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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,**
15 **DECOMMISSION ATTENDANT FACILITIES, AND RESTORE WELL SITES**
16 **AND CEASE AND DESIST OPERATIONS**

17 **No. 1620**
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20 **Operator: 25 Hill Properties, Inc. (A0025)**
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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)(1).)

Relevant to this Order, the Supervisor may determine whether a well or production facility is deserted based upon evidence, including: (1) an operator's failure to pay Idle Well Fees is conclusive evidence of desertion (PRC, § 3206 subd. (c)); (2) an operator's failure to comply with Regulations sections 1772 through 1772.4 is conclusive evidence of desertion (PRC, § 3206.1, subd. (e)); (3) credible evidence whether a well or production facility is deserted relies upon factors including the operational history of the well or production facility, the response or lack of response of the operator to inquiries and requests from the supervisor or district deputy, the extent of compliance of the operator with oil and gas requirements and other actions (PRC, § 3237, subd. (a)(2)); and (4) an operator's failure to comply with an order of the Supervisor within the time provided by the order creates a rebuttable presumption of desertion, (PRC, § 3237, subd. (a)(3)(C).)

Based on CalGEM's records, 25 Hill Properties, Inc. and EK Trust (collectively and separately, **Operator**) are jointly and severally the "operator" (as defined in PRC section 3009) of the wells (**the Wells**) and the production facilities attendant to the Wells (**the Facilities**) identified in **Attachment A**, incorporated herein, and is responsible for the plugging and abandonment of the Wells, the decommissioning of the Facilities, and the restoration of the well sites for the Wells. (PRC, § 3237, subd. (c)(1).) As described in more detail below, based upon demonstrated evidence of desertion, the Supervisor has determined that the Wells and the Facilities are deserted. Therefore, pursuant to PRC sections 3106, 3206, 3206.1, 3224, 3226, 3237, and 3353, 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 site for the Wells,

1 consistent with all applicable requirements, including PRC sections 3208, 3228, 3229, and 3230;
2 Regulations sections 1722, 1723 through 1723.8, 1724 through 1724.1, 1760, 1775, and 1776; and
3 the conditions included in any permit/approval CalGEM may issue pursuant to PRC section
4 3229 and until that work is complete, perform remedial work and testing as necessary to
5 prevent damage to life, health, property, and natural resources.

6 In addition, the Supervisor may issue an order to cease and desist specified activities
7 that, in the Supervisor's judgment, are necessary to prevent damage to life, health, property,
8 or natural resources or that violate the requirements of Division 3, Chapter 1 of the Public
9 Resources Code (PRC, § 3000 et seq.) or an implementing regulation. (PRC, § 3224.) As
10 described in more detail below, CalGEM staff observed conditions that pose a threat to life,
11 health, property and natural resources, due to Operator's lack of maintenance, monitoring,
12 reporting, testing and adherence to safety requirements. Therefore, the Supervisor hereby
13 orders Operator to take immediate action to commence and continue to completion all
14 required actions in Section IV of this Order and until such time cease and desist all operation of
15 the Wells and Facilities for oil and gas production.

16 **Attachment B** contains a list of definitions and authorities that are applicable to this
17 Order.

18 **II. Evidence of Desertion**

19 Based on CalGEM's records, at all times relevant to this Order, Operator was the
20 operator, as defined in PRC section 3009, of the Wells and the Facilities.

21 **A. Conclusive Evidence of Desertion**

22 PRC section 3206.1, subdivision (e), provides that failure to comply with any
23 requirements of the regulations implementing this section (e.g., Regulations, §§ 1772.1, subds.
24 (a)(1) and (b), 1772.1.4, subds. (a) and (b)) shall be conclusive evidence of desertion,
25 permitting the Supervisor to order such wells abandoned pursuant to PRC section 3237.

