

1 Department of Conservation, Geologic Energy Management Division  
Doug Ito  
2 STATE OIL AND GAS SUPERVISOR  
715 P Street, MS 19-06 (Legal Office)  
3 Sacramento, California 95814  
Telephone (916) 323-6733  
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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 PLUG AND ABANDON WELLS, DECOMMISSION ATTENDANT FACILITIES,**  
15 **AND RESTORE WELL SITES**  
16 **NO. 1561**  
17

18 **Operator: Standard Oil Company, LLC (11477)**  
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## I. Introduction

The State Oil and Gas Supervisor (**Supervisor**), acting through the Geologic Energy Management Division (**CalGEM**), and under the authority of Division 3 of the Public Resources Code (**PRC**; commencing with PRC section 3000) and California Code of Regulations, title 14 (**Regulations**), may order the plugging and abandonment of a well or the decommissioning of a production facility that has been deserted, whether or not any damage is occurring, or threatened, by reason of that deserted well. (PRC, § 3237, subd. (a).) An operator's failure to timely pay required annual fees for any idle well is conclusive evidence of desertion. (PRC, § 3206, subds. (a) and (c).) An operator's failure to comply with idle well testing and management requirements for any idle well is conclusive evidence of desertion. (PRC, § 3206.1, subd. (e).)

Based on CalGEM's records, Standard Oil Company, LLC (**Operator**) is the "operator" (as defined in PRC section 3009) of the 41 wells identified on **Attachment A**, incorporated herein (the **Wells**), and is responsible (as specified in PRC section 3237, subdivision (c)(1)) for the plugging and abandonment of the Wells, the decommissioning of the production facilities attendant to the Wells and the nine facilities identified on Attachment A (the **Facilities**), and the restoration of the well sites for the Wells. CalGEM records indicate that, under applicable provisions of PRC sections 3206, 3206.1, and 3237, Operator has demonstrated evidence of desertion of the Wells and Facilities in its failure to comply with multiple provisions of the Public Resources Code and Regulations, including numerous failures to comply with idle well fee and idle well testing requirements, failure to comply with several orders of the Supervisor, and failure to respond to Supervisor inquiries and requests. Based on these ongoing failures to comply with the Public Resources Code and Regulations, the Supervisor has determined that the Wells and the Facilities are deserted.

Therefore, pursuant to PRC sections 3106, 3206, 3206.1, 3224, 3226, and 3237, and as set forth below, the Supervisor is ordering Operator to plug and abandon the Wells, to decommission the Facilities, and to restore the well sites for the Wells, consistent with all applicable requirements, including 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/approval CalGEM may issue pursuant to PRC section 3229; and until that work is complete, perform remedial work and testing as necessary to prevent damage to life, health, property, and natural resources.

**Attachment B**, incorporated herein, contains a list of definitions and authorities that are applicable to this order.

## **II. Conclusive Evidence of Desertion**

Based on CalGEM's records, at all times relevant to this order, Operator was the "operator," as defined in PRC section 3009, of the Wells. At all times relevant to this order, the Wells were idle wells as defined in PRC section 3008, subdivision (d).

As the operator of the Wells, following the process for idle well management set forth in PRC section 3206, subdivision (a), Operator submitted an Idle Well Management Plan in lieu of paying idle well fees. However, the Supervisor determined that Operator failed to eliminate the number of long-term idle wells required under the Plan and in February 2025, issued a Notice of Cancellation of the Plan. Operator was therefore required to pay an idle well fee for each of its idle wells that were idle in 2023 by May 1, 2024, as provided in the 2024 Idle Well Fee Invoice prepared by CalGEM, and idle in 2024 by May 1, 2025, as provided in the 2025 Idle Well Fee Invoice prepared by CalGEM. (PRC, § 3206, subds. (a) & (a)(2)(B)(v).) (**Attachments C and D** incorporated herein.) As of the date of this order, Operator has not paid its idle well fees for the Wells which were idle in 2023 and 2024.

Operator's failure to pay the required idle well fees for the Wells is conclusive evidence of desertion. (PRC, § 3206, subd. (c).)

As the operator of the Wells, Operator was required to submit an Idle Well Testing Compliance Work Plan for the Wells by June 1, 2019, as required by Regulations section 1772.1.4, subdivision (a), and Operator failed to do so. As the operator of the Wells, Operator was required to comply with annual testing benchmarks of the Wells under an Idle Well Testing Compliance Work Plan, as required by Regulations section 1772.1.4, subdivision (b), and operator failed to do so. CalGEM issued Notices of Violation to Operator regarding the

1 outstanding Plan and the failure to meet testing benchmarks, and when the violations were  
2 not remediated, CalGEM issued Order No. 1346 to Pay a Civil Penalty to Operator on  
3 December 8, 2023. (**Attachment E**, incorporated herein.) Operator submitted a Testing  
4 Compliance Work Plan in May 2024 which CalGEM accepted, but Operator did not perform  
5 any idle well testing under the plan. Operator was required to complete testing on all the Wells  
6 covered by the Testing Compliance Work Plan by April 1, 2025, in accordance with  
7 Regulations section 1772.1.4, subdivision (b). As of the date of this order, Operator has not  
8 remediated the outstanding violations for 26 of the Wells which are overdue for testing.

9 Operator's failure to comply with idle well testing and management requirements for  
10 the Wells is conclusive evidence of desertion. (PRC, § 3206.1, subd. (e).)

