

CALIFORNIA
STATE OIL AND GAS SUPERVISOR
ANNUAL REPORT
2022

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EXECUTIVE SUMMARY

The Department of Conservation's California Geologic Energy Management Division (CalGEM) presents this **2022 State Oil and Gas Supervisor's Report**. This report is developed pursuant to Public Resources Code (PRC) section 3108.

ORGANIZATIONAL BACKGROUND

CalGEM prioritizes the protection of public health, safety, and the environment in its oversight of the oil, natural gas, and geothermal operations in California. To do that, CalGEM uses science and sound engineering practices to regulate the drilling, operation, maintenance, and permanent closure of energy resource wells. CalGEM also regulates certain pipelines and facilities associated with production and injection wells. These regulatory duties include conducting inspections, witnessing, reviewing tests and test results, and permitting and monitoring operations.

When CalGEM was established in 1915 (then known as the Department of Petroleum and Gas), the initial focus of regulation was the protection of oil and gas resources in the state from production practices that could harm the ultimate level of hydrocarbon recovery. Early CalGEM regulations included well spacing requirements and authority to limit production rates. However, those regulations and the focus of CalGEM have evolved and come to prioritize the protection of public health, safety, and the environment.

In 2019, the mission of CalGEM changed to include protecting public health and safety, environmental quality, and the reduction and mitigation of greenhouse gas emissions associated with the development of hydrocarbon and geothermal resources in a manner that meets the energy needs of the state.

ANNUAL HIGHLIGHTS

In calendar year 2022, CalGEM (and the Department) made progress on rulemakings related to public health and underground gas storage, while also responding to a number of community concerns in Kern County related to idle well emissions. The response to those concerns informed CalGEM and the Department's work engaging communities and local governments on idle and orphan wells. This year, CalGEM also started laying the foundation for a major effort to plug and abandon (permanently seal) thousands of wells across the state by issuing orders of abandonment. Those orders allowed the plugging work to begin in 2024 once funding was secured and wells were identified and selected through an open and transparent process. Finally, CalGEM was able to quickly adopt emergency regulations to implement SB 1137, signed in September of 2022, to establish Health Protection Zones and ban much oil and gas activity in those zones. While the law was later stayed by a referendum effort,

it is now back in effect and the emergency regulations developed in 2022 serve as guidance for oil and gas companies to comply with this landmark legislation.

CalGEM Districts

CalGEM operates out of three districts to best serve the needs of the state: Northern, Central (formerly Inland), and Southern Districts. Each district has its own regional offices where staff are available to assist the public and stakeholders. For more information about CalGEM, visit the webpage at:

<https://www.conservation.ca.gov/calgem>.



INTRODUCTION

CalGEM developed this report pursuant to Public Resources Code (PRC) section 3108, covering the following topics:

- The total amounts of oil and gas produced in each county in the state during the 2022 calendar year.
- The total cost of CalGEM for the previous fiscal year.
- The total amount delinquent and uncollected from the annual assessments for production in 2022.

This report covers the reporting period for the 2022 calendar year and the 2021-2022 fiscal year.

OIL AND GAS PRODUCTION BY COUNTY IN 2022

The below chart shows the amount of oil and gas produced within each county in California in 2022.

County	Oil & Condensate Produced (Barrels of Crude Oil (Bbl))	Total Gross Gas (Thousand Cubic Feet (Mcf))
Alameda	71.00	-
Butte	-	-
Colusa	-	1,675,506.40
Contra Costa	22,883.00	103,204.00
Fresno	4,955,578.24	753,153.65
Glenn	-	1,684,065.15
Humboldt	-	316,185.07
Kern	88,097,249.22	104,879,813.65
Kings	96,601.74	202,113.87
Lassen	-	-
Los Angeles	8,900,463.45	4,893,142.77
Los Angeles Offshore	5,044,955.83	2,188,520.99
Madera	-	184,790.80
Merced	-	-

