

1 California Geologic Energy Management Division
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3 STATE OIL AND GAS SUPERVISOR
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8 **STATE OF CALIFORNIA**
9 **NATURAL RESOURCES AGENCY**
10 **DEPARTMENT OF CONSERVATION**
11 **GEOLOGIC ENERGY MANAGEMENT DIVISION**

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14 **ORDER TO PERFORM REMEDIAL WORK,**
15 **NO. 1222**
16 **Operator: E.N. Hruska and G.H. Pruitt (H5800)**
17 **Field: La Honda**
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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) and California Code of Regulations, title 14 (Regulations), may order tests and
5 remedial work concerning oil and natural gas field operations which, in his judgment, are
6 necessary to prevent damage to life, health, property, and natural resources (See PRC
7 sections 3106 and 3224).

8 For the reasons described in this Order, the Supervisor determined conditions at
9 "Farrington 2" Well and "Farrington 1" Well poses a threat of harm to life, health, property or
10 natural resources in light of the leak at the "Farrington 2" wellhead, and non-compliance with
11 Regulations. At all times relevant to this Order, E.N. Hruska and G.H. Pruitt has been identified
12 as the "operator" (Operator), as defined in PRC section 3009, of the "well(s)" as defined in PRC
13 section 3008, subdivision (a), and is conducting "operations" as defined in Regulations section
14 1720, subdivision (f).

15 II. Definitions

16 The following definitions apply to the terms used in this Order:

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

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

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

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Regulations section 1720, subdivision (f), defines “Operations” to mean “any one or all of the activities of an operator covered by Division 3 of the Public Resources Code.”

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

III. State Oil and Gas Supervisor Authority

PRC section 3013 states that the oil and gas conservation laws (commencing with PRC section 3000) “shall be liberally construed to meet its purposes” and grants the Supervisor “all powers” that may be necessary to carry out those purposes.

PRC section 3106, subdivision (a), generally authorizes the Supervisor to “supervise the drilling, operation, maintenance, and abandonment of wells and the operation, maintenance, and removal or abandonment of tanks and facilities attendant to oil and gas production [...] to prevent, as far as possible, damage to life, health, property, and natural resources[.]”

PRC section 3224 authorizes the supervisor to order such tests or remedial work as in his judgment are necessary to prevent damage to life, health, property, and natural resources; to protect oil and gas deposits from damage by underground water; or to prevent the escape of water into underground formations, or to prevent the infiltration of detrimental substances into underground or surface water suitable for irrigation or domestic purposes, to the best interests of the neighboring property owners and the public.

PRC section 3226 allows the Supervisor, based the Supervisor's final or affirmed order, to appoint agents to enter the premises and perform necessary remedial work if the operator did not complete the remedial work as ordered. Any amount the Supervisor expends to complete the necessary remedial work constitutes a lien against the operator's real or personal property according to PRC section 3423.

Regulations section 1714 states: “[T]emporary approval to commence . . . operations may be granted by the Supervisor or a representative of the Supervisor when such operations are necessary to avert a threat to life, health, property, or natural resources.”

Regulations section 1722, subdivision (a), requires that an Operator to conduct all operations “in accordance with good oilfield practice.”

Regulations section 1773.1 requires all production facilities storing and/or processing fluids, except valves, headers, manifolds, pumps, compressors, wellheads, pipelines, flowlines and gathering lines shall have secondary containment. The secondary containment shall be capable of containing the equivalent volume of liquids from the single piece of equipment with the largest gross capacity within the secondary containment and shall be capable of confining liquid for a minimum of 72 hours.

Regulations section 1773.3 requires all tanks be properly identified with the operator's tank identification number, tank type (production, stock, water, etc.), and with appropriate materials hazard placards or labels.

Regulations section 1775, subdivision (a), among other things, requires Operator to dispose oilfield wastes in such a manner as not to cause damage to life, health or property, freshwater aquifers or surface waters, or natural resources, or be a menace to public safety.

Regulations section 1777, among other things, requires Operator to “maintain production facilities in good condition and in a manner to prevent leakage or corrosion and to safeguard life, health, property, and natural resources.”

Regulations section 1779 authorizes the Supervisor in individual cases to set forth other requirements where justified or called for.

IV. Alleged Acts/Omissions

During inspections conducted on or about July 6, 2020 and March 11, 2021, CalGEM staff observed the following conditions at the Operator's production facility located in the La Honda Field associated with the Farrington Lease:

1. Multiple gas leaks observed on “Farrington 2” (API: 0408100002) wellhead in violation of Regulations, section 1722, subdivision (a) (**Attachment A**; Incorporated herein);

2. Unused scrap attendant to oilfield operations, trash, and other waste materials attendant to oilfield operations was not removed or disposed of properly at the "Farrington 2" (API: 0408100002) wellsite and around the wellhead in violation of Regulations, section 1775, subdivision (c) (**Attachment A**; Incorporated herein);
3. Excessive weeds and vegetation growing around the "Farrington 2" (API: 0408100002) wellsite hindering inspection and maintenance of the attendant production facilities, in violation of Regulations, section 1722, subdivision (a) (**Attachment A**; Incorporated herein);
4. Unused scrap attendant to oilfield operations, trash, and other waste materials attendant to oilfield operations was not removed or disposed of properly at "Farrington 1" (API: 0408100001) wellsite and around wellhead, in violation of Regulations, section 1775, subdivision (c) (**Attachment B**; Incorporated herein);
5. Excessive weeds and vegetation growing around "Farrington 1" (API: 0408100001) wellsite hindering inspection and maintenance of the attendant production facilities, in violation of Regulations, section 1722, subdivision (a) (**Attachment B**; Incorporated herein);
6. The stock tank near the plugged and abandoned "Farrington 3" (API: 0408100159) is lacking a tank number preventing the tank from being identified, in violation of Regulations, section 1773.3, subdivision (a) (**Attachment C**; Incorporated herein);
7. The stock tank near the plugged and abandoned "Farrington 3" (API: 0408100159) is lacking a hazard label or placard creating uncertainty of the contents of the tank, in violation of Regulations, section 1773.3, subdivision (a) (**Attachment C**; Incorporated herein);
8. The stock tank near the plugged and abandoned "Farrington 3" (API: 0408100159) is lacking secondary containment to prevent the capturing of and fluids spilling or leaking from the tank, in violation of Regulations, section 1773.1, subdivision (b) (**Attachment C**; Incorporated herein).