### 11 **III. Rebuttable Presumption of Desertion**

12 As the operator of the Wells, Operator was required to comply with orders issued by the  
13 Supervisor. In the past two years, the Supervisor issued three separate civil penalty orders to  
14 Operator for its failure to comply with the Public Resources Code and Regulations. The  
15 Supervisor issued Order No. 1346 to Pay a Civil Penalty on December 8, 2023, Order No. 1404 to  
16 Pay Civil Penalties on June 18, 2024, and Order No. 1461 to Pay a Civil Penalty and Perform  
17 Remedial Work on November 7, 2024. (**Attachments E, F, and G** incorporated herein.) To date,  
18 Operator has not fully complied with these three orders; Operator has not paid the  
19 outstanding civil penalties nor remediated the outstanding violations for the Wells and  
20 Facilities.

21 Operator's failure to comply with an order of the Supervisor within the time provided in  
22 the order and failure to challenge the order on a timely basis create a rebuttable presumption  
23 of desertion. (PRC, § 3237, subd. (a)(3)(C).)

24 As the operator of the Wells, Operator was required to provide CalGEM with written  
25 notification verifying whether there have been any changes to its right to operate each of its  
26 wells by July 1, 2021, and by July 1 of every other year thereafter, in accordance with PRC  
27 section 3202, subdivision (c), and Operator failed to do so. Operators are required to provide  
28 this notification even if there have been no such changes. CalGEM issued a Notice of

1 Violation to Operator regarding this violation on August 4, 2023. On June 18, 2024, the  
2 Supervisor issued Order No. 1404 to Pay Civil Penalties. (**Attachment F.**) To date, Operator has  
3 not provided CalGEM with written notification verifying whether there have been any  
4 changes to its right to operate each of the Wells.

5 Operator's failure to comply with PRC section 3202 creates a rebuttable presumption of  
6 desertion. (PRC, § 3237, subd. (a)(3)(E).)

7 At 15 of the Wells, the production facilities or injection equipment associated with the  
8 Wells has been removed from the well site for at least two years, creating a rebuttable  
9 presumption of desertion. (PRC, § 3237, subd. (a)(3)(B).) At three of the Wells, Operator has  
10 failed to maintain the access road to the Wells and Facilities site passable to oilfield and  
11 emergency vehicles, creating a rebuttable presumption of desertion. (PRC, § 3237, subd.  
12 (a)(3)(F).)

#### 13 **IV. Credible Evidence of Desertion**

14 In addition to issuing three civil penalty orders, CalGEM has issued multiple Notices of  
15 Violation to Operator since 2023 and attempted to contact Operator regarding its many  
16 violations and idle wells. To date, Operator has failed to respond to CalGEM's notices and  
17 outreach regarding the Wells and Facilities. The lack of response by Operator to inquiries and  
18 requests from CalGEM constitutes credible evidence of desertion. (PRC, § 3237, subd. (a)(2).)

19 As the Operator of the Wells, Operator is required to maintain the Wells and Facilities in  
20 accordance with the requirements of the Public Resources Code, and Operator has failed to  
21 do so. Operator's widespread noncompliance and multitude of violations at the Wells and  
22 Facilities constitutes credible evidence of desertion. (PRC, § 3237, subd. (a)(2).)

#### 23 **V. Operator's Required Actions**

24 For the reasons stated herein, CalGEM has determined that the Wells and the Facilities  
25 are deserted. Therefore, pursuant to PRC sections 3106, 3206, 3206.1, 3224, 3226, and 3237, **IT IS**  
26 **HEREBY ORDERED** that Operator plug and abandon the Wells, decommission the Facilities, and  
27 restore the well sites) for the Wells consistent with all applicable requirements of PRC sections  
28 3208, 3224, 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. Until that work is complete, Operator is ordered to perform remedial work and testing on the Wells and the Facilities as necessary to prevent damage to life, health, property, and natural resources.

**VI. Operator's Appeal Rights**

Operator may appeal this Order by filing a timely written notice of appeal with the Director as described in Article 6 (Appeals and Review) of Division 3 of the PRC, commencing with PRC section 3350. (PRC, §§ 3225, subd. (d); 3236.5, subd. (c); 3237, subd. (b).) If this Order is mailed to you, the Director must receive the appeal within (15) days from the date the Supervisor mails the Order. To file an appeal, a written notice of appeal may be sent via U.S. mail to:

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

Or via electronic mail:

[OfficeofAppeals@conservation.ca.gov](mailto:OfficeofAppeals@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. Consequences of Non-Compliance**

Failure to comply with Section V (Operator's Required Actions) of this order could subject Operator to further enforcement action. 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 sections 3236.2 and 3236.3 authorizes the Supervisor to refer for civil penalties and injunctive relief for failure to comply with an order or for violation of any provision in Chapter 1 of Division 3 of the PRC or any regulation that implements those statutes. 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.) By issuance of this Order, the Supervisor does not waive the right to take further enforcement actions. PRC sections 3236.2 and 3236.3 authorizes the Supervisor to seek civil penalties and injunctive relief for failure to comply with an order or for violation of any provision in Chapter 1 of Division 3 of the PRC or any regulation that implements those statutes.

DATED: 9/25/2025

*Lindsey Miller*

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Lindsey Miller  
CalGEM Enforcement Chief, on  
behalf of the State Oil and Gas  
Supervisor