lead agency under CEQA for such projects. The Division, however, is most commonly a responsible agency and not lead agency. Let me clarify these two often-misunderstood terms: The lead agency, which is the agency responsible for the environmental review and documentation, is generally the local land-use permitting authority (city or county). A responsible agency is an agency, other than the lead agency, that has additional approval (permitting) authority over the project.

It is the responsibility of the lead agency to determine whether a project is categorically exempt or requires an environmental document, such as a negative declaration or an EIR. Responsible agencies utilize the environmental output of the lead agency in their own permitting process, and normally will not determine whether a project is or is not categorically exempt.

In certain cases, the Division has had to assume the lead agency role when the statutory lead agency has failed to accept lead agency status. In these cases, we have found that the majority of operations within existing fields are categorically exempt from CEQA under either Class 1: Existing Facilities (Sec. 16874, CAC), or Class 4: Minor Alterations to Land (Sec. 1687.7, CAC). Furthermore, many exploratory operations are also exempted under Class 4.

In cases where the Division must prepare an environmental document, it is our commitment to do this with minimum project delay.

If you have any further questions about the Division's CEQA responsibilities or questions related to CEQA, do not hesitate to call either Si Cordova or Bob Reid at (916) 445-9686.


M. G. Mefferd
State Oil and Gas Supervisor

September 25, 1981

Orlene

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

1416 - 9th STREET, ROOM 1310
SACRAMENTO, CALIFORNIA 95814
(916) 445-9686



NOTICE TO GEOTHERMAL OPERATORS
(REVISED)

This is to inform you that the Division of Oil and Gas is opening a new Geothermal Unit district office in El Centro. Beginning September 1, 1981, all geothermal correspondence, inquiries, and calls for field tests, etc., for District G-2 should be directed to:

Mr. Richard Corbaley
Division of Oil and Gas
485 Broadway, Suite B
El Centro, California 92243
Telephone: (7li) 353-9900

Office hours are 8:00 a.m. to 5:00 p.m. ; any telephone calls made to the office after normal working hours will be handled by a 24-hour answering service.

M.G. Mefferd
State Oil and Gas Supervisor

September 3, 1981

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

1416-9th STREET, ROOM 1310
SACRAMENTO, CALIFORNIA 95814
(916) 445-9686



March 4, 1981

NOTICE TO ALL OIL, GAS, AND GEOTHERMAL OPERATORS' AND INTERESTED PERSONS

Assembly Bill 1111 (McCarthy) of 1979, requires state regulatory agencies to conduct a comprehensive review of all their regulations that were in effect and a part of the California Administrative Code prior to July 1., 1980. The purpose of this review is to remove any unnecessary or unauthorized regulations and to simplify and improve their overall quality.

Specifically, state agencies must evaluate existing regulations to determine whether they are:

1. ...§§ sary to implement, interpret, or make specific to a law or court **decisiou;**
2. Adopted by agencies a!..horizrcJ. to do so;
3. glea b': writi:..en so that persons affected by them can easily understand them;
4. Consistent with existing laws; and
5. Refer: enced to a specific statute or court decision.

The Division of Oil and Gas will be reviewing all of its regulations in Title 14, **Division .2, Chapters 2 and 4 of the California Administrative Code . OperatoYs and interested persons are invited to participate in the regulation review by providing cornntents and suggestions. Written co1nG1ents on each subchapter should be submitted to the division prior to the following dates:**

Chapter 4 --

<u>Subchapter</u>	<u>Title of Regulation</u>	<u>Comunent. Due Prior To</u>
3.	Unit Operations	4/1/81
4.	Statewide Geothermal Regulations	5/1/81
2.	Environmental Protection	7/1/81.
1.1	Offshore Well Regulations	9/1/81
1.	Onshore Well. Regulations	11/31/81
Chapter 2	Implementation of CEQA	11/31/81

Copies of Title 14, Division 2 of the current regulations are available from the State of California, Documents Section, P. O. Box 1015, North Highlands, California 95660. The cost is \$6.04.

Notice to All Oil, Gas, and Geothermal Operators and Interested Persons
Page Two
March 4, 1981

Inquiries and comments should be directed to Robert Reid, Division of Oil and Gas, 1416 Ninth Street, Room 1310, Sacramento, California 95814 (telephone: (916) 445-9686).

