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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**
15 **ATTENDANT FACILITIES, AND RESTORE WELL SITES**
16 **NO. 1617**

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18 **Operator: Amrich Energy, Inc. (A2497)**
19 **Field: Midway-Sunset**
20 **Central District, Kern County**
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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 or production facility. (PRC, § 3237, subd. (a).) An operator's failure to submit an idle well Testing Compliance Work Plan, failure to meet the testing benchmarks of an idle well Testing Compliance Work Plan, failure to remediate any idle well in accordance with Regulations section 1772.1, subdivision (b), or wells being idle for more than 25 years (APIs 0402938198 and 0402951445), is conclusive evidence of desertion. (PRC, § 3206.1, subs. (d) and (e), 3237, subd. (d).) Based upon conclusive evidence of desertion and rebuttable presumption of desertion, described below, the Supervisor has determined that the Wells and the Facilities are deserted.

At all relevant times, Amrich Energy, Inc. (**Operator**) has been the "operator" (as defined in PRC section 3009) of the long-term idle wells (**Wells**) and the production facilities attendant to the Wells (**Facilities**) described in **Attachment A**, incorporated herein. CalGEM has determined, based on conclusive and rebuttable evidence, that Operator has deserted the Wells and Facilities. As a result, Operator is responsible (as specified in PRC section 3237, subdivision (c)(1)) for the plugging and abandonment of the Wells, the decommissioning of the Facilities, and the restoration of the well site for the Wells.

CalGEM records show that, pursuant to Regulations sections 1772.1 and 1772.1.4, Operator was required to submit an Idle Well Testing Compliance Work Plan, meet the testing benchmarks outlined in the Idle Well Testing Compliance Work Plan, and remediate the Wells. However, Operator has failed to fulfill these requirements. CalGEM records indicate that, under applicable provisions of PRC section 3206, Operator was required to timely pay idle well fees for the Wells for years 2022 through 2024, and that Operator has not done so. These

1 failures provide conclusive evidence of desertion, leading the Supervisor to determine that the
 2 Wells are deserted.

3 Therefore, pursuant to PRC sections 3106, 3206.1, 3224, 3226, and 3237, the Supervisor is
 4 ordering Operator to plug and abandon the Wells, decommission the Facilities, and restore
 5 the well site for the Wells, consistent with all applicable requirements, including PRC sections
 6 3206, 3208, 3228, 3229, 3230, 3237, and 3285; Regulations section 1772 and 1753; and the
 7 conditions included in any permit or approval CalGEM may issue pursuant to PRC section
 8 3229; and until that work is complete, perform remedial work and testing as necessary to
 9 prevent damage to life, health, property, and natural resources.

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

12 **II. There is Evidence of Desertion of the Wells**

13 A. Conclusive Evidence of Desertion

14 PRC section 3206.1, subdivision (e), provides that failure to comply with any
 15 requirements of the regulations implementing this section (e.g., Regulations, §§ 1772.1, subds.
 16 (a)(1), 1772.1, subds. (a)(2), 1772.1, subds. (b), 1772.1.4, subds. (b),)), shall be conclusive
 17 evidence of desertion of the Wells, permitting the Supervisor to order the Wells abandoned
 18 pursuant to PRC section 3237. Operator failed to comply with these requirements, and this
 19 failure constitutes conclusive evidence that the Wells and Facilities are deserted.

20 Based on CalGEM's records, at all times relevant to this Order, Operator was the
 21 "operator" of the Wells, as defined in PRC section 3009. CalGEM designated the Wells as "idle"
 22 on the dates outlined in the below table. Therefore, at all times relevant to this Order, the Wells
 23 were each an "idle well" as defined in PRC section 3008, subdivision (d). As the operator of the
 24 Wells, following the process for idle well management set forth in PRC section 3206, subdivision
 25 (a), Operator did not submit an Idle Well Management Plan in lieu of paying idle well fees.
 26 Operator was therefore required to pay an idle well fee for each of its idle wells that were idle
 27 in 2022 by May 1, 2023, as provided in the 2023 Idle Well Fee Invoice prepared by CalGEM;
 28 2023 by May 1, 2024, as provided in the 2024 Idle Well Fee Invoice prepared by CalGEM; and

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, D, and E**, incorporated herein.) As of the date of this order, Operator has not paid its idle well fees for its Wells idle in 2022, 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).)