26 **1) Failure to Comply with Idle Well Regulations**

27 Regulations section 1772.1, subdivision (b) requires that, "In addition to any other
28 penalty or remedial requirement imposed by the Division, within 12 months of failing to

1 successfully complete testing under subdivisions (a)(2) or (3), or otherwise failing to comply
 2 with a requirement of this section, the operator shall do one of the following:

- 3 (1) Bring the well into compliance;
- 4 (2) Partially plug and abandon the well in accordance with Section 1752;
- 5 (3) Plug and abandon the well in accordance with Public Resources Code section
 6 3208; or
- 7 (4) Schedule the well for plugging and abandonment under an approved Idle Well

8 Management Plan or an approved Testing Waiver Plan."

9 Based on CalGEM's records, Table 1, below, shows Operator's wells that required idle
 10 well casing pressure testing or cleanout tag testing as required by Regulations section 1772.1,
 11 subdivision (a)(1) and (a)(2), respectively. (See also **Attachment C**, incorporated herein.)

12 Failure to conduct successful idle well casing pressure testing or cleanout tag testing initiates
 13 the twelve (12) month remediation requirement of Regulations section 1772.1, subdivision (b).

14 Operator has committed the following violations of the regulations triggering further
 15 violations of Regulations section 1772.1, subdivision (b):

16

17 **Table 1**

18 API	Well Designation	Test Due Date	Test Type	Remediation Due Date
19 0402936047	B-Zone 1-A	4/1/2020	Casing Pressure Test	4/1/2021
20 0402936047	B-Zone 1-A	4/1/2020	Cleanout tag	4/1/2021
21 0402958865	Jameson Trust 21	4/1/2022	Casing Pressure Test	4/1/2023
22 0402938837	Jameson Trust 4	4/1/2021	Casing Pressure Test	4/1/2022
23 0402925244	Sec. 30 1	4/1/2023	Casing Pressure Test	4/1/2024
24 0402925248	Sec. 30 5	4/1/2023	Casing Pressure Test	4/1/2024
25 0402925249	Sec. 30 6	4/1/2023	Casing Pressure Test	4/1/2024

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0402980940	Jameson Trust 34	11/1/2023	Casing Pressure Test	11/1/2024
0402938840	Jameson Trust 5J	4/1/2023	Casing Pressure Test	4/1/2024
0402938834	Jameson Trust 3J	6/1/2023	Casing Pressure Test	6/1/2024
0402938848	Jameson Trust 9	7/1/2023	Casing Pressure Test	7/1/2024
0402938862	Jameson Trust 18	1/1/2024	Casing Pressure Test	1/1/2025
0402950469	Jameson Trust 15	1/1/2024	Casing Pressure Test	1/1/2025
0402946507	Shell 2	3/1/2024	Casing Pressure Test	3/1/2025
0402946508	Shell 3	3/1/2024	Casing Pressure Test	3/1/2025
0402948568	Jameson Trust 3	3/1/2024	Casing Pressure Test	3/1/2025
0402980939	Jameson Trust 33	3/1/2024	Casing Pressure Test	3/1/2025
0402938849	Jameson Trust 10J	3/1/2024	Casing Pressure Test	3/1/2025
0402938852	Jameson Trust 12	3/1/2024	Casing Pressure Test	3/1/2025
0402948575	Jameson Trust 10	3/1/2024	Casing Pressure Test	3/1/2025
0402980938	Jameson Trust 32	3/1/2024	Casing Pressure Test	3/1/2025
0402975293	Jameson Trust 31	3/1/2024	Casing Pressure Test	3/1/2025
0402938845	Jameson Trust 8	3/1/2024	Casing Pressure Test	3/1/2025
0402948571	Jameson Trust 6	3/1/2024	Casing Pressure Test	3/1/2025
0402948570	Jameson Trust 5	3/1/2024	Casing Pressure Test	3/1/2025
0402953522	Virginia Lands 4	3/1/2024	Casing Pressure Test	3/1/2025
0402953912	Virginia Lands 6	3/1/2024	Casing Pressure Test	3/1/2025