State Oil ~~##~~ as Supervisor

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS1416-9th STREET, ROOM 1310
SACRAMENTO, CALIFORNIA 95814
(916) 445-9686

January 14, 1981

NOTICE TO ALL OPERATORS AND INTERESTED PERSONS

Assembly Bill 1111 (McCarthy) of 1979, requires state regulatory agencies to conduct a comprehensive review of all their regulations that were in effect and a part of the California Administrative Code prior to July 1, 1980. The purpose of this review is to remove any unnecessary or unauthorized regulations and to simplify and improve their overall quality.

Specifically, state agencies must evaluate existing regulations to determine whether they are:

1. Necessary to implement, interpret, or make specific a law or court decision;
2. Adopted by agencies authorized to do so;
3. Clearly written so that persons affected by them can easily understand them;
4. Consistent with existing laws; and
5. Referenced to a specific statute or court decision.


The Division of Oil and Gas will be reviewing all of its regulations in Title 14, Division 2, Chapter 4 of the California Administrative Code. Operators and interested persons are invited to participate in the regulation review by providing comments and suggestions. A phased review of the regulations will be made; therefore, written comments on each subchapter should be sent to the address listed below prior to the following dates:

<u>Subchapter To</u>	Regulation	<u>Comment Due Prior</u>
5•	Disclosure and Inspection of Public Records	2/23/81
3.	Unit Operations	4/1/81
4.	Statewide Geothermal Regulations	5/1/81
2•	Environmental Protection	7/1/81
1.1	Offshore Well Regulation'i	9/1/81
1.	Onshore Well Regulation s	11/31/81
2.	Implementation of CEQA	11/31/81

Notice to All Operators and Interested Persons. - Page Two
January 14, 1981

Copies of Title 14, Division 2 of the current regulations are available from the State of California, Documents Section, P.O. Box 1015, North Highlands, CA 95660. The cost is \$6.04.

Inquiries and comments should be directed to Robert Reid, Division of Oil and Gas, 1416 Ninth Street, Room 1310, Sacramento, CA 95814. (Telephone: (916) 445-9686),



M. G. Mefford
State Oil and Gas Supervisor

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

1416-9th STREET, ROOM 1310
SACRAMENTO, CALIFORNIA 95814
(916) 445-9686



January 14, 1981

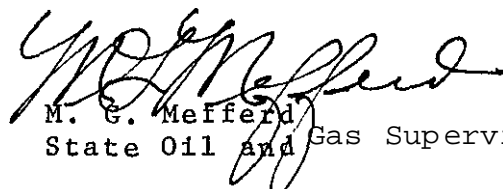
NOTICE TO OPERATORS

This notice is to alert you to the notification and abandonment procedures that are required if a radioactive source is lost in an oil, gas, or geothermal well.

The state Department of Health Services has regulations regarding the loss of radioactive logging tools in wells. These regulations affect both service companies and operators. Requirements include:

- 1) Notification of the loss
- 2) Identification of the well
- 3) Proper abandonment procedures, which in general shall include:
 - a) Covering the radioactive source with a standard color-dyed (red iron oxide) cement plug (minimum 100') on top of which a whipstock or other approved deflection device shall be set.
 - b) Upon permanent abandonment of the well, a plaque shall be attached to the top of the casing in such a manner that re-entry cannot be accomplished without disturbing the plaque. The plaque shall carry the trefoil radiation symbol with a radioactive warning and shall be constructed of stainless steel or brass.
 - c) The plugging history filed with the Department of Health Services and the Division of Oil and Gas shall identify the well as an abandoned radioactive source well and shall show compliance with the required abandonment procedures.

In the event a radioactive source is lost, operators should contact the Department of Health Services in Sacramento at (916) 445-0931 (after work hours call (916) 391-7716) and the appropriate Division of Oil and Gas district office. Final instructions for remedial work or plugging procedures will be given by the Division of Oil and Gas after consultation with the Department of Health Services.


M. E. Mefferd
State Oil and Gas Supervisor

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

1416 - 9th STREET, ROOM 1310

SACRAMENTO, CALIFORNIA 95814

(916) 44.5-9686



January 14, 1981

NOTICE TO ALL OPERATORS AND INTERESTED PERSONS

Assembly Bill 1111 (McCarthy) of 1979, requires state regulatory agencies to conduct a comprehensive review of all their regulations that were in effect and a part of the California Administrative Code prior to July 1, 1980. The purpose of this review is to remove any unnecessary or unauthorized regulations and to simplify and improve their overall quality.

