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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. 1654**

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18 **Operator: G. H. Preuitt (P4500)**  
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. (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, G. H. Preuitt (**Operator**) is the "operator" (as defined in PRC section 3009) of the 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 11 production facilities identified in 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 failures to comply with idle well fee requirements, failure to comply with idle well testing requirements, and failure to comply with an order of the Supervisor. 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, 3206.1, 3224, 3226, and 3237, and as set forth below, the Supervisor is ordering Operator to plug and abandon the Wells, to decommission the production 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

1 any permit or approval CalGEM may issue pursuant to PRC section 3229; and until that work is  
2 complete, perform remedial work and testing as necessary to prevent damage to life, health,  
3 property, and natural resources.

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

6 **II. Conclusive Evidence of Desertion of the Wells**

7 A. Failure to Pay Idle Well Fees

8 As the operator of the Wells, following the process for idle well management set forth  
9 in PRC section 3206, subdivision (a), Operator did not submit an Idle Well Management Plan in  
10 lieu of paying idle well fees. Operator was therefore required to pay an idle well fee for  
11 each of its idle wells that were idle in 2019 by May 1, 2020, idle in 2020 by May 1, 2021, idle in  
12 2021 by May 1, 2022, idle in 2022 by May 1, 2023, idle in 2023 by May 1, 2024, and idle in 2024  
13 by May 1, 2025, respectively. (PRC, § 3206, subds. (a) & (a)(2)(B)(v).) (**Attachments C, D, E, F, G,**  
14 **and H**, incorporated herein.) As of the date of this order, Operator has not paid its idle well  
15 fees for the Wells which were idle in 2019, 2020, 2021, 2022, 2023, and 2024.  
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17 Operator's failure to pay the required idle well fees for the Wells is conclusive evidence  
18 of desertion. (PRC, § 3206, subd. (c).)

19 B. Failure to Comply with Idle Well Remediation Requirements

20 PRC section 3206.1, subdivision (e), provides that failure to comply with any  
21 requirements of the regulations implementing the section shall be conclusive evidence of  
22 desertion of the Wells, permitting the Supervisor to order the Wells abandoned pursuant  
23 to PRC section 3237. Operator failed to comply with multiple regulations implementing idle  
24 well testing and management requirements prescribed by PRC section 3206.1. Each of these  
25 failures constitutes conclusive evidence of desertion of the Wells and Facilities.  
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1 a. Failure to Submit an Idle Well Testing Compliance Work Plan (Regulations, §  
2 1772.1.4, subd. (a) and (b)).

3 As the operator of the Wells, Operator was required to submit an Idle Well Testing  
4 Compliance Work Plan for five of the Wells by June 1, 2019, as required by Regulations section  
5 1772.1.4, subdivision (a), and Operator failed to do so. CalGEM issued a Notice of Violation to  
6 Operator on June 24, 2022. (**Attachment I**, incorporated herein.) To date, Operator has not  
7 submitted a Testing Compliance Workplan.

8 Operator's failure to submit an Idle Well Testing Compliance Workplan for the Wells is  
9 conclusive evidence of desertion. (PRC, § 3206.1, subd. (e).)

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11 b. Failure to Meet Annual Benchmarks for Idle Well Testing Compliance Work  
12 Plan (Regulation, §§ 1772.1.4).

13 As the operator of the Wells, Operator was required to comply with annual testing  
14 benchmarks of five of the Wells under an Idle Well Testing Compliance Work Plan, as required  
15 by Regulations section 1772.1.4, subdivision (b), and Operator failed to do so. CalGEM issued  
16 Notices of Violation to Operator regarding the outstanding Plan and the failure to meet testing  
17 benchmarks. (**Attachments J, K, and L**, incorporated herein.)

18 Operator's failure to comply with annual testing benchmarks for the Wells under a  
19 Testing Compliance Work Plan is conclusive evidence of desertion. (PRC, § 3206.1, subd. (e).)

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21 c. Failure to Comply with Requirements After Unsuccessful Idle Well  
22 Testing (Regulations, §§ 1772.1).

23 After failing to successfully complete idle well testing, Operator was required to comply  
24 with idle well remediation requirements for the Wells, as required by Regulations section 1772.1,  
25 subdivision (b). Operator failed to comply with the well remediation requirements for the Wells.

26 When the violations were not remediated for three of the Wells, 15-1, "Holladay" 2, and  
27 "Preuitt & Gill" 1, CalGEM issued Order No. 1482 to Pay a Civil Penalty and Perform Remedial  
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1 Work to Operator on January 15, 2025, and the order became final on January 30, 2025.

2 (**Attachment M**, incorporated herein.) As of the date of this order, Operator has not paid the  
3 civil penalty or remediated the outstanding violations for the three Wells included in the order  
4 which are overdue for testing.