0402936056	B-Zone 10	3/1/2024	Casing Pressure Test	3/1/2025
0402936058	Shell 1	3/1/2024	Casing Pressure Test	3/1/2025
0402950389	Virginia Lands 5	3/1/2024	Casing Pressure Test	3/1/2025
0402949192	Virginia Lands 1	3/1/2024	Casing Pressure Test	3/1/2025
0402950390	Jameson Trust 14	3/1/2024	Casing Pressure Test	3/1/2025
0402949193	Virginia Lands 2	12/1/2024	Casing Pressure Test	12/1/2025

Operator's violations of Regulations section 1772.1, subdivision (b) is conclusive evidence of desertion pursuant to PRC section 3206.1, subdivision (e).

2) Failure to Pay Idle Well Fees

PRC section 3206, subdivision (a) requires operators to either pay idle well fees by May 1 of each year or file a plan with the supervisor for the management and elimination of all idle wells. Operator did not pay the following idle well fees: those due by May 1, 2025 (for wells idle in calendar year 2024); May 1, 2024 (for wells idle in calendar year 2023); May 1, 2023 (for wells idle in calendar year 2022); or May 1, 2022 (for wells idle in calendar year 2021). Failure to pay idle well fees is conclusive evidence of desertion. (PRC, § 3206, subd. (c).)

As of the date of this Order, CalGEM has no evidence that Operator paid idle well fees for the above-mentioned years. Operator's failure to pay its outstanding idle well fees is conclusive evidence that the Wells and Facilities are deserted.

B. Rebuttable Presumption of Desertion

Pursuant to PRC section 3237, subdivision (a)(3), a rebuttable presumption of desertion arises when, in relevant part here, "an operator has failed to comply with an order of the supervisor within the time provided by the order..." (PRC, § 3237, subd. (a)(3)(C).)

1) Failure to Comply with an Order

On July 11, 2023, CalGEM issued Order to Pay Civil Penalty and Perform Remedial Work, No. 1552, requiring Operator to pay a civil penalty resulting from Operator's failure to test its

1 idle wells in accordance with Regulations section 1772.1. (**Attachment C.**) As of the date of this
 2 Order, Operator has not brought the Wells into compliance nor paid the civil penalty amount
 3 in full, as required by final Order No. 1552. Operator's failure to comply with this order creates a
 4 rebuttable presumption that the Wells and Facilities are deserted. (PRC, § 3237, subd.
 5 (a)(3)(C).)

6 **C. Credible Evidence of Desertion**

7 “Operational history of the well or production facility, the response or lack of response
 8 of the operator to inquiries and requests from the supervisor or district deputy, the extent of
 9 compliance of the operator with the requirements of this chapter, and other actions of the
 10 operator with regard to the well or production facility” are factors contributing to the
 11 Supervisor's determination whether credible evidence of desertion exists. (PRC, § 3237, subd.
 12 (a)(2).) Based on the following circumstances, the Supervisor has determined that credible
 13 evidence of desertion exists:

14 **1) Operational History of Numerous Outstanding and Unaddressed Field**
 15 **Violations**

16 On January 12, 2021, the Kern County District Attorney's Office filed a Complaint for
 17 Injunction, Civil Penalties, and Other Relief on behalf of CalGEM against 25 Hill Properties
 18 Incorporated and Ron Engelberg in the Superior Court of Kern County (Case No. BCV-21-
 19 100073). (**Attachment D**, incorporated herein.) On February 22, 2022, the Court issued a Final
 20 Judgment and Injunction Pursuant to Stipulation. (**Attachment E**, incorporated herein.) Among
 21 other things, the Injunction enjoined and restrained Operator from: (1) committing further
 22 violations contrary to “good oilfield practices” (Regulations, § 1722, subd. (a)); (2) improperly
 23 disposing of oilfield wastes (Regulations § 1775, subd. (a)); (3) failing to report any oil spill or
 24 other hazardous material or waste discharge from the Leases (Health and Safety Code, §
 25 25510, subd. (a)); (4) failing to properly drain and cover all well cellars (Regulations, § 1777,
 26 subd. (c)(3)); (5) failing to maintain all production wells and facilities in a manner to prevent
 27 leakage (Regulations, § 1777, subd. (a)); (6) failing to inspect and repair or replace pipelines
 28 consistent with good oilfield practices (Regulations, § 1774.1, subd. (e)); (7) failing to maintain

