

State of California
Natural Resources Agency / Department of Conservation
GEOLOGIC ENERGY MANAGEMENT DIVISION

California Environmental Quality Act
Notice of Exemption

To: Office of Planning & Research
State Clearinghouse
1400 Tenth Street, Room 113
Sacramento, CA 95814

From: Department of Conservation
715 P Street, MS 1803
Sacramento, CA 95814

Contact: CEQA@conservation.ca.gov

Project Title: OG SoCalGas 112022-001

Project Applicant: Southern California Gas Company

Project Location: Honor Rancho Gas Field

County: Los Angeles Section: 07

Township: 04N Range/Baseline: 16W / SB B&M

Latitude/Longitude: 34.450837, -118.597108

Project Description: Southern California Gas Company (SoCalGas) proposed to drill two new replacement underground storage (UGS) wells in the existing Honor Rancho Natural Gas Storage Facility (Honor Rancho Facility) in Los Angeles County (Project). The two new replacement UGS wells will be installed in the Honor Rancho Facility, an existing facility of an investor-owned utility that is used to provide natural gas services. The Honor Rancho Facility is located in Los Angeles County, 30 miles north of the city of Los Angeles, within the Honor Rancho Gas Field. The Honor Rancho Gas Field is approximately 2,300 acres. The Honor Rancho Facility occupies approximately 600 acres of the entire gas field. Approximately 50% of the Honor Rancho Facility is located in the City of Santa Clarita, with the remainder located in unincorporated Los Angeles County. The Honor Rancho Facility is currently comprised of 56 wells: 22 active gas storage wells, 1 idle gas storage well, 1 idle water disposal well, 19 abandoned gas storage well, 3 active water disposal wells, 1 abandoned oil and gas well, 1 active oil and gas well, and 8 out of service gas storage wells.

The purpose of the proposed Project is to replace 30-50 million cubic feet per day (MMCFD) of gas deliverability of an estimated 450 MMCFD that has been lost over the past years from the plugging and abandonments of 16 gas storage wells in compliance with CalGEM's 2018 regulations that establish standards for the design, construction and maintenance of all gas storage wells. Gas stored in the Honor Rancho Facility provides reliability to both gas and electrical systems. In the winter, the gas is used to heat buildings, produce hot water, and cook, and is used in summer to meet peak summer demand for electricity through providing gas supplies to gas-fired power plants in the Los Angeles Basin.

In 2018, CalGEM promulgated regulations that establish standards for the design, construction, and maintenance of all gas storage wells. The regulations included stringent well construction standards that are required to ensure that gas storage wells are safe and will maintain their

integrity over time. The well construction standards promote environmental safety by focusing on leak prevention.

Meeting the new well construction standards require operators to upgrade and rework all existing gas storage wells or plug and abandon any nonconforming wells. The required well construction upgrades diminish the throughput capacity of each new or reworked gas storage well. Once the new well construction standards are complied with, the only way to maintain the overall throughput capacity of a UGS facility is to add additional gas storage wells. The new replacement gas storage wells must comply with the regulatory standard and are necessary to make up for lost deliverability that has been incurred due to wells that have been permanently removed from service. If approved, the proposed Project will meet CalGEM’s UGS construction standards set forth in CalGEM’s regulations. The proposed wells replace nonconforming gas storage wells that were plugged and abandoned in compliance with the regulations.

The proposed project consists of CalGEM approving two permits for SoCalGas to install the two new replacement gas storage wells, listed below, in the Honor Rancho Gas Field.

API #	Well Name
0403730594	Wezu 24H
0403730595	Wezu 25D

Exempt Status: As the Lead Agency, CalGEM has determined that the proposed project is exempt from full environmental review requirements of the California Environmental Quality Act (CEQA), pursuant to the specified exemptions marked in the section below. CalGEM further finds that the proposed project would not result in a significant adverse impact to the environment, or that any of the exceptions to the application of the exemptions apply (14 CCR § 15300.2).

Exemption Type	Statute (PRC)	Regulation (14 CCR)	
<input checked="" type="checkbox"/> Statutory Exemption: <input type="checkbox"/> Ongoing Project (<i>pre-CEQA approval on April 5, 1973</i>) <input type="checkbox"/> Ministerial <input type="checkbox"/> Declared Emergency <input checked="" type="checkbox"/> Emergency Projects	21169 21080 (b)(1) 21080 (b)(3) 21080 (b)(4)	15261 (b) 15268 15269 (a) 15269 (b) or (c)	
<input checked="" type="checkbox"/> Categorical Exemption: <input checked="" type="checkbox"/> Class 1: Existing Facilities <input checked="" type="checkbox"/> Class 2: Replacement or Reconstruction <input checked="" type="checkbox"/> Class 3: New Construction/Conversion of Small Structures <input type="checkbox"/> Class 4: Minor Alterations to Land <input checked="" type="checkbox"/> Class 7: Protection of Natural Resources <input checked="" type="checkbox"/> Class 8: Protection of the Environment <input type="checkbox"/> Class 11: Accessory Structures <input type="checkbox"/> Class 21: Enforcement Actions to revoke a permit <input type="checkbox"/> Class 30: Minor Actions to Prevent, Minimize, Stabilize, Mitigate, or Eliminate a Release (Actual or Threat) of Hazardous Substances (Waste or Material) <input type="checkbox"/> Class 33: Small Habitat Restoration Projects	21084	15301 15302 15303 15304 15307 15308 15311 15321 15330 15333	1684.1 1684.2

