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STATE OF CALIFORNIA
NATURAL RESOURCES AGENCY
DEPARTMENT OF CONSERVATION
GEOLOGIC ENERGY MANAGEMENT DIVISION

ORDER TO PLUG AND ABANDON WELLS, DECOMMISSION ATTENDANT FACILITIES,
AND RESTORE WELL SITES
NO. 1666

Operator: Concordia Resources, Inc. (C7465)
Fields: Lindsey Slough Gas, Chaffee Canyon, and Grimes Gas
District: Northern
Counties: Ventura, Sutter, and Solano

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).)

Based on CalGEM's records, Concordia Resources, Inc. (**Operator**) is the "operator" (as defined in PRC section 3009) of the wells (**Wells**) and the production facilities attendant to the Wells (**Facilities**) described in **Attachment A**, incorporated herein. Operator 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 restoration of the well sites for the Wells.

CalGEM has determined, based upon rebuttable presumption, conclusive, and credible evidence of desertion, that Operator has deserted the Wells and is responsible for the plugging and abandonment of the Wells. CalGEM records indicate that, under applicable provisions of PRC sections 3206 and 3237, Operator has demonstrated evidence of desertion of the Wells in its failure to comply with multiple provisions of the PRC and Regulations, described in more detail below.

Therefore, pursuant to PRC sections 3106, 3206, 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 Facilities, and to restore the well sites, 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 any permit or approval CalGEM may issue pursuant to PRC section 3229; and until that work is complete, perform remedial work and testing as necessary to prevent damage to life, health, property, and natural resources.

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

II. Rebuttable Presumption of Desertion

A rebuttable presumption of desertion arises 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, § 3237, subd. (a)(3)(C).)

On April 6, 2026, CalGEM issued Order No. 1618, Emergency Order to Plug and Abandon Wells, Decommission Attendant Facilities, and Restore Well Sites (**Order 1618**) incorporated herein as **Attachment C**. In Order 1618, the Supervisor determined that an emergency existed and that there was conclusive and credible evidence of desertion. The Supervisor therefore ordered Operator to plug and abandon the wells and attendant facilities and restore well sites to protect life, health, property, and natural resources.

To date, CalGEM has not received confirmation that Operator has complied with Order 1618 and Operator failed to challenge the order on a timely basis. This creates a rebuttable presumption of desertion.

III. Conclusive Evidence of Desertion

PRC section 3206, subdivision (c), provides that failure to file the required idle well fee shall be conclusive evidence of desertion of the Wells pursuant to PRC section 3237. Additionally, PRC section 3206.1, subdivision (e), provides that failure to comply with any requirements of the regulations implementing idle well testing and management requirements shall be conclusive evidence of desertion of the Wells, permitting the Supervisor to order the Wells abandoned.

CalGEM designated the below Wells as "idle" as outlined in the below table:

API	Well Designation	Field	Idle Start Date
0409520559	Highlands-Willow Springs 3-12	Lindsey Slough Gas	2/1/2022
0409520565	Highlands-Willow Springs 1-11	Lindsey Slough Gas	8/1/2003
0409520582	Highlands-Willow Springs 2-11	Lindsey Slough Gas	8/1/2024

0410100090	Meridian Unit 2 5	Grimes Gas	9/1/1999
0410120635	Meridian Unit 2 7	Grimes Gas	7/1/2017
0410120747	Meridian Unit 2 9	Grimes Gas	7/1/2017
0410120768	Meridian Unit 2 10	Grimes Gas	12/1/2009
0411121040	Ventura Realty 34X-1	Chaffee Canyon	12/1/1988
0411121154	Davis U.S.L. 83X-2	Chaffee Canyon	4/1/1989

Therefore, at all times relevant to this Order, the Wells above were each an "idle well" as defined in PRC section 3008, subdivision (d). Operator failed to comply with idle well requirements, discussed below, and this failure constitutes conclusive evidence that the Wells and Facilities are deserted.