Specifically, state agencies must evaluate existing regulations to determine whether they are:

1. Necessary to implement, interpret, or make specific a law or court decision;
2. Adopted by agencies authorized to do so;
3. Clearly written so that persons affected by them can easily understand them;
4. Consistent with existing laws; and
5. Referenced to a specific statute or court decision.

The Division of Oil and Gas will be reviewing all of its regulations in Title 14, Division 2, Chapter 4 of the California Administrative Code. Operators and interested persons are invited to participate in the regulation review by providing comments and suggestions. A phased review of the regulations will be made; therefore, written comments on each subchapter should be sent to the address listed below prior to the following dates:

Subchapter	Regulation	<u>Comment Due Prior</u>
<u>To 5.</u>	Disclosure and Inspection of Public Records	2/23/81
3.	Unit Operations	4/1/81
4.	Statewide Geothermal Regulations	5/1/81
2•	Environmental Protection	7/1/81
1.1	Offshore Well Regulation1;1	9/1/81
1.	Onshore Well Regulations	11/31/81
2•	Implementation of CEQA	11/31/81

DEPARTMENT OF CONSERVATION

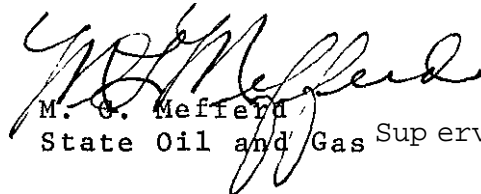
DIVISION OF OIL AND GAS

1416-9th STREET, ROOM 1310
SACRAMENTO, CALIFORNIA 95814
(916) 445-9686

*NOTICE TO OPERATORS AND CONTRACTORS*

It is a practice of some operators and contractors to vent gas at the wellhead of low-pressure or presumably dead wells prior to or during remedial operations. This practice has caused accidents resulting in serious injuries to personnel and substantial losses of equipment in several recent instances. Therefore, the California Division of Oil and Gas strongly recommends that any gas vented from a well should be flared or controlled to prevent hazardous concentrations from reaching sources of ignition or from otherwise endangering employees.

We further recommend that, from both a safety and a conservation standpoint, the recovery of this gas be the preferred course of action. We note that some operators have already initiated vapor recovery procedures for such gas during remedial operations, and we commend them for this action.


M. G. Mefferd
State Oil and Gas Supervisor

October 23, 1980

DEPARTMENT OF CONSERVATION

DIVISION OF OIL AND GAS

1416-9th STREET, ROOM 1310
SACRAMENTO, CALIFORNIA 95814
(916) 445-9686

NOTICE TO ALL OPERATORS

Under the provisions of the recently enacted Windfall Profits Tax Act of 1980, crude oil produced from tertiary oil projects may qualify for a reduced tax rate if certain qualifying requirements are certified by a petroleum engineer, or an appropriate state jurisdictional agency, or, if the project is located on lands under federal jurisdiction, the U.S. Geological Survey.

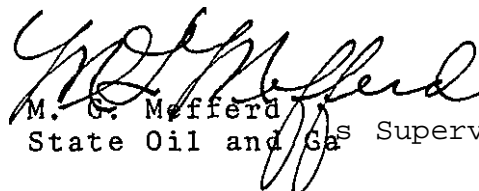
The California Division of Oil and Gas has been designated by Governor Brown as the state agency that may perform such certification.

To obtain a certification, the Act states that a tertiary recovery project must meet the following requirements:

1. The project involves the application of one or more tertiary recovery methods that can reasonably be expected to result in more than an insignificant increase in the amount of crude oil that will ultimately be recovered.
2. The project beginning date is after May 1979.
3. The portion of the property to be affected by the project is adequately delineated.

Operators who wish certification from the Division of Oil and Gas should submit their request to the district office in which the project is to be implemented for initial review and recommendation. Qualified projects will then be submitted to the State Oil and Gas Supervisor for certification.

For additional information concerning tertiary oil projects or other provisions of the Act, the Internal Revenue Service (IRS) should be contacted.


M. G. Mefferd
State Oil and Gas Supervisor

August 22, 1980