1 appropriate exclusionary fencing around all sumps (Regulations, §§ 1770, 1778, subd. (d)(2))
2 requiring monthly inspections of the exclusionary fencing and for Operator to maintain a log of
3 those inspections; and (8) failing to ensure that all tanks are maintained in a manner to allow
4 for inspection of the base of the tanks and seams at the bottom (Regulations, § 1773.3,
5 subdivision (b)(1)). To date, the operator has failed to comply with the Injunction.

6 Operator's failure to comply with the Court's Injunction enforcing CalGEM's statutes
7 and regulations demonstrates a long-standing failure to respond to inquiries and requests from
8 the Supervisor, and reveals a lengthy period of Operator's non-compliance with regard to the
9 operational history of the Wells and production Facilities. (PRC, § 3237, subd. (a)(2).)

10 Moreover, on January 29, 2026, to compel compliance with provisions of the Injunction,
11 the Kern County District Attorney filed a Complaint for Injunction, Civil Penalties and Other
12 Relief. (**Attachment F**, incorporated herein.) The Complaint notes:

13 "From 2022 to the present, CalGEM has issued 446 new violations, 25 of which were
14 present prior to the issuance of the permanent injunction. As such, the Kern County
15 District Attorney brings this action under the Hazardous Waste laws and Unfair
16 Competition Law (Bus. & Prof. Code §§ 17200 et seq.) to compel compliance and
17 to impose penalties on 25 Hill and its principal, Ron Engelberg, for 25 Hill's violations
18 of the laws requiring safe oilfield practices." (**Attachment F**)

19
20 Furthermore, on or about February 24, 2026, the Supervisor issued Emergency Order to
21 Perform Remedial Work, No. 1603 to Operator to immediately remediate hazardous conditions
22 that threatened life, health, property and natural resources on, around and in proximity to
23 Operator's lease. (**Attachment G**, incorporated herein.) Remedial requirements included
24 properly covering an exposed sump in which CalGEM inspectors observed deceased wildlife
25 and draining an out-of-service tank, removing pooled oil, water and produced fluids.

26 As of the date of this Order, CalGEM does not have any records from Operator
27 demonstrating that the persisting violations have been resolved, while new violations continue
28 to arise which pose a threat to life, health, property and natural resources. (For additional

1 discussion of operational history, Operator's non-responsiveness and non-compliance, see
2 Section III.A.1 below.) The operational history of the Wells and Facilities and non-compliance
3 with the various applicable statutes and regulations constitutes credible evidence that the
4 Wells and Facilities are deserted. (PRC, § 3237, subd. (a)(2).)

5 **2) Operator's Failure to Pay Annual Assessments**

6 PRC section 3402 requires operators who produce oil to be charged a uniform rate per
7 barrel of oil (an "assessment") produced for the preceding calendar year. To date, Operator
8 has failed to pay the Notice of Assessment for calendar years 2024, 2023, 2023 supplemental,
9 2022, and 2021. Operator's failure to comply with the requirements of the PRC and
10 implementing Regulations is credible evidence of desertion. (PRC, § 3237, subd. (a)(2).)