A. Failure To Pay Idle Well Fees (PRC, § 3206, subd. (a))

Following the process for idle well management set forth in PRC section 3206, subdivision (a), Operator submitted an Idle Well Management Plan (**Plan**) in 2025 in lieu of paying idle well fees. In accordance with PRC section 3206, subdivision (a)(2)(H), CalGEM conducted an annual review of Operator's Plan and determined that Operator failed to eliminate the required number of idle wells under the Plan. On or about February 12, 2026, CalGEM notified Operator of its failure to comply with the Plan, the cancellation of the Plan, and the resultant ineligibility of the Plan for use for compliance with PRC section 3206. (Attachment C.) Therefore, Operator was invoiced for outstanding annual fees for each of Operator's wells which were idle in calendar year 2024, in the 2025 Idle Well Fee Invoice, and calendar year 2025, in 2026 Idle Well Fee Invoice.

As of the date of this order, Operator has not paid its idle well fees for its Wells idle in the calendar years 2024 and 2025. Operator's failure to pay the required idle well fees for the Wells is conclusive evidence of desertion. (PRC, § 3206, subd. (c).)

B. Failure to Complete Idle Well Testing (Regulations, §§ 1772.1, subds. (a)(2) and (a)(3); 1772.1.4, subd. (b))

As the operator of the Wells, Operator was required to comply with casing pressure testing requirements for the Wells, as required by Regulations section 1772.1, subdivision (a)(2), and clean out tag requirements for the Wells, as required by Regulations section 1772.1, subdivision (a)(3). Operator was required to comply with the annual benchmarks for the Idle Well Testing Compliance Work Plan (TCWP) as required by Regulations section 1772.1.4, subdivision (b). Notices of Violation were sent to the Operator regarding its outstanding failures to perform casing pressure testing and clean out tags on the Wells, and failures to meet annual benchmarks under a Testing Compliance Work Plan on August 11, 2023, March 20, 2024, June 12, 2024, and July 23, 2026.

API	Well Designation	Casing Pressure Test Due	Clean Out Tag Due Date
0410120768	Meridian Unit 2 10	4/1/2023	4/1/2023
0409520559	Highlands-Willow Springs 3-12	2/1/2024	N/A
0409520565	Highlands-Willow Spring 1-11	4/1/2024	4/1/2024
0410120635	Meridian Unit 2 7	4/1/2024	7/1/2025
0410120747	Meridian Unit 2 9	4/1/2025	7/1/2025
0411121154	Davis U.S.L. 83X-2	2/9/2026	2/9/2026
0411121040	Ventura Realty 34X-1	2/28/2026	2/9/2026
0410100090	Meridian Unit 2 5	N/A	02/9/2026

Casing pressure test and clean out tag testing for each of the Wells was due as indicated in the table above. Operator's failure to conduct the required testing is conclusive evidence of desertion. (PRC, § 3206.1, subd. (e).)

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

Pursuant to Regulations section 1772.1, subdivision (b), within 12 months of failing to conduct a successful casing pressure test or clean out tag, Operator was required to do one

of the following: (1) bring the Wells into compliance, (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. An operator who fails to conduct a casing pressure test or clean out tag constitutes failing to successfully complete idle well testing.

Notices of Violation were sent to the Operator on May 20, 2024, March 3, 2025, and July 23, 2026, regarding remediation due dates.

API	Well Designation	Test Type	Unsuccessful Test Date	Remediation Due Date
0410120768	Meridian Unit 2 10	Casing Pressure Test	4/1/2023	4/1/2024
0410120768	Meridian Unit 2 10	Clean Out Tag	4/1/2023	4/1/2024
0409520559	Highlands-Willow Springs 3-12	Casing Pressure Test	2/1/2024	2/1/2025
0409520565	Highlands-Willow Spring 1-11	Casing Pressure Test	4/1/2024	4/1/2025
0409520565	Highlands-Willow Spring 1-11	Clean Out Tag	4/1/2024	4/1/2025
0410120635	Meridian Unit 2 7	Casing Pressure Test	4/1/2024	4/1/2025
0410120635	Meridian Unit 2 7	Clean Out Tag	7/1/2025	7/1/2026
0410120747	Meridian Unit 2 9	Casing Pressure Test	4/1/2025	4/1/2026
0410120747	Meridian Unit 2 9	Clean Out Tag	7/1/2025	7/1/2026

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).