County	Oil & Condensate Produced (Barrels of Crude Oil (Bbl))	Total Gross Gas (Thousand Cubic Feet (Mcf))
Monterey	5,112,258.56	766,419.16
Orange	2,240,382.85	915,986.88
Orange Offshore	545,247.00	217,266.00
Riverside	-	-
Sacramento	3,156.00	1,851,990.00
San Benito	12,031.47	16,931.00
San Bernardino	6,655.24	38,710.00
San Joaquin	-	636,062.35
San Luis Obispo	490,103.38	356,114.04
San Mateo	60.00	2.00
Santa Barbara	3,238,832.02	2,321,322.97
Santa Barbara Offshore	-	-
Santa Clara	14,767.00	13,745.00
Solano	862.00	991,849.22
Stanislaus	-	-
Sutter	-	2,710,252.00
Tehama	-	481,270.00
Tulare	25,072.13	-
Ventura	4,902,470.98	5,071,669.42
Ventura Offshore	-	-
Yolo	-	39,322.00
Yuba	-	63.92
Total	123,709,701.12	133,309,472.31

FINANCIAL STATEMENT FOR FISCAL YEAR 2021-2022

Program funding for CalGEM is derived from three main assessments and fees, including:

1. An oil and gas assessment paid annually by all oil and gas operators (Division 3, Chapter 1, Article 7 of the PRC),
2. An annual well fee levied on operators of high-temperature geothermal resource wells and drilling fees charged to geothermal operators for drilling new wells or re-drilling abandoned wells (Division 3, Chapter 4, Section 3724.5 of the PRC), and
3. An annual charge levied upon operators of underground gas storage facilities (Division 3, Chapter 1, Article 7, section 3403.5 of the PRC).

CalGEM's total resources for Fiscal Year 2021/2022 is \$120,574,000, which includes \$96,726,000 in assessment fee revenue.

(Numbers in Thousands)

3046 OIL, GAS, AND GEOTHERMAL ADMINISTRATIVE FUND	
BEGINNING BALANCE	\$23,853
Prior Year Adjustments	\$1,462
Adjusted Beginning Balance	\$25,315
REVENUES	
Assessment fee revenue	\$96,726
Investment Income	\$171
Miscellaneous Revenue	0
Escheat-unclaimed checks, Warrants, Bonds, and Coupons	\$17
Settlements and Judgements	0
Various Transfers	-\$1,655
Total Revenues	\$95,259
Total Resources	\$120,574
EXPENDITURES	
0540 Secretary of the Natural Resources Agency	\$64
3046 Department of Conservation	\$83,790
3900 Air Resources Board	\$2,257
3940 State Water Resources Control Board	\$14,401
3980 Office of Environmental Health Hazard Assessment	\$377
8880 Financial Information System for California	0
9892 Supplemental Pension Payment	\$1,854

9900 Statewide General Administrative Expenditure (Pro Rata)	\$5,404
Total Expenditures	\$108,147
FUND BALANCE	\$12,427
0275 HAZARDOUS AND IDLE-DESERTED WELL ABATEMENT FUND	
BEGINNING BALANCE	\$7,514
Prior Year Adjustments	\$44
Adjusted Beginning Balance	\$7,558
REVENUES	
Idle well fees	\$6,608
Miscellaneous Rev	\$114
Investment Income	\$33
Total Revenues	\$6,755
Transfers and Loans	0
Total Resource	\$14,313
EXPENDITURES	
(3046) Department of Conservation	\$1,737
(9900) Statewide General Administrative Expenditure (Pro Rata)	\$12
Total Expenditures	\$1,749
FUND BALANCE	\$12,564
0890 FEDERAL TRUST FUND	
UNDERGROUND INJECTION CONTROL	
Total Federal Dollar Expenditures	\$411
2020 EPA Multi Purpose Grant	
Total Federal Dollar Expenditures	\$26
2020 PIPELINES AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION	
Total Federal Dollar Expenditures	\$582
0890 Total:	\$1,019

LIST OF OIL AND GAS OPERATORS DELINQUENT FOR CALENDAR YEAR 2022

The chart below shows the total amount delinquent and uncollected from assessments levied in June 2023 based on production that occurred in calendar year 2022. Late payment penalties are not included.

Based on section PRC section 3420:

- The charges levied for assessments are due and payable on the first of July in each year for assessments of more than ten dollars (\$10), but less than five hundred dollars (\$500). The charges shall be delinquent if not paid on or before August 15th of each year.
- The charges levied for assessments are due and payable on the first of July in each year for assessments of five hundred dollars (\$500) or more. One-half of the charges shall be delinquent if not paid on or before August 15th of each year. The remaining one-half of the charges shall be delinquent if not paid on or before the first of February of the following year.

