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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, DECOMMISSION**
15 **ATTENDANT FACILITY, AND RESTORE WELL SITE**
16 **NO. 1658**
17

18 **Operator: Southwestern Petroleum & Pipe Line Company (07995)**
19 **District: Southern**
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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 idle well fees is conclusive evidence of desertion. (PRC, § 3206, subd. (c).) A rebuttable presumption of desertion arises if an operator fails to designate an agent as required by PRC section 3200 or if an operator removes a well's production facilities or injection equipment from the well site for at least two years or an operator fails to comply with PRC section 3202. (PRC, § 3237, subds. (a)(3)(B) & (D).) Additionally, 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) is conclusive evidence of desertion. (PRC, § 3206.1, subds. (d) and (e).) Based upon conclusive evidence of desertion and rebuttable presumption of desertion, described below, the Supervisor has determined that the Well (as defined below and presented in **Attachment A.**) is deserted.

Based on CalGEM's limited records, at all relevant times, Southwestern Petroleum & Pipe Line Company (**Operator**) has been the "operator" (as defined in PRC section 3009) of the idle well (**Well**) and the production facility attendant to the Well (**Facility**) described in **Attachment A**, incorporated herein. CalGEM has determined, based on conclusive and rebuttable evidence, that Operator has deserted the Well and Facility. As a result, Operator is responsible (as specified in PRC section 3237, subdivision (c)(1)) for the plugging and abandonment of the Well, the decommissioning of the Facility, and the restoration of the well site for the Well.

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

1 benchmarks outlined in the Idle Well Testing Compliance Work Plan, and remediate the Well.
2 However, Operator has failed to fulfill these requirements. Furthermore, CalGEM records
3 indicate that the Operator has never paid idle well fees pursuant to the applicable provisions
4 of PRC section 3206. These failures provide conclusive evidence of desertion, leading the
5 Supervisor to determine that the Well and Facility is deserted.

6 Therefore, pursuant to PRC sections 3106, 3206, 3206.1, 3224, 3226, and 3237, the
7 Supervisor is ordering Operator to plug and abandon the Well and restore the well site for the
8 Well, consistent with all applicable requirements, including PRC sections 3208, 3224, 3228, 3229,
9 3230, ; Regulations sections 1722, 1723 through 1723.8, 1724 through 1724.1, 1760, 1775, and
10 1776; and the conditions included in any permit or approval CalGEM may issue pursuant to
11 PRC section 3229; and until that work is complete, perform remedial work and testing as
12 necessary to prevent damage to life, health, property, and natural resources.

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

15 **II. Conclusive Evidence of Desertion**

16 Conclusive evidence of desertion includes, but is not limited to, failure to comply
17 with the idle well management process established in PRC sections 3206 and 3206.1,
18 subdivision (e). (PRC, § 3206, subd. (c).) PRC section 3206.1, subdivision (e), provides that
19 failure to comply with any requirements of the regulations implementing this section (e.g.,
20 Regulations, §§ 1772.1, subd. (b), 1772.1.4, subds. (a) & (b)), shall be conclusive evidence of
21 desertion of the Well, permitting the Supervisor to order the Well abandoned pursuant to PRC
22 section 3237. Operator failed to comply with these requirements, and this failure constitutes
23 conclusive evidence that the Well and Facility is deserted. At all times relevant to this Order,
24 the Well was an "idle well" as defined in PRC section 3008, subdivision (d).
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26 As the operator of the Well, following the process for idle well management set forth in
27 PRC section 3206, subdivision (a), Operator did not submit an Idle Well Management Plan
28 (IWMP) in lieu of paying idle well fees. Operator has never paid an idle well fee as required by

1 PRC section 3206, subdivision (a). (**Attachments C, D, E, F, G, H, I, and J** incorporated herein.)
2 Operator's failure to file the required fees under PRC section 3206 is conclusive evidence of
3 desertion. (See PRC, § 3206, subd. (c).)