11 **3) Operator 25 Hill Properties, Inc. Filed for Chapter 7 Bankruptcy**

12 On or around June 23, 2025, 25 Hill Properties, Inc. declared chapter 7 bankruptcy, an
13 indication of Operator's intent to desert the wells and associated production facilities.
14 (**Attachment H**, incorporated herein.) A chapter 7 bankruptcy case requires a trustee to
15 gather and sell the Operator's nonexempt assets (if any) and use the proceeds to pay
16 creditors in accordance with the provisions of the Bankruptcy Code. The Supervisor considers
17 Operator's declaration of chapter 7 bankruptcy to be an example of an "other action[] of the
18 operator with regard to the well or production facility" constituting credible evidence that the
19 Wells and Facilities are deserted. (PRC, § 3237, subd. (a)(2).)

20 **III. Order to Cease and Desist Oil and Gas Operations**

21 The Supervisor may issue an order to cease and desist specified activities that, in the
22 Supervisor's judgment, are necessary to prevent damage to life, health, property, or natural
23 resources or that violate the requirements of Division 3, Chapter 1 of the Public Resources
24 Code (PRC, § 3000 et seq.) or an implementing regulation. (PRC, § 3224.) CalGEM staff
25 observed conditions that pose a threat to life, health, property and natural resources, due to
26 Operator's lack of maintenance, monitoring, reporting, testing and adherence to safety
27 requirements.

28 **A. Alleged Acts/Omissions**

1 The Supervisor issues this Order based upon the following:

2 1. Operator's ongoing failure to address cited violations and a pattern of recurring or
 3 repeated violations of PRC, § 3000 et seq. and Regulations

4 Operator's facility maintenance and production practices are not in compliance with
 5 the PRC and Regulations promulgated thereunder. CalGEM staff conducted inspections and
 6 observed violations of the PRC and Regulations, including, but not limited to:

- 7 • Intentionally discharging produced water into a dry streambed (Regulations, §§
 8 1722 subd. (a), 1777 subd. (a), PRC, § 3236.5);
- 9 • Allowing or causing oil, gas, produced water, and other harmful substances to leak
 10 from wells, pipes, tanks, and other production facilities (Regulations §§ 1722, subd.
 11 (a), 1777, subd. (a), 1773.3 subd. (b) [requiring maintenance and monthly
 12 inspections of tanks], 1777, subd. (c)(1) [stating production facilities must be
 13 inspected monthly and leaks must be repaired]);
- 14 • Failing to install and maintain secondary containment at each production facility,
 15 storing or processing fluids (Regulations §1773.1, subds. (a)-(e));
- 16 • Failing to promptly report oil spills (Regulations, § 1722, subd. (h));
- 17 • Failing to promptly report leaks from tanks (Regulations, § 1773.3, subd. (c));
- 18 • Failing to keep well cellars drained and covered (Regulations, § 1777, subd. (c)(3));
- 19 • Failing to replace or repair bolts, plugs, or caps from wells (Regulations, §§ 1722,
 20 subd. (a), 1777, subd. (a));
- 21 • Leaving production facilities uncapped and open to the surface (Regulations, §
 22 1777, subd. (a));
- 23 • Failing to enclose well sites and other equipment (Regulations, §§ 1777, subd. (d)
 24 and 1778;
- 25 • Failing to enclose and cover sumps (Regulations, § 1770, subds. (b) and (d));
- 26 • Failing to remove clean-out doors or hatches, install steel mesh grating, and label
 27 each out-of-service tank (Regulations, § 1773.5, subds. (a)(3) and (4));

- 1 • Failing to file an Idle Well Management Plan and pay the required idle well fees to
- 2 CalGEM (PRC, § 3206, subds. (a)(1) and (a)(2));
- 3 • Failing to submit to CalGEM the required monthly production reports (PRC, § 3227,
- 4 subd. (a));
- 5 • Failing to submit to CalGEM a complete Spill Contingency Plan (PRC, § 3270.1,
- 6 Regulations, § 1722, subd. (b)).

