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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 WELL AND RESTORE WELL SITE**
15 **NO. 1632**
16

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18 **Operator: Imperial Valley Petroleum Corp.**
19 **Southern District**
20

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 timely pay required annual idle well fees is conclusive evidence of desertion. (PRC, § 3206.1, subds. (d) and (e).) In addition, a rebuttable presumption of desertion arises if an operator fails to designate an agent as required by PRC section 3200 or an operator removes a well's production facilities or injection equipment from the well site for at least two years. (PRC, § 3237, subd. (a)(3)(B) & (D).) Moreover, an operator's operational history of the well or production facility, response or lack of response to inquiries and requests from the Supervisor or district deputy, extent of compliance with the requirements of PRC and Regulations, and other actions with regards to the well or production facility are credible evidence of desertion. (PRC, § 3237, subd. (a)(2).)

Based on CalGEM's limited records, at all relevant times, Imperial Valley Petroleum Corp. (**Operator**) has been the "operator" (as defined in PRC section 3009) of the long-term idle well (**Well**) described in **Attachment A**, incorporated herein. CalGEM records indicate that, under applicable provisions of PRC section 3206, Operator was required to timely pay idle well fees for the Well for the year 2024, and Operator has not done so. This failure to timely pay idle well fees provides conclusive evidence of desertion. In addition, CalGEM's records indicate Operator (1) failed to designate an agent as required by PRC section 3200, (2) removed production facilities or injection equipment from the well site for at least 2 years, (3) failed to provide required logs, core record, and history required under PRC section 3215, and (4) failed to respond to Supervisor's request for records required under PRC section 3215. Based on the conclusive evidence of desertion, rebuttable presumption of desertion, and credible evidence of desertion described below, the Supervisor has determined the Well is deserted.

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

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

10 **II. Conclusive Evidence of Desertion**

11 Conclusive evidence of desertion includes, but is not limited to, failure to comply with
12 the idle well management process established in PRC section 3206. (PRC, § 3206, subd. (c).)

13 Based on CalGEM's limited records, at all times relevant to this Order, Operator was the
14 "operator" of the Well, as defined in PRC section 3009. At all times relevant to this Order, the
15 Well was a long-term "idle well" as defined in PRC section 3008, subdivisions (d) and (e).

16 As the operator of the Well, following the process for idle well management set forth in
17 PRC section 3206, subdivision (a), Operator was required to submit an Idle Well Management
18 Plan (IWMP) or pay idle well fees for the Well. As Operator did not submit an IWMP in lieu of
19 paying idle well fees, Operator was required to pay idle well fees for the Well that was idle for
20 the year 2024 by May 1, 2025, as provided in the 2025 Idle Well Fee Invoice prepared by
21 CalGEM. (PRC, § 3206, subd. (a)) (**Attachment C**, incorporated herein.) As of the date of this
22 Order, Operator has neither filed an IWMP nor paid idle well fees for the Well, which was idle
23 for the year 2024. Operator's failure to pay the required idle well fees for the Well is conclusive
24 evidence of desertion. (PRC, § 3206, subd. (c).)

25 **III. Rebuttable Evidence of Desertion**

26 A rebuttable presumption of desertion arises if an operator fails to designate an agent
27 as required by PRC section 3200 or an operator removes a well's production facilities or
28 injection equipment from the well site for at least two years. (PRC, § 3237, subd. (a)(3)(B) &

1 (D.) CalGEM does not have an agent on file for Operator. Operator's failure to provide and
2 maintain on file with CalGEM accurate contact information for a designated person who
3 resides in California to accept service of notices, orders, and other important communications
4 (i.e., an "agent"), as required by PRC section 3200, creates a rebuttable presumption the Well
5 is deserted. (PRC, § 3237, subd. (a)(3)(D).) Moreover, CalGEM's records indicate Operator
6 removed production facilities and injection equipment from the Well prior to 1976
7 (**Attachments D, E, and F**, incorporated herein.), which creates a rebuttable presumption of
8 desertion. (PRC, § 3237, subd. (a)(3)(B).)

9 **IV. Credible Evidence of Desertion**

10 Credible evidence of desertion includes, but is not limited to, the operational history of
11 the well or production facility, the response or lack of response of the operator to inquiries and
12 requests from the Supervisor or district deputy, the extent of compliance by the operator with
13 the requirements of PRC and Regulations, and other actions of the operator with regards to
14 the well or production facility. (PRC, § 3237, subd. (a)(2).)

15 CalGEM's records indicate Operator drilled the Well in 1929 but failed submit the logs,
16 a core record, and drilling history required under PRC section 3215 despite multiple requests for
17 the records by the supervisor or district deputy. (**Attachments G and H**, incorporated herein.)
18 Operator's failure to submit required records for the Well or respond to requests by the
19 Supervisor or district deputy is credible evidence of desertion. (PRC, § 3237, subd. (a)(2).)

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

21 For the reasons stated herein, CalGEM has determined that the Well is deserted.
22 Therefore, pursuant to PRC sections 3106, 3206.1, 3224, 3226, and 3237, **IT IS HEREBY ORDERED**
23 that Operator plug and abandon the Well and restore the well site for the Well consistent with
24 all applicable requirements of PRC sections 3208, 3224, 3228, 3229, and 3230; Regulations
25 section 1772; and the conditions included in any permit CalGEM may issue pursuant to PRC
26 section 3229. Until that work is complete, Operator is ordered to perform remedial work and
27

1 testing on the Well as necessary to prevent damage to life, health, property, and natural
2 resources.

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

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

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

14 Or via electronic mail to:

15 OfficeofAppeals@conservation.ca.gov

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

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

25 **VII. Consequences of Non-Compliance**

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

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

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16 DATED: 5/21/2026

Doug Ito
17 Doug Ito
18 State Oil and Gas Supervisor
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