<input type="checkbox"/>	General Exemption (“common sense”)	15061 (b)(3)
<input type="checkbox"/>	Not a “Project” subject to CEQA	15378 (b)(2)
<p><u>CEQA Exceptions to the Exemptions (14 CCR 15300.2):</u> where project is located (e.g. sensitive environment); Cumulative Impact; Significant Effect due to Unusual Circumstances; Scenic Highways; Hazardous Waste Sites; Historical Resources.</p>		

Reasons Why Project is Exempt: The basis for CalGEM’s determination that the project is exempt from the requirements of CEQA is provided in the brief explanation below.

Statutory Exemption – Emergency Projects: As the California Environmental Quality Act (CEQA) lead agency for the project, CalGEM has determined that the proposed project is exempt from further environmental review requirements of CEQA, pursuant to the statutory exemption: Emergency Project (PRC § 21080(b)(4); 14 CCR § 15269(c).) because gas storage is essential to the State’s energy infrastructure and electricity reliability.

Class 1 – Existing Facility: The project is categorically exempt from CEQA under the “Class 1” (14 CCR § 15301) exemption per the CEQA Guidelines because the proposed Project involves the operation, repair, maintenance, or minor alteration of an investor-owned utility and the new replacement gas storage wells will result in no expansion of the facility’s existing or former use. The Honor Rancho Natural Gas Storage Facility is an investor-owned utility that provides natural gas services to California’s consumers. (Cal. Code Regs. Tit. 14, § 15301(b).) The project’s purpose is to make up for estimated 450 million cubic feet per day (MMCFD) of the facility’s deliverability that has been lost due to gas storage wells being taken out of service. A decrease in deliverability dramatically impacts the effective capacity of an underground gas storage reservoir. The project and resulting two replacement gas storage wells are necessary to operate and maintain the facility and continue to reliably deliver natural gas to consumers. And because the replacement gas storage wells make up for lost deliverability, the project involves negligible or no expansion of the facility’s deliverability or former use.

Class 2 – Replacement or Reconstruction. The project is categorically exempt from CEQA under the “Class 2” (14 CCR § 15302) because the project involves the replacement existing facilities involving negligible or no expansion of capacity. To come into compliance with CalGEM’s updated regulations, Southern California Gas plugged and abandoned 16 gas storage wells in the Honor Rancho Natural Gas Storage Facility. As gas storage wells are taken out of service, the capacity of a gas storage reservoir is impacted unless new or replacement gas storage wells are drilled to retain gas storage capacity and deliverability. The project involves two replacement gas storage wells that replace 30-50 MMCFD of gas deliverability of an estimated 450 MMCFD that has been lost due to the wells being taken out of service. The project will take place within an existing underground gas storage facility, utilize existing infrastructure, and will be drilled from existing well pads. The project is also consistent with the surrounding land use, an underground gas storage facility. There will be no expansion in reservoir capacity, nor will there be an increase in the facility’s deliverability.

Class 3 – New Construction/Conversion of Small Structures. The project is categorically exempt from CEQA under the “Class 3” (14 CCR § 15303) exemption per the CEQA Guidelines because the project involves the installation of a limited number of small structures on a natural gas facility and the structures are an extension of the natural gas transmission process.

Class 7 – Actions by Regulatory Agencies for Protection of Natural Resources: The project is categorically exempt from CEQA under the “Class 7” (14 CCR § 15307) exemption

per the CEQA Guidelines because the project is attendant to compliance with the heightened well construction standards under California Code of Regulations, title 14, section 1726.5.

Class 8 - Actions by Regulatory Agencies for Protection of the Environment: The project is categorically exempt from CEQA under the “Class 8” (14 CCR § 15308) exemption because the project is attendant to compliance with the heightened well construction standards under California Code of Regulations, title 14, section 1726.5.

Exceptions to Exemptions:

CalGEM further finds that there are no exceptions to the application of the categorical exemptions (PRC § 21084; 14 CCR § 15300.2 (c)) referenced above. There is no substantial evidence that there are any “unusual circumstances” associated with the proposed project that create a reasonable possibility that the activity will have a significant effect on the environment, and that there are no significant “cumulative impacts” resulting from successive projects of the same type in the same place. Therefore, reliance on the exemption(s) is appropriate.

Consistent with the purposes of PRC § 3250 et seq and the documentation available for the preliminary review, the proposed project will benefit the environment. In addition, the work under the contracts and any resulting impacts will be temporary in duration. Therefore, the project can be considered exempt from the need for full CEQA review.

A copy of this NOE (as required by 14 CCR § 15062(a)) and all other related materials are available for public inspection at CalGEM’s CEQA Program, located at 715 P Street, 18th floor, Sacramento, CA 95814; or an electronic copy of these documents may also be accessed online at the State Clearinghouse: <https://ceqanet.opr.ca.gov>

Certified: Jan Perez **Date:** _____

Department of Conservation,
Geologic Energy Management Division
CEQA Program