7 On February 22, 2022, the Court issued a Final Judgment and Injunction Pursuant to
8 Stipulation (**Attachment E**) enjoining and restraining Operator from continuing to commit
9 specific violations of CalGEM's statutes and regulations (see above, Section II.C.1.) To date,
10 Operator has failed to comply with the Injunction. In fact, Operator's violations persisted such
11 that on January 29, 2026 the Kern County District Attorney filed a second Complaint in Superior
12 Court, citing four hundred and forty six (446) observed violations, at least twenty-five (25) of
13 which existed prior to and continuing since the 2022 Injunction. (**Attachment F.**)

14 On October 9, 2025, the Supervisor issued Order No. 1552 to Operator requiring
15 payment of a civil penalty resulting from Operator's failure to test its idle wells in accordance
16 with Regulations section 1772.1 and requiring Operator to bring the Wells into compliance.
17 (**Attachment C.**) Operator has failed to comply with Order No. 1552.

18 On February 24, 2026, the Supervisor issued Emergency Order No. 1603 requiring
19 Operator to immediately remediate hazardous emergency conditions on Operator's lease
20 and facilities (see above, Section III.C.1). (**Attachment G.**) These conditions included an
21 uncovered sump containing crude oil and deceased wildlife, in violation of Regulations
22 section 1778, subdivision (d), and a leaking Out-of-Service tank causing pools of oil throughout
23 and containing dead wildlife. (**Attachment G.**)

24 The issuance of frequent orders to remediate Operator's statutory and regulatory
25 violations coupled with the District Attorney's attempts to enforce CalGEM's requirements
26 against Operator demonstrates a clear pattern of Operator's repeated violations of the PRC
27 and Regulations.

1 2. Severity of violations and threats to life, health, property, and natural resources
 2 caused by the violations

3 Operator's continued failure to comply with the above-listed Orders (**Attachment G**),
 4 Complaint (**Attachment F**) and Injunction (**Attachments D, E**) to address field violations poses a
 5 threat to life, health, property, and natural resources, including, but not limited to:

- 6 • Failure to maintain a sump poses a threat of contaminating soil, groundwater
 7 and/or drinking water, or otherwise presents a public nuisance allowing hazardous
 8 materials to enter the environment. Sumps are designed to collect and/or store
 9 fluids that may contain crude oil, the chemical constituents of which are poisonous
 10 and can affect organisms through ingestion, inhalation or external exposure. Failure
 11 to maintain a sump also presents a threat to wildlife and/or domesticated animals.
- 12 • Failure to properly dispose of oil or oily water poses a threat of contaminating soil,
 13 groundwater and/or drinking water, or otherwise present a public nuisance.
- 14 • Failure to properly dispose of oilfield waste and refuse could result in a spill or leak
 15 and the release of hazardous wastes into storm drains, as well as contaminate soil,
 16 groundwater and/or drinking water, poses a threat to livestock, domestic animals
 17 and/or wildlife or otherwise present a public nuisance.
- 18 • Oil spills and leaks are a fire hazard. Operator's leases are in an area that
 19 experiences high winds, and is situated in what the Office of the State Fire Marshal
 20 (Cal Fire) deems a High Fire Severity Zone -- adjacent to Very High Fire Severity Zone
 21 within the Midway-Sunset Field, a large and densely developed oil and gas field,
 22 which represents high potential for fire hazard. CalGEM staff observed burn scars
 23 and other evidence of a recent fire.
- 24 • Failure to maintain production facilities and prevent leaks and spills through regular
 25 inspections can result in the release of hazardous materials into the environment,
 26 potentially contaminating soil, air, groundwater and/or drinking water, or otherwise
 27 present a public nuisance.

1 Therefore, pursuant to PRC sections 3013, 3106, 3206, 3224, 3225, 3227, 3236.5, 3270.1
2 and Regulations sections 1722, 1722.1.1, 1770, 1773.1, 1773.3, 1773.5, 1775, 1777, and 1778,
3 among others, the Supervisor hereby orders Operator to take immediate action to commence
4 and continue to completion all required actions in Section IV of this Order, and until such time,
5 cease and desist all operation of the Wells and Facilities for oil and gas production.

