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STATE OF CALIFORNIA

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NATURAL RESOURCES AGENCY

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DEPARTMENT OF CONSERVATION

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GEOLOGIC ENERGY MANAGEMENT DIVISION

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ORDER TO PLUG AND ABANDON WELL,

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DECOMMISSION ATTENDANT FACILITIES,

16

AND RESTORE WELL SITE

17

NO. 1160

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Operator: Lena Pauline Savage (05275)

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Well: Unspecified Lease (API 037-18753)

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1 **I. Introduction**

2 The State Oil and Gas Supervisor (**Supervisor**), acting through the Geologic Energy
3 Management Division (**CalGEM**), and under the authority of Division 3 of the Public Resources
4 Code (**PRC**; commencing with PRC section 3000) and title 14 of the California Code of
5 Regulations (**Regulations**), may order the plugging and abandonment of a well or the
6 decommissioning of a production facility that has been deserted, whether or not any damage
7 is occurring, or threatened, by reason of that deserted well. (PRC, § 3237, subd. (a).)

8 Based on CalGEM's records, Lena Pauline Savage (**Operator**) is or was an "operator"
9 (as defined in PRC, § 3009) and is responsible (as specified in PRC, § 3237, subd. (c)(1)), for the
10 plugging and abandonment of the well identified on **Attachment A**, incorporated herein (**the**
11 **Well**), the decommissioning of the production facilities attendant to the Well (**the Facilities**),
12 and the restoration of the well site. Based on information, belief, and the evidence described
13 below, the Supervisor has determined that the Well and the Facilities have been deserted.
14 Therefore, pursuant to PRC sections 3106, 3206.1, 3224, 3226, and 3237, and as set forth below,
15 the Supervisor is ordering Operator to plug and abandon the Well, to decommission the
16 Facilities, and to restore the well site, consistent with all applicable requirements, including PRC
17 sections 3208, 3228, 3229, and 3230; Regulations sections 1722, 1723 through 1723.8, 1724
18 through 1724.1, 1760, 1775, and 1776; and the conditions included in any permit/approval
19 CalGEM may issue pursuant to PRC section 3229.

20 **II. Definitions**

21 **PRC section 3008, subdivision (a)**, defines "well" to mean, among other things, "any oil
22 or gas well or well for the discovery of oil or gas; any well on lands producing or reasonably
23 presumed to contain oil or gas."

24 **PRC section 3008, subdivision (d)**, defines "idle well" to mean "any well that for a period
25 of 24 consecutive months has not either produced oil or natural gas, produced water to be
26 used in production stimulation, or been used for enhanced oil recovery, reservoir pressure
27 management, or injection."
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1 **PRC section 3009** defines “operator” to mean “a person who, by virtue of ownership, or
2 under the authority of a lease or any other agreement, has the right to drill, operate, maintain,
3 or control a well or production facility.”

4 **PRC section 3010** defines “production facility” to mean “any equipment attendant to oil
5 and gas production or injection operations including, but not limited to, tanks, flowlines,
6 headers, gathering lines, wellheads, heater treaters, pumps, valves, compressors, injection
7 equipment, and pipelines that are not under the jurisdiction of the State Fire Marshal pursuant
8 to Section 51010 of the Government Code.” (See also Regulations, § 1760, subd. (r).)

9 **III. State Oil and Gas Supervisor Authority**

10 **PRC section 3106** authorizes the Supervisor to supervise the drilling, operation,
11 maintenance, and abandonment of oil and gas wells to “prevent, as far as possible, damage
12 to life, health, property, and natural resources; damage to underground oil and gas deposits
13 from infiltrating water and other causes; loss of oil, gas, or reservoir energy, and damage to
14 underground and surface waters suitable for irrigation or domestic purposes by the infiltration
15 of, or the addition of, detrimental substances.”

16 **PRC section 3206.1, subdivisions (a) and (e)**, provide that failure to comply with the
17 requirements of CalGEM regulations implementing PRC section 3206.1, which include CalGEM
18 regulations governing the testing of idle wells, “shall be conclusive evidence of desertion of
19 the well, permitting the supervisor to order the well abandoned pursuant to Section 3237.”

20 **PRC section 3224** mandates that the Supervisor “order such tests or remedial work as in
21 his judgment are necessary to prevent damage to life, health, property, and natural resources;
22 to protect oil and gas deposits from damage by underground water; or to prevent the escape
23 of water into underground formations, or to prevent the infiltration of detrimental substances
24 into underground or surface water suitable for irrigation or domestic purposes, to the best
25 interests of the neighboring property owners and the public.”

26 **PRC section 3226** sets default deadlines by which operators must comply with certain
27 types of CalGEM orders requiring work, and authorizes the Supervisor, based on a final or
28 affirmed CalGEM order, to appoint agents who may enter the premises and perform

1 necessary work if the operator did not timely complete the work as ordered. Any amount
2 CalGEM expends to ensure completion of the necessary work (as well as potential penalties
3 and interest) constitutes a lien against the operator's real or personal property according to
4 PRC section 3423.