API	Well Designation	Idle Start Date
0402938193	Altoona 1	12/01/2015
0402938194	Altoona 2	12/01/2015
0402938195	Altoona 3	11/01/2014
0402938196	Altoona 4	12/01/2013
0402938197	Altoona 5	02/01/2014
0402938198	Altoona 6	01/01/2001
0402938199	Altoona 7	12/01/2013
0402938200	Altoona 8	12/01/2015
0402951266	Altoona C-1	02/01/2014
0402951317	Altoona C-3	12/01/2014
0402951318	Altoona C-5	02/01/2014
0402951445	Altoona A-1	10/01/1995
0402951446	Altoona E-1	12/01/2013

0403025431	Altoona SPI-1	12/01/2015
0403025606	Altoona SPI-5	12/01/2015

B. Idle Well Violations Supporting Conclusive Evidence of Desertion

Because the Wells were each an idle well, Operator was required to submit an idle well Testing Compliance Work Plan (TCWP) and comply with the testing benchmarks of the TCWP for each of the Wells. Operator failed to submit a TCWP or comply with the testing benchmarks of that plan as required by Regulations section 1772.1.4, subdivision (b).

1. Failure to submit an Idle Well Testing Compliance Work Plan (Regulations, § 1772.1.4, subd. (a))

Regulations section 1772.1.4, subdivision (a), provides that operators shall submit a TCWP by June 1, 2019, for all wells that are idle as of April 1, 2019. To date, CalGEM has not received a TCWP from Operator for the Wells. Operator has failed to comply with the requirements of Regulations section 1772.1.4, subdivision (a).

2. Failure to Meet Idle Well Testing Compliance Work Plan Benchmarks Due to Failure to Casing Pressure Test and Perform Clean Out Tag (Regulations, §§ 1772.1, subds. (a)(2) and 1772.1.4, subd. (b)).

Regulations section 1772.1.4, subdivision (b), provide that operators shall comply with conducting annual testing benchmarks of wells under a TCWP. The casing pressure testing and performance of a clean out tag on each well, as required by the TCWP, were due starting April 1, 2020, until April 1, 2024. (Regulations, §§ 1772.1, subds. (a)(2) and 1772.1.4, subd. (b).) To date, CalGEM has not received evidence of casing pressure testing or performance of clean out tags for any of the Wells. Therefore, Operator has failed to comply with the requirements of Regulations section 1772.1.4, subdivision (b).

3. Failure to Perform Casing Pressure Test (Regulations, §§ 1772.1, subd. (a)(2)).

Regulations section 1772.1, subdivision (a)(2), provides that within 24 months of a well becoming an idle well, the Operator shall conduct a casing pressure test on the well

1 according to the parameters of the Regulation. The casing pressure test on each well was due
 2 starting April 1, 2021, until December 1, 2022, as indicated in the table below. (Regulations §§
 3 1772.1, subd. (a)(2)). To date, CalGEM has not received evidence of casing pressure testing for
 4 any of the wells. Therefore, Operator has failed to comply with the requirements of Regulations
 5 section 1772.1, subd. (a)(2).

API	Well Designation	Casing Pressure Test Due	Cleanout Tag Due Date
0402951446	Altoona E-1	4/01/2025	4/01/2025
0402938199	Altoona 7	4/01/2025	4/01/2025
0402938196	Altoona 4	4/01/2025	4/01/2025
0402951266	Altoona C-1	4/01/2025	4/01/2025

4. Failure To Remediate After Failing to Successfully Complete Idle Well Testing
 (Regulations, § 1772.1, subd. (b))

Within 12 months of failing to conduct a successful casing pressure test pursuant to Regulations section 1772.1, subdivision (a)(2), Operator was required to do one of the following: (1) bring the wells into compliance as identified by the TCWP requirements, (2) partially plug and abandon the wells in accordance with Regulations section 1752, (3) plug and abandon the wells in accordance with PRC section 3208, or (4) schedule the wells for plugging and abandonment under an approved Idle Well Management Plan or an approved Testing Waiver Plan. (Regulations, § 1772.1, subd. (b).) (**Attachment F**, incorporated herein.)

API	Designation	Casing Pressure Test Due (Regulations, § 1772.1, subd. (a)(2))	Cleanout Tag Due (Regulations, § 1772.1, subd. (a)(3))	Remediation Due Date (Regulations, § 1772.1, subd. (b))
0402951446	Altoona E-1	04/01/2024	04/01/2024	4/01/2025
0402938199	Altoona 7	04/01/2024	04/01/2024	4/01/2025
0402938196	Altoona 4	04/01/2024	04/01/2024	4/01/2025

0402951266	Altoona C-1	04/01/2024	04/01/2024	4/01/2025
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Regulations section 1772.1, subdivision (b), provides that operators shall remediate idle wells after failing to successfully perform idle well testing on them, including failing to conduct a successful casing pressure test and cleanout tag consistent with Regulations section 1772.1, subdivisions (a)(1) and (a)(2). The remediation for each of the wells was due as indicated in the table above. To date, Operator has not remediated any of the wells. As a result, Operator has failed to comply with the requirements of Regulations section 1772.1, subdivision (b).

