

1 Department of Conservation, Division of Oil, Gas, and Geothermal Resources
Kenneth A. Harris, Jr.
2 STATE OIL AND GAS SUPERVISOR
801 K Street, MS 24-03 (Legal Office)
3 Sacramento, California 95814-3530
Telephone (916) 323-6733
4 Facsimile (916) 445-9916

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8 **STATE OF CALIFORNIA**
9 **NATURAL RESOURCES AGENCY**
10 **DEPARTMENT OF CONSERVATION**
11 **DIVISION OF OIL, GAS, AND GEOTHERMAL RESOURCES**

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14 **ORDER TO PLUG AND ABANDON WELLS,**
15 **DECOMMISSION ATTENDANT FACILITIES,**
16 **AND RESTORE WELL SITE, NO. 1155**

17
18 **Operator: Ample Resources, Inc. (A2490)**

19 **Wells: Snow 1A (111-04079), Snow 2 (111-04080), Temescal 9-1 (111-21634), Temescal 9-2 (111-**
20 **21635), Temescal 9-3 (111-21652), Temescal 9-4 (111-21649), Temescal 9-5 (111-21653), Temescal**
21 **9-6 (111-21662), Temescal 9-7 (111-21820), Temescal 9-8 (111-21909)**

22 **I. Introduction**

23 The State Oil and Gas Supervisor (Supervisor), acting through the Division of Oil, Gas, and
24 Geothermal Resources (Division), may order the plugging and abandonment of a well or the
25 decommissioning of a production facility that has been deserted, whether or not any damage is occurring,
26 or threatened, by reason of that deserted well. (Pub. Resources Code [PRC], § 3237, subd. (a).) A
27 rebuttable presumption of desertion arises when the operator has failed to comply with an order of the
28 Supervisor within the time provided by the order or has failed to challenge the order on a timely basis.

1 (PRC, § 3237 subd. (a)(3)(C)). It is also a rebuttable presumption of desertion when the operator has
2 failed to maintain the access road to a well or production facility site passable to oilfield and emergency
3 vehicles. (PRC, § 3237 subd. (a)(3)(F))

4 Based on the Division's records, Ample Resources, Inc. is the "operator" (Operator) (as defined
5 in PRC section 3009) (See Exhibit A, incorporated herein) and is responsible (as specified in PRC section
6 3237, subd. (c)(1)), for the plugging and abandonment of the well(s) on Exhibit B (incorporated herein;
7 the Well(s)), the decommissioning of the attendant production facilities (the Facilities), and the restoration
8 of the well site. Herein, the Supervisor is ordering Operator to do so because the Supervisor has
9 determined, based on information, belief, and the credible evidence detailed below, that Operator has
10 deserted the Wells and Facilities.

11 Therefore, pursuant to PRC sections 3106, 3206, 3226, and 3237, and as set forth below, the
12 Supervisor is ordering Operator to plug and abandon the Wells, decommission the Facilities, and restore
13 the well site according to PRC sections 3208, 3228, 3229, and 3230, California Code of Regulations, title
14 14, sections 1722, 1723 through 1724.1, 1760, 1775, and 1776, (Cal. Code Regs. [Regulations], tit. 14, §§
15 1722, 1723-1724.1, 1760, 1775, 1776), and the conditions included in any permit/approval the Division
16 may issue pursuant to PRC section 3229.

17 **II. Definitions**

18 **PRC section 3008, subdivision (a)**, defines "Well" to mean "any oil or gas well or well for the
19 discovery of oil or gas; any well on lands producing or reasonably presumed to contain oil or gas," among
20 others.

21 **PRC section 3009** defines "Operator" to mean "a person who, by virtue of ownership, or under
22 the authority of a lease or any other agreement, has the right to drill, operate, maintain, or control a well
23 or production facility."

24 **Regulations section 1760, subdivision (k)**, defines "Production facility" to mean "any equipment
25 attendant to oil and gas production...including, but not limited to, tanks, flowlines, headers, gathering
26 lines, wellheads, heater treaters, pumps, valves, compressors, injection equipment, production safety
27 systems, separators, manifolds, and pipelines that are not under the jurisdiction of the State Fire Marshal
28 pursuant to Section 51010 of the Government Code, excluding fire suppressant equipment."

1 with the requirements of this chapter, and other actions of the operator with regard to the well or
2 production facility.

3 **PRC section 3237, subdivision (a)(3)**, states that a rebuttable presumption of desertion arises in
4 any of the following situations: (C) If an operator has failed to comply with an order of the Supervisor
5 within the time provided by the order or has failed to challenge the order on a timely basis[,] (F) If an
6 operator has failed to maintain the access road to a well or production facility site passable to oilfield and
7 emergency vehicles.