5 **PRC section 3237, subdivision (a)(1)**, authorizes the Supervisor to "order the plugging
6 and abandonment of a well...that has been deserted whether or not any damage is
7 occurring or threatened by reason of that deserted well." The Supervisor or district deputy
8 "shall determine from credible evidence whether a well...is deserted."

9 **IV. Conclusive Evidence of Desertion**

10 Failure to comply with the requirements of CalGEM regulations implementing PRC
11 section 3206.1, which include CalGEM regulations governing the testing of idle wells, "shall be
12 conclusive evidence of desertion of the well, permitting the supervisor to order the well
13 abandoned pursuant to Section 3237." (PRC, § 3206.1, subd. (e).) Regulations section 1772.1.4,
14 which describes requirements for operators to test idle wells and to prepare work plans for
15 ensuring timely compliance with those testing requirements, is one of the regulations
16 implementing PRC section 3206.1. For any well that was an idle well as of April 1, 2019, unless
17 the well was properly plugged and abandoned, partially plugged and abandoned, or is
18 scheduled for abandonment as part of a CalGEM-approved Idle Well Management Plan or
19 Testing Waiver Plan, Regulations section 1772.1.4, subdivision (a), required the operator of the
20 well, by no later than June 1, 2019, to provide CalGEM with a Testing Compliance Work Plan
21 that schedules completion of necessary idle well testing for the well, including a pressure test
22 and clean out tag, within the time allotted by regulation. (Regulations, § 1772.1.4, subd. (a).)

23 Based on information, belief, and a review of CalGEM's records, as of April 1, 2019, the
24 Well was an idle well. As of the date of this order, the Well remains an idle well, the Well has not
25 been partially plugged and abandoned, and the Well is not scheduled for abandonment as
26 part of a CalGEM-approved Idle Well Management Plan or Testing Waiver Plan. Therefore, a
27 Testing Compliance Work Plan for the Well was due by June 1, 2019. As of the date of this
28 order, CalGEM has not received a Testing Compliance Work Plan for the Well. This failure to

1 provide the required Testing Compliance Work Plan for the Well is conclusive evidence that
2 the Well is deserted. (PRC, § 3206.1, subd. (e).)

3 **V. Rebuttable Presumption of Desertion**

4 **A. Removal of production facilities or injection equipment from well site for at least two**
5 **years.**

6 A rebuttable presumption of desertion arises if a well's production facilities or injection
7 equipment has been removed from the well site for at least two years. (PRC, § 3237, subd.
8 (a)(3)(B).) Based on CalGEM records, including observations made during inspections of the
9 well site conducted in 2004 and 2018, essential production and injection equipment, such as a
10 surface pumping unit and tanks, have been removed from the well site for more than two
11 years. This creates a rebuttable presumption that the Well and the Facilities are deserted.

12 **B. Failure to designate an agent as required by PRC section 3200.**

13 A rebuttable presumption of desertion arises if an operator fails to designate an agent as
14 required by PRC section 3200. (PRC, § 3237, subd. (a)(3)(D).) PRC section 3200 provides:

15 An owner or operator of a well or production facility shall designate an
16 agent, giving his or her address, who resides in this state, to receive and
17 accept service of all orders, notices, and processes of the supervisor or a
18 court of law. Every person so appointing an agent shall, within five days after
19 the termination of the agency, notify the supervisor, in writing, of the
20 termination, and unless operations are discontinued, shall appoint a new
21 agent.

22 CalGEM records indicate the most recent and current contact address on record
23 provided by Operator is P.O. Box 382, Whittier, CA, 90608. CalGEM communications sent to this
24 address have been returned as undeliverable, indicating this address information is no longer
25 a valid contact for Operator. Operator's failure to provide and maintain on file with CalGEM
26 accurate contact information for a designated person in California to accept service of
27 notices, orders, and other important communications (i.e., an "agent"), as required by PRC
28 section 3200, creates a rebuttable presumption that the Well and the Facilities are deserted.

1 **C. Failure to maintain an access road to the well and the production facilities passable to**
2 **oilfield and emergency vehicles.**

3 A rebuttable presumption of desertion arises if the operator has failed to maintain the
4 access road to a well or production facility site passable to oilfield and emergency vehicles.
5 (PRC, § 3237, subd. (a)(3)(F).) Based on information, belief, and CalGEM records, including
6 observations made during inspections of the well site conducted in 2004 and 2018, road
7 access to the location of the Well and the Facilities suitable for oilfield and emergency
8 vehicles has not been maintained. This creates a rebuttable presumption that the Well and
9 the Facilities are deserted.

10 **VI. Credible Evidence of Desertion**

11 Credible evidence of desertion includes, but is not limited to, the operational history of the
12 well or production facility, the response or lack of response of the operator to inquiries and
13 requests from the supervisor or district deputy, the extent of compliance by the operator with
14 the requirements of this chapter, and other actions of the operator with regard to the well or
15 production facility. (PRC, § 3237, subd. (a)(2).)