4 1. Failure to submit an Idle Well Testing Compliance Work Plan (TCWP) (Regulations, §
5 1772.1.4, subd. (a))

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

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

13 Regulations section 1772.1.4, subdivision (b), provides that operators shall comply with
14 annual testing benchmarks of a TCWP. The casing pressure testing and performance of a
15 clean out tag on was due on the Well, no later than April 1, 2020. To date, CalGEM has not
16 received evidence of casing pressure testing nor performance of clean out tag for the Well.
17 Therefore, Operator has failed to comply with the requirements of Regulations section
18 1772.1.4, subdivision (b).

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

21 Within 12 months of failing to conduct a successful casing pressure test pursuant to
22 Regulations section 1772.1, subdivision (a)(2), or a cleanout tag pursuant to Regulations
23 section 1772.1, subdivision (a)(3), Operator was required to do one of the following: (1) bring
24 the Well into compliance, (2) partially plug and abandon the Well in accordance with
25 Regulations section 1752, (3) plug and abandon the Well in accordance with PRC section
26 3208, or (4) schedule the Well for plugging and abandonment under an approved Idle Well
27 Management Plan or an approved Testing Waiver Plan. (Regulations, § 1772.1, subd. (b).).
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1 The remediation for the Well was due no later than April 1, 2021. To date, Operator has
2 not remediated the Well. As a result, Operator has failed to comply with the requirements of
3 Regulations section 1772.1, subdivision (b).

4 **III. Rebuttable Evidence of Desertion**

5 A rebuttable presumption of desertion arises if an operator fails to designate an agent
6 as required by PRC section 3200 or an operator removes a well's production facilities or
7 injection equipment from the well site for at least two years. (PRC, § 3237, subs. (a)(3) (B) &
8 (D).) CalGEM does not have an agent on file for Operator. Operator's failure to provide and
9 maintain on file with CalGEM accurate contact information for a designated person
10 who resides in California to accept service of notices, orders, and other important
11 communications (i.e., an "agent"), as required by PRC section 3200, creates a rebuttable
12 presumption the Well is deserted. (PRC, § 3237, subd. (a)(3)(D).) Moreover,
13 CalGEM's records indicate Operator removed production facilities and injection equipment
14 from the Well site for at least two years (**Attachments K and L**, incorporated herein.), which
15 creates a rebuttable presumption of desertion. (PRC, § 3237, subd. (a)(3)(B).)

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

17 For the reasons stated herein, CalGEM has determined that the Well is deserted.
18 Therefore, pursuant to PRC sections 3106, 3206, 3206.1, 3224, 3226, and 3237, **IT IS HEREBY**
19 **ORDERED** that Operator plug and abandon the Well, decommission the Facility attendant to
20 the Well, and restore the well site for the Well consistent with all applicable requirements of
21 PRC sections 3208, 3224, 3228, 3229, and 3230; Regulations section 1722, 1723 through 1723.8,
22 1724 through 1724.1, 1760, 1775, and 1776; and the conditions included in any
23 permit CalGEM may issue pursuant to PRC section 3229. Until that work is complete, Operator
24 is ordered to perform remedial work and testing on the Well as necessary to prevent damage
25 to life, health, property, and natural resources.

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

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

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

10 Or via electronic mail:

11 OfficeofAppeals@conservation.ca.gov
12

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

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

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

23 Failure to comply with Section IV (Operator's Required Actions) of this Order could
24 subject Operator to further enforcement action. PRC section 3236 makes it a misdemeanor for
25 any person who violates, fails, neglects, or refuses to comply with any of the provisions of the
26 oil and gas conservation laws commencing at PRC section 3000. PRC sections 3236.2 and
27 3236.3 authorizes the Supervisor to refer for civil penalties and injunctive relief for failure to
28 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: 7/17/2026

Doug Ito

Doug Ito
State Oil and Gas Supervisor