8 **IV. Credible Evidence of Desertion**

9 A. The Response or Lack of Response of the Operator to Inquiries and Requests from the Supervisor or
10 District Deputy and the Extent of Compliance by the Operator with the Requirements of this Chapter
11 Ample Resources has not responded to Order Numbers 1144 (Order to Plug and Abandon Wells),
12 1145 (Emergency Order to Perform Remedial Work), 1146 (Order to Perform Remedial Work), and 1147
13 (Order to Pay a Civil Penalty). (Exhibits C-1 through C-4, incorporated herein)

14 **V. Rebuttable Presumption of Desertion**

15 A. Failure to Comply with Order to Plug and Abandon Wells, Decommission Attendant Facilities and
16 Restore Well Site No. 1144

17 The Division's records show that Order No. 1144 to Plug and Abandon Wells (Exhibit C-1) for failure
18 to pay idle well fees was issued to the operator on March 4, 2019. On April 5, 2019, Division staff
19 inspected to facility to assess the status of whether efforts have commenced to plug and abandon the wells
20 to discover that no effort to plug and abandon wells had commenced. Operator's failure to comply with
21 the Order to Plug and Abandon Wells is credible evidence of desertion. (PRC, § 3237 subd. (a)(3)(C))

22
23 B. Failure to Comply with Order to Perform Remedial Work No. 1146

24 The Division's records indicate that an Order to Perform Remedial Work No. 1146 was issued to
25 operator on March 4, 2019. No timely appeal was received, and the Order became final on March 19,
26 2019. On May 8, 2019, Division staff inspected the facility to assess compliance with the Order to Perform
27 Remedial Work No. 1146. The inspection revealed that there is either no change in the conditions where
28 remedial work was ordered or in some circumstances, the conditions have further degraded and are worse

1 than around approximately the same time last year. (Exhibit D- Comparison Photographs, Incorporated
2 herein)

3
4 C. Failure to Maintain Access Roads to a Well or Production Facility

5 During inspections on or about May 22, 2018, May 25, 2018, November 6, 2018, and January 8,
6 2019 and as documented in Exhibit D, Division staff observed that the access road to wells on Snow and
7 Hidden Leases (Snow 1A (API 111-04079), Snow 2(API 111-04080) and Hidden 1 (API 111-04076))
8 were in disrepair. Emergency vehicles and rigs or heavy equipment necessary for well work would be
9 unable to navigate the road without driving on/over pipeline and/or timely access wells in the event of an
emergency considering the existing road conditions.

10 **VI. Operator's Required Actions**

11 For the reasons stated above, the Division has determined that Operator has deserted the Well(s)
12 and Facilities. Therefore, **IT IS HEREBY ORDERED** that Operator plug and abandon the Well(s) and
13 decommission the Facilities and restore the well site according to PRC sections 3208, 3228, 3229, 3230,
14 and 3227, Regulations sections 1722, 1723 through 1724.1, 1760, 1775, and 1776, and the conditions
15 included in any permit the Division may issue pursuant to PRC section 3229.

16 **VII. Operator's Appeal Rights**

17 PRC section 3237, subdivision (b), entitles an operator to appeal a Supervisor's order to plug and
18 abandon a deserted well. A notice of appeal must be timely made, in writing, and filed with the
19 Department of Conservation Director (Director). (See PRC beginning at PRC section 3350.) If this Order
20 is mailed to you, the Director must receive the appeal within (15) days from the date the Supervisor mails
21 the Order. To file an appeal, a written notice of appeal may be sent via U.S. mail to:

22 Department of Conservation
23 Director's Office of Appeals
24 801 K Street, MS 24-03 (Legal Office, Chief Counsel)
Sacramento, California 95814-3530

25 If Operator does not file a timely written notice of appeal, this Order will become a final order and
26 the Division may contract for performance of the work, pursuant to PRC section 3226, if, within 30 days
27 of this Order, Operator has not, in good faith, commenced the work ordered. Any costs incurred by the
28

1 Supervisor to obtain compliance with this Order (which may include penalties and interest) will constitute
2 a lien against Operator's real or personal property per PRC section 3423.

3 If Operator submits a timely written notice of appeal, it, and interested parties, will receive notice
4 of the appeal hearing date, time, and place. Following the hearing, Operator, and interested parties, will
5 receive a written decision that affirms, sets aside, or modifies the appealed order.

6 **VIII. Other Potential Actions to Enforce This Order**

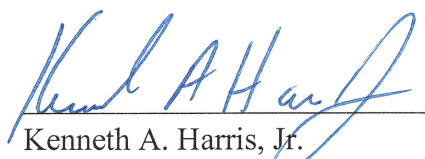
7 Failing to comply with Section VI (Operator's Required Actions) of this Order could subject
8 Operator to further enforcement action. For example, the Supervisor could deny approval of proposed
9 well operations until compliance is achieved. (PRC, § 3203, subd. (c).)

10 In addition, PRC section 3236.5 authorizes the Supervisor to impose a civil penalty on a person
11 who violates any provision in Chapter 1 of Division 3 of the PRC or any regulation that implements those
12 statutes, and the Supervisor may in the future impose a civil penalty based on the acts and omissions
13 underlying this Order.

14 Further, PRC section 3236 makes it a misdemeanor for any person who violates, fails, neglects, or
15 refuses to comply with any of the provisions of the oil and gas law (statutes and regulations). The
16 misdemeanor is punishable by a fine of not less than one hundred dollars (\$100) nor more than one
17 thousand dollars (\$1,000), or by imprisonment not exceeding six months, or by both the fine and
18 imprisonment for each separate offense. PRC section 3359 makes it a misdemeanor to fail or neglect to
19 comply with an order of the Supervisor. Each day's further failure, refusal, or neglect is a separate and
20 distinct offense. (PRC, § 3359.)

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22 DATED:

May 20, 2019



Kenneth A. Harris, Jr.
State Oil and Gas Supervisor