C. Rebuttable Evidence of Desertion

A rebuttable presumption of desertion arises if an operator fails to submit a 15-year Idle Wells Engineering Analysis Report, (Regulations, § 1772.1.2, subd. (i)), required sensitive receptor lists, maps, and statements for operations (PRC, § 3285, subd. (a)). CalGEM does not have these documents on file for Operator. Operator's failure to provide and maintain the aforementioned documentation on file with CalGEM, as required by Regulations section 1772, 1753, and PRC 3285, creates a rebuttable presumption that the Wells are deserted.

1. Failure to Submit the 15-Year Idle Wells Engineering Analysis Report (Regulations, § 1772.1.2, subd. (i)).

Regulations section 1772.1.2, subdivision (i), provides that within 9 years or more of a well becoming an idle well, the Operator shall provide the engineering analysis according to the parameters of the Regulation. To date, CalGEM has not received an engineering analysis for any of the idle wells, as indicated in the table below. Therefore, Operator has failed to comply with the requirements of Regulations section 1772.1.2, subd. (i). (**Attachment G**, incorporated herein.)

API	Well Designation	15-Year Engineering Analysis Due Date
0402951445	Altoona A-1	5/02/2025
0402938198	Altoona 6	5/02/2025

2. Failure to Submit the Required Sensitive Receptor Lists, Maps, and Statements for Operations (PRC, § 3285, subd. (a)).

PRC section 3285, subdivision (a), provides that the Operator shall provide a sensitive receptor inventory and map according to the parameters of the Regulation. To date, CalGEM has not received the sensitive receptor inventory and map. Therefore, Operator has failed to comply with the requirements of PRC section 3285, subd. (a). (**Attachment H**, incorporated herein.)

III. Operator's Required Actions

For the reasons stated herein, CalGEM has determined that the Wells are deserted. Therefore, pursuant to PRC sections 3106, 3206.1, 3224, 3226, 3237, and 3285, **IT IS HEREBY ORDERED** that Operator plug and abandon the Wells, decommission the Facilities, and restore the well site for the Wells consistent with all applicable requirements of PRC sections 3208, 3224, 3228, 3229, and 3230; Regulations section 1772; 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 as necessary to prevent damage to life, health, property, and natural resources.

IV. 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

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

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

10 **V. Consequences of Non-Compliance**

11 Failure to comply with Section III (Operator's Required Actions) of this Order could
12 subject Operator to further enforcement action. PRC section 3236 makes it a misdemeanor for
13 any person who violates, fails, neglects, or refuses to comply with any of the provisions of the
14 oil and gas conservation laws commencing at PRC section 3000. PRC sections 3236.2 and
15 3236.3 authorizes the Supervisor to refer for civil penalties and injunctive relief for failure to
16 comply with an order or for violation of any provision in Chapter 1 of Division 3 of the PRC or
17 any regulation that implements those statutes. PRC section 3236.5 authorizes the Supervisor to
18 impose a civil penalty on a person who violates any provision in Chapter 1 of Division 3 of the
19 PRC or any regulation that implements those statutes, and the Supervisor may in the future
20 impose further civil penalties based on the facts and omissions underlying this Order. PRC
21 section 3237 authorizes the Supervisor to order the plugging and abandonment of a well or
22 the decommissioning of a production facility if an operator has failed to comply with an order
23 of the Supervisor within the time provided by the order or has failed to challenge the order on
24 a timely basis. PRC section 3359 makes it a misdemeanor to fail or neglect to comply with an
25 order of the Supervisor. Each day's further failure, refusal, or neglect is a separate and distinct
26 offense. (PRC, § 3359.) By issuance of this Order, the Supervisor does not waive the right to take
27 further enforcement actions. PRC sections 3236.2 and 3236.3 authorizes the Supervisor to seek
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1 civil penalties and injunctive relief for failure to comply with an order or for violation of any
2 provision in Chapter 1 of Division 3 of the PRC or any regulation that implements those statutes.

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DATED: 4/2/2026

Doug Ito
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State Oil and Gas Supervisor