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14 **STATE OF CALIFORNIA**
15 **NATURAL RESOURCES AGENCY**
16 **DEPARTMENT OF CONSERVATION**
17 **GEOLOGIC ENERGY MANAGEMENT DIVISION**

18 **ORDER TO REABANDON WELL AND RESTORE WELL SITE**
19 **NO. 1281**
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Operator: A. M. Kupfer
Field: Inglewood Oil Field

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 reabandonment of any previously
6 abandoned well if the Supervisor has reason to question the integrity of the previous
7 abandonment, or if the well is not accessible or visible. (See PRC section 3208.1, subd. (a).)

8 Based on CalGEM's records, A. M. Kupfer (**Operator**), is or was an "operator" (as
9 defined in PRC, § 3009) and is responsible (as specified in PRC, § 3224), for reabandonment of
10 the well and the restoration of the well site on abandoned well "Sentous" 1 (API 037-07381)
11 (the **Well**). Based on information, belief, and the evidence described below, the Supervisor has
12 reason to question the integrity of the previous abandonment of the Well. Therefore, pursuant
13 to PRC sections 3013, 3106, 3208.1, 3224, 3226, and 3237, and as set forth below, the Supervisor
14 is ordering Operator to reabandon the Well and restore the well site, consistent with all
15 applicable requirements, including PRC sections 3208, 3228, 3229, and 3230; Regulations
16 sections 1722, 1723 through 1723.8, 1724 through 1724.1, 1760, 1775, and 1776; and the
17 conditions included in any permit or approval CalGEM may issue pursuant to PRC section
18 3229.

19 II. Definitions

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

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

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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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PRC section 3226, subdivision (a), provides that “within 30 days after service of an order pursuant to Sections 3224 and 3225, or Section 3237, or if there has been an appeal from the order to the director, within 30 days after service of the decision of the director, or if a review has been taken of the order of the director, within 10 days after affirmance of the order, the owner or operator shall commence in good faith the work ordered and continue it until completion. If the work has not been commenced and continued to completion, the supervisor may appoint necessary agents to enter the premises and perform the work. An accurate account of the expenditures shall be kept. Any amount so expended shall constitute a lien against real or personal property of the operator pursuant to the provisions of Section 3423. Before performing such work, the division may impose a lien against the real or personal property of the operator pursuant to Section 3423 in an amount equal to an estimate of the cost of the work based on a bid from a contractor or previous costs to perform comparable work.”

PRC section 3226, subdivision (b), provides that “notwithstanding any other provisions of Section 3224, 3225, or 3237, if the supervisor determines that an emergency exists, the supervisor may order or undertake the actions he or she deems necessary to protect life, health, property, or natural resources.”

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

IV. Reason to Question the Integrity of the Previous Abandonment and the Well is Not Accessible

According to CalGEM's records, Operator drilled the Well in November 1931 and undertook operations to abandon the Well in October 1933. CalGEM approved Operator's abandonment of the Well as compliant with then-applicable requirements, as documented in a Memorandum Closing Well Record dated January 29, 1935.

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

- The Well's records give no indication that oil and gas zones were adequately plugged and abandoned to prevent fluid migration;
- The Well's records give no indication that the underground source of drinking water and the base of freshwater are adequately protected;
- The well is located approximately 600 feet from a neighborhood and 2,000 feet from a park; and
- While there are visible components of the Well scattered around the area immediately surrounding the Well, including remnants of the Well's cellar and miscellaneous metal tubing, the Well is not accessible. (Attachments A and B.)

The observations described above, along with other CalGEM records, indicate the previous abandonment of the Well is not consistent with current abandonment standards. The previous abandonment of the Well falls short of current standards for surface plugging in several respects. (See Regulations section 1723.5.) Based on information, belief, and the facts described above—including the apparent deficiencies in the previous abandonment relative to current standards, and the location of the Well relative to public areas—the Supervisor has reason to question the integrity of the previous abandonment of the Well as an adequate safeguard against the danger the Well presents to life, health, property, and natural resources.

V. Operator's Required Actions

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

1 this reabandonment and site restoration work **within 90 days** following the date of this Order.

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

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

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

11 Or via electronic mail:

12 CalGEMAppeals@conservation.ca.gov

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

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

23 **VII. Other Potential Actions to Enforce This Order**

24 Failure to comply with Section V (Operator's Required Actions) of this order could
25 subject Operator to further enforcement action. PRC section 3236 makes it a misdemeanor for
26 any person who violates, fails, neglects, or refuses to comply with any of the provisions of the
27 oil and gas conservation laws commencing at PRC section 3000. PRC section 3236.5 authorizes
28 the Supervisor to impose a civil penalty on a person who violates any provision in Chapter 1 of

1 Division 3 of the PRC or any regulation that implements those statutes, and the Supervisor may
2 in the future impose further civil penalties based on the facts and omissions underlying this
3 order. PRC section 3359 makes it a misdemeanor to fail or neglect to comply with an order of
4 the Supervisor. Each day's further failure, refusal, or neglect is a separate and distinct offense.
5 (PRC, § 3359.)

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8 DATED: July 15, 2022



Uduak-Joe Ntuk
State Oil and Gas Supervisor