

Department of Conservation, Geologic Energy Management Division
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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 SITE
NO. 1667

Operator: Strata-X (V1250)

Field: Trico Gas, Any Field

District: Central

Counties: Tulare and Kings

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 fees for any idle well is conclusive evidence of desertion. (PRC, § 3206, subds. (a) and (c).) An operator's failure to comply with an order, failure to maintain access routes to the Wells, and failure to designate an agent all raise a rebuttable presumption of desertion. (PRC, § § 3359 and 3200; Regulations, § 1777, subd. (f).) Based upon conclusive evidence of desertion and rebuttable presumption of desertion, described below, the Supervisor has determined that the Wells and the Facilities are deserted.

At all relevant times, Strata-X (**Operator**) has been the "operator" (as defined in PRC section 3009) of the idle wells (**Wells**) and the production facilities attendant to the Wells (**Facilities**) described in **Attachment A**, incorporated herein. An "idle well" is any well that for a period of 24 consecutive months has not either produced oil or natural gas, produced water to be used in production stimulation, or been used for enhanced oil recovery, reservoir pressure management, or injection. (Regulations, § 3008, subd. (d).) CalGEM has determined, based on conclusive and rebuttable evidence, that Operator has deserted the Wells and Facilities. As a result, Operator is responsible (as specified in PRC section 3237, subdivision (c)(1)) for the plugging and abandonment of the Wells, the decommissioning of the Facilities, and the restoration of the well site for the Wells.

CalGEM records indicate that, under applicable provisions of PRC section 3206, Operator was required to timely pay idle well fees for the Wells for years 2023 through 2025, and that Operator has not done so. These failures provide conclusive evidence of desertion, leading the Supervisor to determine that the Wells are deserted.

Therefore, pursuant to PRC sections 3106, 3206, 3224, 3226, and 3237, the Supervisor is ordering Operator to plug and abandon the Wells, decommission the Facilities, and restore the well site for the Wells, consistent with all applicable requirements, including PRC sections 3208, 3228, 3229, 3230, and 3237; Regulations sections 1722, 1723 through 1723.8, 1724 through 1724.1, 1760, 1775, 1776, and 1777; 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. There is Evidence of Desertion of the Wells

A. Conclusive Evidence of Desertion

PRC section 3206, subdivision (c), provides that failure to file, for any well, the fee required under this section shall be conclusive evidence of desertion of the Wells, permitting the Supervisor to order the Wells abandoned pursuant to PRC section 3237. Operator failed to comply with these requirements, and this failure constitutes conclusive evidence that the Wells and Facilities are deserted.

Based on CalGEM's records, at all times relevant to this Order, Operator was the "operator" of the Wells, as defined in PRC section 3009. On April 26, 2018, the Wells were designated as "idle". Therefore, at all times relevant to this Order, the Wells were each an "idle well" as defined in PRC section 3008, subdivision (d). As the operator of the Wells, following the process for idle well management set forth in PRC section 3206, subdivision (a), Operator did not submit an Idle Well Management Plan in lieu of paying idle well fees. Operator was therefore required to pay an idle well fee for each of its idle wells that were idle in 2023 by May 1, 2024, as provided in the 2024 Idle Well Fee Invoice prepared by CalGEM; 2024 by May 1, 2025, as provided in the 2025 Idle Well Fee Invoice prepared by CalGEM; and 2025 by May 1, 2026, as provided in the 2026 Idle Well Fee Invoice prepared by CalGEM. (PRC, § 3206, subds. (a) & (a)(2)(B)(v).) (**Attachments C, D, and E**, incorporated herein.) As of the date of this order,

Operator has not paid its idle well fees for its Wells idle in 2023, 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. Rebuttable Evidence of Desertion

A rebuttable presumption of desertion arises if an operator fails to comply with an order as required by PRC section 3359, maintain access route to Wells as required by Regulations section 1777, subdivision (f), and designate an agent as required by PRC section 3200. Operator's failure to comply with these requirements creates a rebuttable presumption that the Wells are deserted. (PRC, § 3237, subd. (a)(3).)

1. Failure to Comply with Order 1364 (PRC, § 3359.)

CalGEM Order No. 1364 issued on March 7, 2024, was not appealed by Operator and became final on March 22, 2024. (**Attachment F**, incorporated herein.) Order No. 1364 required the Operator to:

- 1) Submit written notification verifying whether there have been any changes to its right to operate each of the Wells, as directed in PRC section 3202, subdivision (c); and
- 2) Pay a civil penalty in the amount of four hundred dollars (\$400.00).

To date, CalGEM has not received either a notification of Operator's right to operate or payment of the civil penalty. Operator's failure to comply with Order No. 1364 raises a rebuttable presumption of desertion. (PRC, § 3237, subd. (a)(3)(C).)

2. Failure to Maintain Access Route (Regulations, § 1777, subd. (f).)

Vehicle access routes to all production facilities must be maintained in a safe and passable condition. (Regulations, § 1777, subd. (f).)

During the inspections on or around April 29, 2026, and April 30, 2026, (**Attachments G, H, and I**, incorporated herein), CalGEM observed the access route in an unsafe and unpassable condition, in violation of Regulations, section 1777, subd. (f), at the Wells:

API	Well Designation
0403120311	Mary Bellocchi 1
0410720246	Kingfisher 1
0403120428	Eagle North 1

As of the date of this order, CalGEM has not received any information that the violations have been remediated. Operator's failure to maintain access routes raises a rebuttable presumption of desertion. (PRC, § 3237, subd. (a)(3)(F).)

3. Failure to Designate an Agent (PRC, § 3200.)

An owner or operator of a well or production facility shall designate an agent, giving his or her address, who resides in this state, to receive and accept service of all orders, notices and processes of the supervisor or a court of law. Every person so appointing an agent shall, within five days after the termination of the agency, notify the supervisor, in writing, of the termination, and unless operations are discontinued, shall appoint a new agent (PRC, § 3200.) As of the date of this order, Operator has not designated an agent, which raises a rebuttable presumption of desertion. (PRC, § 3237, subd. (a)(3)(D).)

III. Operator's Required Actions

For the reasons stated herein, CalGEM has determined that the Wells are deserted. Therefore, pursuant to PRC sections 3106, 3206, 3224, 3226, and 3237, **IT IS HEREBY ORDERED** that Operator plug and abandon the Wells, decommission the Facilities, and restore the well site for the Wells consistent with all applicable requirements of PRC sections 3208, 3224, 3228, 3229, and 3230; Regulations section 1722, 1723 through 1723.8, 1724 through 1724.1, 1760, 1775, 1776, and 1777; and the conditions included in any permit CalGEM may issue pursuant to PRC section 3229. Until that work is complete, Operator is ordered to perform remedial work and testing on the Wells as necessary to prevent damage to life, health, property, and natural resources.

IV. Operator's Appeal Rights

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

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

V. Consequences of Non-Compliance

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 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

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

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14
15 DATED: 8/11/2026

Doug Ito

Doug Ito
State Oil and Gas Supervisor