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Based on observations made during recent inspections of the well sites by CalGEM staff and a review of records in the well files, the Supervisor has reason to determine that conditions at "Farrington 2" Well, "Farrington 1" Well and non-compliance with Regulations poses a threat of harm to life, health, property, or natural resources.

V. Required Remedial Actions

For the reasons described above in this Order, the Supervisor hereby determines that remedial work is necessary to prevent damage to life, health, property, and natural resources. Therefore, pursuant to PRC sections 3013, 3106, 3224, and 3226, and Regulations sections, 1773 subdivisions (a) and (b), 1773.1, 1773.3 subdivision (a), 1775 subdivision (c), 1777, subdivision (a), and 1779 among others, the Supervisor hereby orders Operator to:

1. Submit to CalGEM for review and approval a written workplan and schedule describing the remedial work that will be performed within 15 days from the date of this Order. The workplan must include the following remedial work:
 - a. Use proper well control methods and equipment to stop any leakage from "Farrington 2" Well. Determine the root cause of the leak and remediate. Report the cause of the leak to CalGEM and identify measures taken to remediate the leak.
 - b. Remove oil stained soils and arrange for proper transport and disposal in a manner that is compliant with California laws and regulations.
 - c. Remove all weeds surrounding "Farrington 1" Well, "Farrington 2" Well, and production facilities.
 - d. Remove all trash, refuse and unused equipment associated with "Farrington 1" Well, "Farrington 2" Well and production facilities.
 - e. Label stock tank near the "Farrington 3" Well or bring into compliance with Out-of-Service requirements in Regulations.
 - f. Provide secondary containment for the stock tank near the "Farrington 3" Well or bring into compliance with Out-of-Service requirements in regulations.

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1 The work plan and schedule must include a description of the work to be performed,
2 the date the work will commence, and the anticipated date the work will be
3 completed. All work identified in the workplan must be completed within 30 days of
4 CalGEM's approval. The workplan must be submitted to CalGEM for approval to:

5 California Geologic Energy Management Division - Northern District

6 801 K Street, MS 18-05

7 Attn: Kelly Morgan

8 Sacramento, California 95814

9 or via email to:

10 CalGEMNorthern@conservation.ca.gov

- 11 2. After CalGEM has approved the workplan and schedule in writing, Operator shall
12 implement the workplan pursuant to the schedule therein. All engineering and
13 geological work shall be conducted in conformance with applicable state law
14 including but not limited to Business and Professions Code sections 6735 and 7835.
15 Upon completion of the work, Operator shall notify CalGEM at:
16 CalGEMNorthern@conservation.ca.gov to schedule a site visit for CalGEM staff to verify
17 the work was performed to the satisfaction of CalGEM.

18 **VI. Operator's Appeal Rights**

19 Operator may appeal this Order by filing a timely written notice of appeal with the
20 Director as described in Article 6 (Appeals and Review) of Division 3 of the PRC, commencing
21 with PRC section 3350. If this Order is mailed to you, the Director must receive the appeal
22 within (15) days from the date the Supervisor mails the Order. To file an appeal, a written
23 notice of appeal may be sent via U.S. mail to:

24 Department of Conservation

25 Director's Office of Appeals

26 801 K Street, MS 24-03 (Legal Office, Chief Counsel)

27 Sacramento, California 95814-3530

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Or via electronic mail to:

CALGEMAppeals@conservation.ca.gov

If Operator does not file a timely written notice of appeal, this Order will become a final order.

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

If the work is not immediately commenced and continued to completion within 30 days of this order, the Supervisor may appoint necessary agents to enter the premises and perform the work consistent with PRC section 3226. Any amount the Supervisor expends will constitute a lien against Operator's real and/or personal property. (PRC, § 3226.)

VII. Other Potential Actions to Enforce This Order

PRC section 3236 makes it a misdemeanor for any person who violates, fails, neglects, or refuses to comply with any of the provisions of the oil and gas conservation laws commencing at PRC section 3000. PRC section 3236.5 authorizes the Supervisor to impose a civil penalty on a person who violates any provision in Chapter 1 of Division 3 of the PRC or any regulation that implements those statutes, and the Supervisor may in the future impose further civil penalties based on the facts and omissions underlying this order. PRC section 3237 authorizes the Supervisor to order the plugging and abandonment of a well or the decommissioning of a production facility if an operator has failed to comply with an order of the Supervisor within the time provided by the order or has failed to challenge the order on a timely basis. PRC section 3359 makes it a misdemeanor to fail or neglect to comply with an order of the Supervisor. Each day's further failure, refusal, or neglect is a separate and distinct offense. (PRC, § 3359.)

DATED: October 29, 2021



Uduak-Joe Ntuk
State Oil and Gas Supervisor

Service List

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