6 **IV. Operator's Required Actions**

7 A. Immediately cease and desist all oil and gas production operations as defined in
8 Regulations section 1720, subdivision (f). In ceasing operations pursuant to this Order,
9 Operator shall ensure that all necessary steps are taken such that the Wells and
10 Facilities do not pose a risk to public health or safety or the environment in their non-
11 operational status, including shutting-in wells, draining and disposing of fluids,
12 decommissioning tanks, and isolating pipelines. After shutting-in wells and isolating
13 pipelines, Operator shall provide written notification via electronic mail to: Pedro
14 Arredondo at Pedro.Arredondo@conservation.ca.gov

15 The notification(s) shall include a detailed description of how the facility was shut-in,
16 facilities drained and designated Out-of-Service, and any pipelines that were isolated.

17 B. Operator shall not resume operations without prior written approval from CalGEM and
18 until the operator has complied with the required actions of this order, including the
19 plugging and abandonment, decommissioning of production facilities, and restoration
20 of the well sites, unless those operations are to perform remedial work and/or testing on
21 the Well or Production Facility as necessary to prevent damage to life, health, property,
22 and natural resources.

23 C. For the reasons stated herein, the Supervisor has determined that the Wells and Facilities
24 are deserted. Therefore, pursuant to PRC sections 3106, 3206, 3206.1, 3224, 3226, and
25 3237, **IT IS HEREBY ORDERED** that Operator plug and abandon the Wells, decommission
26 the Facilities, and restore the well sites for the Wells consistent with all applicable
27 requirements of PRC sections 3208, 3224, 3228, 3229, and 3230; Regulations sections
28 1722, 1723 through 1723.8, 1724 through 1724.1, 1760, 1772.1, 1775, and 1776; and the

1 conditions included in any permit CalGEM may issue pursuant to PRC section 3229. Until
2 that work is complete, Operator is ordered to perform remedial work and testing on the
3 Well and the Facilities as necessary to prevent damage to life, health, property, and
4 natural resources.

5 **V. Operator's Appeal Rights**

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

12 Department of Conservation
13 Director's Office of Appeals
14 715 P Street, MS 19-06 (Legal Office, Chief Counsel)
15 Sacramento, California 95814

16 Or via electronic mail to:

17 OfficeofAppeals@conservation.ca.gov.

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

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

27 **VI. Consequences of Non-Compliance**

28 Failure to comply with Section III (Operator's Required Actions) of this Order could
subject Operator to further enforcement action. PRC section 3236 makes it a misdemeanor for

1 any person who violates, fails, neglects, or refuses to comply with any of the provisions of the
2 oil and gas conservation laws commencing at PRC section 3000. PRC sections 3236.2 and
3 3236.3 authorizes the Supervisor to refer for civil penalties and injunctive relief for failure to
4 comply with an order or for violation of any provision in Chapter 1 of Division 3 of the PRC or
5 any regulation that implements those statutes. PRC section 3236.5 authorizes the Supervisor to
6 impose a civil penalty on a person who violates any provision in Chapter 1 of Division 3 of the
7 PRC or any regulation that implements those statutes, and the Supervisor may in the future
8 impose further civil penalties based on the facts and omissions underlying this order. PRC
9 section 3237 authorizes the Supervisor to order the plugging and abandonment of a well or
10 the decommissioning of a production facility if an operator has failed to comply with an order
11 of the Supervisor within the time provided by the order or has failed to challenge the order on
12 a timely basis. PRC section 3359 makes it a misdemeanor to fail or neglect to comply with an
13 order of the Supervisor. Each day's further failure, refusal, or neglect is a separate and distinct
14 offense. (PRC, § 3359.) By issuance of this Order, the Supervisor does not waive the right to take
15 further enforcement actions.

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DATED: 4/10/2026

Doug Ito
Doug Ito
State Oil and Gas Supervisor