5 When the violations were not remediated at two of the Wells, "Preuitt & Gill" 2 and  
6 "Jade" 3, CalGEM issued Notices of Violation. (**Attachments N** and **O**, incorporated herein.) To  
7 date, Operator has not remediated the outstanding violations for the two Wells which are  
8 overdue for testing.

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10 Operator's failure to comply with idle well remediation requirements for the Wells after  
11 failing to successfully complete idle well testing is conclusive evidence of desertion. (PRC, §  
12 3206.1, subd. (e).)

13 d. Failure to Conduct Fluid Level Testing (Regulations, §§ 1772.1, subdivision  
14 (a)(1)).

15 As the operator of the Wells, Operator was required to comply with fluid level testing  
16 requirements for the Wells, as required by Regulations section 1772.1, subdivision (a)(1).  
17 Operator failed to comply with fluid level testing requirements for the Wells. CalGEM issued a  
18 Notice of Violation on December 23, 2024. (**Attachment P**, incorporated herein.) To date,  
19 CalGEM has not received records of fluid level testing at any of the Wells from Operator.  
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21 Operator's failure to comply with fluid level testing requirements for the Wells is  
22 conclusive evidence of desertion. (PRC, § 3206.1, subd. (e).)

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

24 As the operator of the Wells, Operator was required to comply with orders of the  
25 Supervisor. To date, and as described above, Operator has not complied with Order No. 1482.  
26 Operator's failure to comply with an order of the Supervisor within the time provided by the  
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1 order and failure to challenge the order on a timely basis creates a rebuttable presumption of  
2 desertion. (PRC, § 3237, subd. (a)(3)(C).)

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

4 For the reasons stated herein, CalGEM has determined that the Wells and Facilities are  
5 deserted. Therefore, pursuant to PRC sections 3106, 3206.1, 3224, 3226, and 3237, **IT IS HEREBY**  
6 **ORDERED** that Operator plug and abandon the Wells, decommission the production facilities,  
7 and restore the well sites for the Wells consistent with all applicable requirements of PRC  
8 sections 3208, 3224, 3228, 3229, and 3230; Regulations sections 1722, 1723 through 1723.8, 1724  
9 through 1724.1, 1760, 1775, and 1776; and the conditions included in any permit CalGEM may  
10 issue pursuant to PRC section 3229. Until that work is complete, Operator is ordered to perform  
11 remedial work and testing on the Wells and the Facilities as necessary to prevent damage to  
12 life, health, property, and natural resources.

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

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

20 Department of Conservation  
21 Director's Office of Appeals  
22 715 P Street, MS 19-06 (Legal Office, Chief Counsel)  
23 Sacramento, California 95814

24 Or via electronic mail:

25 [OfficeofAppeals@conservation.ca.gov](mailto:OfficeofAppeals@conservation.ca.gov)

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

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

#### 8 **VI. Consequences of Noncompliance**

9 Failure to comply with Section IV (Operator's Required Actions) of this order could  
10 subject Operator to further enforcement action. PRC section 3236 makes it a misdemeanor  
11 for any person who violates, fails, neglects, or refuses to comply with any of the provisions of  
12 the oil and gas conservation laws commencing at PRC section 3000. PRC sections 3236.2 and  
13 3236.3 authorizes the Supervisor to refer for civil penalties and injunctive relief for failure to  
14 comply with an order or for violation of any provision in Chapter 1 of Division 3 of the PRC or  
15 any regulation that implements those statutes. PRC section 3236.5 authorizes the Supervisor to  
16 impose a civil penalty on a person who violates any provision in Chapter 1 of Division 3 of the  
17 PRC or any regulation that implements those statutes, and the Supervisor may in the future  
18 impose further civil penalties based on the facts and omissions underlying this order.

19 PRC section 3237 authorizes the Supervisor to order the plugging and abandonment of  
20 a well or the decommissioning of a production facility if an operator has failed to comply with  
21 an order of the Supervisor within the time provided by the order or has failed to challenge the  
22 order on a timely basis. PRC section 3359 makes it a misdemeanor to fail or neglect to comply  
23 with an order of the Supervisor. Each day's further failure, refusal, or neglect is a separate and  
24 distinct offense. (PRC, § 3359.) By issuance of this Order, the Supervisor does not waive the  
25 right to take further enforcement actions. PRC sections 3236.2 and 3236.3 authorizes the  
26 Supervisor to seek civil penalties and injunctive relief for failure to comply with an order or for  
27 violation of any provision in Chapter 1 of Division 3 of the PRC or any regulation that  
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1 implements those statutes.

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4 DATED: 7/1/2026

*Doug Ito*

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Doug Ito  
State Oil and Gas Supervisor

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