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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 REABANDON WELL AND RESTORE WELL SITE**
15 **NO. 1272**
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18 **Operator: John F. Sheran**
19 **Field: Unspecified, County of San Diego**
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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 or permit the plugging and abandonment or
6 reabandonment of any previously abandoned well if the Supervisor has reason to question the
7 integrity of the previous abandonment, or if the well is not accessible or visible. (See PRC
8 sections 3237 and 3208.1, subd. (a).)

9 Based on CalGEM's records, John F. Sheran (**Operator**) is or was an "operator" (as
10 defined in PRC, § 3009) and is responsible (as specified in PRC, § 3224), for reabandonment of
11 the well and the restoration of the well site on abandoned well "Sheran" 1 (API 073-00046) (the
12 **Well**). Attachment A is the History of Oil or Gas Well and Attachment B is the Deputy
13 Supervisor's Memo dated December 23, 1940, responding to the operator's report of
14 abandonment. Based on information, belief, and the evidence described below, the
15 Supervisor has reason to question the integrity of the previous abandonment of the Well.
16 Therefore, pursuant to PRC sections 3013, 3106, 3208.1, 3224, 3226, and 3237, and as set forth
17 below, the Supervisor is ordering Operator to reabandon the Well and restore the well site,
18 consistent with all applicable requirements, including PRC sections 3208, 3228, 3229, and 3230;
19 Regulations sections 1722, 1723 through 1723.8, 1724 through 1724.1, 1760, 1775, and 1776; and
20 the conditions included in any permit or approval CalGEM may issue pursuant to PRC section
21 3229.

22 II. Definitions

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

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

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

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

7 **PRC section 3013** states that the oil and gas conservation laws (Division 3 of the PRC,
8 commencing with § 3000) "shall be liberally construed to meet its purposes" and grants the
9 Supervisor "all powers" that may be necessary to carry out those purposes.

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 3208.1, subdivision (a)**, authorizes the Supervisor to order or permit the
17 reabandonment of any previously abandoned well if the Supervisor "has reason to question
18 the integrity of the previous abandonment, or if the well is not accessible or visible."

19 **PRC section 3208.1, subdivision (b)**, states "[t]he operator responsible for plugging and
20 abandoning deserted wells under Section 3237 shall be responsible for the reabandonment"
21 except in certain specific situations not applicable here.

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

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1 **PRC section 3226** sets default deadlines by which operators must comply with certain
2 types of CalGEM orders requiring work, and authorizes the Supervisor, based on a final or
3 affirmed CalGEM order, to appoint agents who may enter the premises and perform
4 necessary work if the operator did not timely complete the work as ordered. Any amount
5 CalGEM expends to ensure completion of the necessary work (as well as potential penalties
6 and interest) constitutes a lien against the operator's real or personal property according to
7 PRC section 3423.

8 **PRC section 3237, subdivision (c)(1)**, states: "[t]he current operator, as determined by
9 the records of the supervisor, of a deserted well that produced oil, gas, or other hydrocarbons
10 or was used for injection is responsible for the proper plugging and abandonment of the well
11 or the decommissioning of deserted production facilities."

12 **IV. Reason to Question the Integrity of the Previous Abandonment**

13 According to CalGEM's records, Operator drilled the Well in early 1940 and undertook
14 operations to abandon the Well with mud in March 3, 1940. CalGEM approved Operator's
15 abandonment of the Well as compliant with the then-applicable requirements, as
16 documented in the Deputy Supervisor's memo (Attachment B).

17 During recent inspections of the Well's surface location and nearby portions of the
18 immediate area surrounding the Well, and during subsequent record review, CalGEM staff
19 observed the following:

- 20 • The Well's inspection history indicates the presence of hydrocarbons in the Well;
- 21 • The Well has open, visible casing, which extends approximately 18 inches above the
22 surface of the ground with a hole present in the side of the casing;
- 23 • The Well is located within a state recreational vehicle area where motorized vehicles
24 are driven within close proximity of the Well; and
- 25 • Available information indicates fresh groundwater is present at a shallow depth in
26 the area around the Well—generally less than 100 feet below the ground surface.

27 The observations described above, along with other CalGEM records, indicate the
28 previous abandonment of the Well is not consistent with current abandonment standards. The

1 previous abandonment of the Well falls short of current standards for surface and downhole
2 plugging in several respects, such as the depth below ground surface to which surface casing
3 is to be cut. (See Regulations section 1723.5.) Based on information, belief, and the facts
4 described above—including the apparent deficiencies in the previous abandonment relative
5 to current standards, the presence of hydrocarbons in the Well, , and the location of the Well
6 relative to public areas—the Supervisor has reason to question the integrity of the previous
7 abandonment of the Well as an adequate safeguard against the danger the Well presents to
8 life, health, property, and natural resources. Attachment C is a Division Engineer memo
9 describing the condition of a well as observed during a site visit on October 1, 2018.

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

11 For the reasons stated above, the Supervisor has determined that reabandonment and
12 remedial work is necessary to prevent damage to life, health, property, and natural resources.
13 Therefore, pursuant to PRC sections 3013, 3106, 3208.1, 3222, 3224, and 3226, **IT IS HEREBY**
14 **ORDERED** that Operator reabandon the Well and restore the well site consistent with all
15 applicable requirements of PRC sections 3208, 3228, 3229, and 3230; Regulations sections 1722,
16 1723 through 1723.8, 1724 through 1724.1, 1760, 1775, and 1776; and the conditions included in
17 any permit CalGEM may issue pursuant to PRC section 3229. Operator is ordered to complete
18 this reabandonment and site restoration work **within 90 days** following the date of this Order.

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

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

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26 Department of Conservation
27 Director's Office of Appeals
28 715 P Street, MS 19-06 (Legal Office, Chief Counsel)
Sacramento, California 95814-3530

Or via electronic mail:

CalGEMAppeals@conservation.ca.gov

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 will receive a written decision that affirms, sets aside, or modifies the appealed order.

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

VII. Other Potential Actions to Enforce This Order

Failure to comply with Section V (Operator's Required Actions) of this order could subject Operator to further enforcement action.

DATED: June 22, 2022



Uduak-Joe Ntuk
State Oil and Gas Supervisor