Operator	Code	Outstanding Assessment Balance
Carbon California Operating Company, LLC	C0557	\$ 641,197.13
Cat Canyon Resources LLC	11108	\$ 410,912.53
Team Operating LLC	11499	\$ 375,850.61
Bridgeland Resources, LLC	11583	\$ 258,821.32
Shadow Wolf Energy, LLC	11665	\$ 214,603.08
West Energy Operating, LLC	11109	\$ 203,660.30
HVI Cat Canyon, Inc.	G3515	\$ 72,732.01
J.P. Oil Company, LLC	J0225	\$ 67,834.53
Maranatha Petroleum, Inc.	M1600	\$ 46,040.76
Warren E&P, Inc.	W0325	\$ 32,838.56
O'Donnell Oil, LLC	O0715	\$ 32,108.68
PowerDrive Energy Services Company, LLC	P4151	\$ 31,928.13
Griffin Resources, LLC	G3583	\$ 28,966.14
NewBridge Resources, LLC	10379	\$ 26,774.20
Pioneer Exploration, LLC	P3750	\$ 20,617.57
Power Run Oil, LLC	P4153	\$ 18,534.59
Reabold California, LLC	10390	\$ 16,834.62
Axis Petroleum Co.	A4800	\$ 16,771.39

Operator	Code	Outstanding Assessment Balance
E & T Limited Liability Co.	E1700	\$ 16,636.69
Vesta Oil and Gas, LLC	11111	\$ 16,206.44
California Petroleum Group Inc.	11166	\$ 13,801.20
Summit Energy, LLC	S7102	\$ 11,643.14
C & M Oil Co. & Investments	C0426	\$ 11,523.67
Pace Diversified Corporation	P0130	\$ 11,259.00
Santa Maria Energy, LLC	P3127	\$ 10,912.44
The Lansdale Co.	L0730	\$ 10,591.34
Whisler Enterprise Company	11568	\$ 9,096.47
PEOCO, LLC	P2335	\$ 8,877.45
PRE Resources, LLC	P4325	\$ 8,382.02
KB Oil & Gas	K0075	\$ 7,915.15
LBTH Inc.	L0875	\$ 6,885.19
Ojai Oil Company	O1200	\$ 4,397.31
Almond Crest Oil LLC	S0576	\$ 4,257.42
Optima Conservation Resources Exploration, LLC	O2105	\$ 4,055.98
Fourstar Resources LLC	F1540	\$ 4,023.83
KMP Operating Inc.	11798	\$ 3,805.51
Little Creek Properties, Inc.	L2120	\$ 3,055.33
25 Hill Properties, Inc.	A0025	\$ 3,035.31
LDD Energy, LLC	L0085	\$ 2,547.22
Ballard Oil Inc.	B0927	\$ 2,344.58
Redbank Oil Co.	R0500	\$ 2,253.99
Bruce A. Holmes	H5190	\$ 2,109.45
Smilodon Oil Company	S4275	\$ 2,083.58
Petroprize	P3000	\$ 1,855.25
Morrison Oil Co., LLC	M7960	\$ 1,772.87
Glendale Oil LLC	G1862	\$ 1,573.24
Black Gold Oil Company	B4700	\$ 1,540.40
Rountree/Wright Enterprises, LLC	R3950	\$ 1,059.27
L P Oil Company, Inc.	L0150	\$ 566.48
Kem Enterprise, Inc.	K0697	\$ 376.92
R&R Resources, LLC	R0177	\$ 345.78
Vida Resources LLC	V1305	\$ 259.77
Zynergy, LLC	10463	\$ 222.37

Operator	Code	Outstanding Assessment Balance
Patriot Resources, LLC	A4050	\$ 212.97
Coffee Petroleum	C6755	\$ 139.70
B5 Holdings LLC	11162	\$ 123.41
Towne Exploration Company, LP	T3460	\$ 112.52
Energeo Resources, LLC	10470	\$ 112.09
Petrojen Production Company	P2540	\$ 36.62
Belridge Energy Resources, Inc.	B3080	\$ 30.00
Daybreak Oil and Gas, Inc.	D0825	\$ 23.47
Edison Beneficial Reuse	10383	\$ 20.58
Total		\$2,709,109.57

Data retrieved on 02/7/2024.

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