D. Failure To Conduct Fluid Level Testing (Regulations, § 1772.1, subd. (a)(1))

Within 24 months of a well becoming an idle well, Operator shall conduct a fluid-level test for idle wells to determine whether the fluid is above the base of an underground source of drinking water (**USDW**) pursuant to Regulations section 1772.1, subdivision (a)(1).

Notices of Violation were sent to the Operator on April 3, 2024, and June 11, 2026, regarding the fluid level testing.

API	Well Designation	Fluid Level Test Due Date
0411121040	Ventura Realty 34X-1	4/1/2021
0411121154	Davis U.S.L. 83X-2	4/1/2021
0409520559	Highlands-Willow Springs 3-12	2/1/2024
0410120768	Meridian Unit 2 10	12/28/2025
0410120635	Meridian Unit 2 7	12/28/2025
0410120747	Meridian Unit 2 9	12/28/2025
0410100090	Meridian Unit 2 5	12/28/2025

The fluid level test requirements for each of the Wells were due as indicated in the table above. To date, CalGEM has not received any evidence indicating that Operator conducted the fluid level testing. As a result, Operator has failed to comply with the requirements of Regulations section 1772.1, subdivision (a)(1).

In conclusion, the above idle well violations constitute conclusive evidence of desertion and permit the Supervisor to order the Wells be plugged and abandoned. Operator failed to pay idle well fees, failed to conduct casing pressure testing, failed to conduct clean out testing, failed to comply with the testing benchmarks of a TCWP, failed to remediate the Wells, and failed to conduct fluid level testing.

IV. Credible Evidence of Desertion

In determining whether a well and facility are deserted, the Supervisor may consider the operational history of the well or production facility, the lack of response of the operator to inquiries and requests from the Supervisor, the extent of compliance by the operator with the requirements of this chapter, and other actions as credible evidence of desertion. (PRC, § 3237 subd. (a)(2).) An operator's failure to pay assessment fees constitutes credible evidence of desertion of a well. (PRC, §§ 3401, 3402, and 3403.)

On or about June 12, 2025, CalGEM notified Operator of assessment fees due for 2024. As of the date of this order, the second half of the 2024 assessment year remains unpaid. On or about June 11, 2026, CalGEM notified Operator of assessment fees due for 2025. As of the date of this order, Operator has not paid the full year's assessment fees for 2025. Operator's failure to pay assessment fees constitutes credible evidence of desertion.

V. Ordered Actions

For the reasons stated herein, CalGEM has determined that the Wells and Facilities are deserted. Therefore, **IT IS HEREBY ORDERED**, pursuant to PRC sections 3013, 3106, 3206, 3206.1, 3224, 3226, and 3237, that Operator plug and abandon the Wells, decommission the Facilities, and restore the well sites consistent with all applicable requirements of PRC sections 3208, 3224, 3228, 3229, and 3230; Regulations sections 1722, 1723 through 1723.8, 1724 through 1724.1, 1760, 1775, and 1776; and the conditions included in any permit CalGEM may issue pursuant to PRC section 3229.

VI. Operator's Appeal Rights

Any party claiming to be an Operator of the Well 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 fifteen (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

If a claimed Operator files a timely written notice of appeal, they will be informed of the appeal hearing date, time, and place. Following the hearing, the claimant will receive a written decision that affirms, sets aside, or modifies the appealed order. Any costs incurred by CalGEM under this order (which may include penalties and interest) may constitute a lien against Operator's real or personal property per PRC section 3423. (PRC, § 3356.)

VII. Consequences of Non-Compliance

Failure to comply with Section V (Ordered Actions) of this Order could subject Operator to further enforcement action. PRC section 3236 makes it a misdemeanor for 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 3236.3 authorizes the Supervisor to refer for 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. 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

1 offense. (PRC, § 3359.) By issuance of this Order, the Supervisor does not waive the right to take
2 further enforcement actions.

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4
5 DATED: 8/11/2026

Doug Ito

Doug Ito

State Oil and Gas Supervisor