

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: UGS SoCalGas 022024-001

Project Applicant: Southern California Gas Company

Project Location: Los Angeles County, Honor Rancho Gas Field
Latitude 34.450993, Longitude -118.601545

Project Description: Southern California Gas Company (SoCalGas) submitted one Notice of Intention (NOI) to drill a new replacement underground gas storage (UGS) well at the Honor Rancho Gas Storage Facility (Honor Rancho Facility) in Los Angeles County (Project).

The new replacement well will be a part of the Honor Rancho Facility, an existing facility of an investor-owned utility that is used to provide natural gas services. The proposed Project is located at the Honor Rancho Facility in Los Angeles County, 30 miles north of the city of Los Angeles, within the Honor Rancho Gas Field. The Honor Rancho Gas Field was discovered in 1956 and a depleted reservoir in the field was converted into a natural gas storage facility in 1975 (now, Honor Rancho Facility). 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 purpose of the proposed Project is to drill a new replacement gas well, WEZU 25 E. The new well is part of the routine replacement of the lost deliverability incurred due to previous plug and abandonment work at the Honor Rancho Storage Field. The proposed Project is anticipated to replace 30-50 MMCFD of gas deliverability of the estimated 450 MMCFD that has been lost over the past years from the abandonments of 16 gas storage wells. The well will be drilled on an existing pad. The proposed Project will require temporary surface equipment consisting of a natural gas-powered drilling rig and ancillary equipment required to perform the drilling activity. Activities ensure compliance with revised regulations (14 CCR § 1726 et seq.) to enhance the safety of UGS projects.

In 2018, CalGEM promulgated regulations that establish standards for the design, construction, and maintenance of all gas storage wells. The regulations include 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.

The proposed project consists of CalGEM approving one permit for SoCalGas to drill a new replacement gas well listed below, in the Honor Rancho Gas Field.

API # 0403730609 **Well Name:** WEZU 25 E

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 and that none of the exceptions to the application of the exemptions apply (14 CCR § 15300.2).

Exemption Type		Statute (PRC)	Regulation (14 CCR)	
<input type="checkbox"/>	Statutory Exemption:			
	<input type="checkbox"/> Ongoing Project (<i>pre-CEQA approval on April 5, 1973</i>)	21169	15261 (b)	
	<input type="checkbox"/> Ministerial	21080 (b)(1)	15268	
	<input type="checkbox"/> Declared Emergency	21080 (b)(3)	15269 (a)	
	<input type="checkbox"/> Emergency Projects	21080 (b)(4)	15269 (b) or (c)	
<input type="checkbox"/>	Categorical Exemption:	21084		
	<input checked="" type="checkbox"/> Class 1: Existing Facilities		15301	1684.1
	<input checked="" type="checkbox"/> Class 2: Replacement or Reconstruction		15302	
	<input checked="" type="checkbox"/> Class 3: New Construction/Conversion of Small Structures		15303	
	<input type="checkbox"/> Class 4: Minor Alterations to Land		15304	1684.2
	<input checked="" type="checkbox"/> Class 7: Protection of Natural Resources		15307	
	<input checked="" type="checkbox"/> Class 8: Protection of the Environment		15308	
	<input type="checkbox"/> Class 11: Accessory Structures		15311	
	<input type="checkbox"/> Class 21: Enforcement Actions to revoke a permit		15321	
	<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)		15330	
	<input type="checkbox"/> Class 33: Small Habitat Restoration Projects		15333	
<input type="checkbox"/>	General Exemption ("common sense")		15061 (b)(3)	
<input type="checkbox"/>	Not a "Project" subject to CEQA		15378 (b)(2)	

CEQA Exceptions to the Exemptions (14 CCR § 15300.2): where project is located (e.g. sensitive environment); Cumulative Impact; Significant Effect due to Unusual Circumstances; Scenic Highways; Hazardous Waste Sites; Historical Resources.

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.

Class 1, Existing Facilities (14 CCR §§ 15301, 1684.1): Class 1 exemption applies as CalGEM’s regulations state: “Class 1 consists of the operation, repair, maintenance, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features involving negligible or no expansion of use beyond that existing previously. The Honor Rancho Facility (CPUC CPCN Decision 84923) is an existing facility of an investor-owned utility that is used to provide natural gas services and is an integrated component of the natural gas transmission process. The purpose of the proposed Project is to make up for lost deliverability due to previous plug and abandonment work associated with ongoing inspections to comply with CalGEM’s 2018 regulations that establish standards for the design, construction, and maintenance of all gas storage wells. Deliverability is the measure of

the amount of gas that can be delivered (withdrawn) from a storage facility on a daily basis. Because the proposed Project is to make up for lost deliverability, the replacement well will enable the facility to operate in substantially the same manner as it did before capacity was lost. In addition, the proposed Project will not increase the gas injection or withdrawal rates, beyond what the facility is permitted for by the CPUC. Accordingly, the proposed Project involves “negligible or no expansion” of the facility’s deliverability and satisfies the requirements of the Class 1 exemption.

Class 2, Replacement or Reconstruction (14 CCR § 15302(c)): Class 2 applies because it consists of “replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced[.]” Examples of Class 2 include, but are not limited to, “Replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity.” The proposed Project involves the installation of a new replacement gas storage well from wells being converted to tubing and packer and outage associated with the ongoing inspections in compliance with CalGEM’s 2018 regulations that establish standards for the design, construction, and maintenance of all gas storage wells. The new replacement gas storage well will be installed on an existing well pad within the existing Honor Ranch gas storage facility and no additional construction will occur. The replacement gas storage well will serve the same purpose as the wells that have been plugged and abandoned and are necessary for the Honor Ranch Facility to provide the same measure of deliverability. The proposed Project will not result in an expansion in gas compressor capacity, nor will there be an expansion of the injection and withdrawal rates. Therefore, the replacement wells satisfy the requirements of the Class 2 exemption.

Class 3, New Construction or Conversion of Small Structures (14 CCR § 15303): Class 3 “consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures...” Examples of this exemption include but are not limited to “[w]ater main, sewage, electrical, gas, and other utility extensions...” Because the proposed Project involves the installation of one small structure in a natural gas facility, and the structure is an extension of the natural gas transmission process, the project is categorically exempt under the Class 3 exemption.

Classes 7 and 8, Protection of Natural Resources and the Environment (14 CCR §§ 15307, 15308): Classes 7 and 8 also apply. They include actions taken by regulatory agencies as authorized by law to assure the maintenance, restoration, enhancement, or protection of a natural resource or the environment where the regulatory process involves procedures for the protection of the environment.” As demonstrated in the record, the proposed Project involves the drilling of a new gas storage well to replace diminished gas deliverability capacity as a result of plugging and abandoning wells in the facility to comply with the regulations CalGEM promulgated in 2018, that establish standards for the design, construction, and maintenance of all gas storage wells. The regulations include stringent well construction standards that decrease the risk for adverse impacts to natural resources in the area. CalGEM has statutory and regulatory authority to protect natural resources and the environment. The new gas storage well would ensure that potential impacts to natural resources and the environment from compliance issues associated with the well are minimized, and the new well will also include conditions that protect natural resources and the environment. Therefore, as demonstrated in the proposed Project file, the new well would assure the maintenance, restoration, enhancement, and/or protection of a natural resource and the environment.

Exceptions to Exemptions: CalGEM further finds that there are no exceptions to the application of the categorical exemptions (PRC § 21084; 14 CCR § 15300.2) referenced above. For example, 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 there are no significant “cumulative impacts” resulting from successive projects of the same type in the same place. Therefore, reliance on the exemptions 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