16 CalGEM records reflect that the Well appears to have remained non-operational since at
17 least 2004 and perhaps many years longer. Operator has not responded to CalGEM's
18 attempts to communicate. Operator has not maintained compliance with applicable
19 requirements for operation of the Well and the Facilities. This includes, for example, PRC
20 section 3227's requirements to file monthly and quarterly statements quantifying production or
21 injection activity at the Well and the disposition of water associated with operation of the Well.
22 Such statements are required even when no production or injection has occurred, and
23 regardless of whether the well in question is an idle well. These facts are credible evidence
24 that the Well is deserted.

25 **VII. Operator's Required Actions**

26 For the reasons stated above, CalGEM has determined that the Well and the Facilities
27 are deserted. Therefore, pursuant to PRC sections 3106, 3206.1, 3224, 3226, and 3237, **IT IS**
28 **HEREBY ORDERED** that Operator plug and abandon the Well, decommission the Facilities, and

1 restore the well site consistent with all applicable requirements of PRC sections 3208, 3228,
2 3229, and 3230; Regulations sections 1722, 1723 through 1723.8, 1724 through 1724.1, 1760,
3 1775, and 1776; and the conditions included in any permit CalGEM may issue pursuant to PRC
4 section 3229.

5 **VIII. Operator's Appeal Rights**

6 Operator may appeal this Order by filing a timely written notice of appeal with the
7 Director as described in Article 6 (Appeals and Review) of Division 3 of the PRC, commencing
8 with PRC section 3350. (PRC, §§ 3225, subd. (d), 3237, subd. (b).) If this order is mailed to you,
9 the Director must receive the appeal within (15) days from the date the Supervisor mails the
10 order. To file an appeal, a written notice of appeal may be sent via U.S. mail to:

11 Department of Conservation
12 Director's Office of Appeals
13 801 K Street, MS 24-03 (Legal Office, Chief Counsel)
14 Sacramento, California 95814-3530

15 Or via electronic mail:

16 CalGEMAppeals@conservation.ca.gov

17 If Operator files a timely written notice of appeal, Operator will be informed of the
18 appeal hearing date, time, and place. Following the hearing, Operator will receive a written
19 decision that affirms, sets aside, or modifies the appealed order.

20 If Operator does not file a timely written notice of appeal, or if the order is affirmed
21 following an appeal, this order will become a final order and CalGEM may contract for
22 performance of the work, pursuant to PRC section 3226, if, within 30 days of this order,
23 Operator has not, in good faith, commenced the work ordered. Any costs incurred by the
24 CalGEM to obtain compliance with this order (which may include penalties and interest) will
25 constitute a lien against Operator's real or personal property per PRC section 3423. (PRC, §
26 3356.)

27 **IX. Other Potential Actions to Enforce This Order**

28 Failure to comply with Section VII (Operator's Required Actions) of this order could
subject Operator to further enforcement action. PRC section 3236 makes it a misdemeanor for

1 any person who violates, fails, neglects, or refuses to comply with any of the provisions of the
2 oil and gas conservation laws commencing at PRC section 3000. PRC section 3236.5 authorizes
3 the Supervisor to impose a civil penalty on a person who violates any provision in Chapter 1 of
4 Division 3 of the PRC or any regulation that implements those statutes, and the Supervisor may
5 in the future impose a civil penalty based on the facts and omissions underlying this order. PRC
6 section 3359 makes it a misdemeanor to fail or neglect to comply with an order of the
7 Supervisor. Each day's further failure, refusal, or neglect is a separate and distinct offense.
8 (PRC, § 3359.)

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10 DATED: _____

3/11/2020

11 _____
12 Uduak-Joe Ntuk
13 State Oil and Gas Supervisor
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Attachment A

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API #	CalGEM District	Field	Operator Code	Operator Name	Lease Name	Well #
03718753	South	Whittier	05275	Lena Pauline Savage	Unspecified	1

1 **PROOF OF SERVICE BY CERTIFIED U.S. MAIL**

2 I declare that I am employed in the County of Sacramento, California. I am over the
3 age of 18 and not a party to the within captioned cause. My business address is 801 K Street,
4 MS 18-05, Sacramento, California 95814. On March 11, 2020, I served the following
5 document(s):

6 **ORDER TO PLUG AND ABANDON WELL, DECOMMISSION ATTENDANT FACILITIES, AND RESTORE
7 WELL SITE
8 ORDER NUMBER 1160**

9 by enclosing them in an envelope and placing the envelope for collection and mailing by
10 certified U.S. mail on the date and at the below listed address(es) following our ordinary
11 business practices. I am readily familiar with this business's practice for collecting and
12 processing correspondence for mailing. On the same day that correspondence is placed
13 for collection and mailing, it is deposited in the ordinary course of business with the United
14 States Postal Service in a sealed envelope with postage fully prepaid.

15 I served the documents on the person or persons below, as follows:

Lena Pauline Savage P.O. box 382 Whittier, CA 90608 Certified Mail Receipt Number: 7013 2630 0001 5255 6075	
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16 I declare under penalty of perjury of the laws of the State of California that the
17 foregoing is true and correct, and that this declaration was executed on March 11, 2020, at
18 Sacramento, CA.

19 
20 Rachael A. Tadlock