

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 PG&E 032024-01

Project Applicant: Pacific Gas and Electric Company (PG&E)

Project Location: San Joaquin County, McDonald Island Gas Field
Latitude 37.99608231, Longitude -121.47902679

Project Description: Pacific Gas and Electric Company (PG&E) submitted four Notice of Intentions (NOI) to rework existing underground gas storage (UGS) wells at the McDonald Island Natural Gas Storage Facility (McDonald Island Facility) in San Joaquin County (Project).

The wells that will be reworked are part of the McDonald Island Facility, an existing facility of an investor-owned utility that is used to provide natural gas services. The McDonald Island Facility is on the man-made McDonald Island, in the Sacramento-San Joaquin Delta, in San Joaquin County; approximately 40 miles south of Sacramento and 10 miles west of Stockton. McDonald Island is 5,900 acres in size and bounded on the north by San Joaquin River, on the west by Middle River and Latham Slough, and on the south by Empire Cut. The McDonald Island Facility on the island is approximately 2,760 acres. The remaining acreage is actively farmed.

The McDonald Island Facility is currently comprised of 88 wells: 69 active gas storage wells, 2 idle gas storage wells, 5 abandoned gas storage wells, 4 out of service gas storage wells, 7 active observation wells, and 1 idle observation well.

The purpose is to rework an underground gas storage (UGS) well. Activity includes retrieve existing tubing string and packer; retrieve production liner; perform casing integrity wireline surveys; replace existing wellhead; install new production liner and gravel pack; and install new tubing string and packer to enhance the safety of UGS projects. This action is in 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 four permits for PG&E to perform rework on the gas wells listed below, in the McDonald Island Gas Field.

API# 0407720535, Whiskey Slough 20-W	API# 0407720192, Whiskey Slough 6-W
API# 0407720216, Turner Cut 3-S	API# 0407720219, Turner Cut 2-S

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 type="checkbox"/>	Class 3: New Construction/Conversion of Small Structures		15303	
<input checked="" 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 Class includes, but is not limited to: remedial, maintenance, conversion, and abandonment work on oil, gas, injection, and geothermal wells..." These reworks involve the installation of CalGEM compliant tubing and packer replacement. Once the work is completed the well will be returned to service. The installation of CalGEM compliant tubing and packer replacement will maintain or diminish the throughput capacity of the reworked gas storage well. Therefore, there is only negligible or no expansion of the existing use. The proposed Project is considered remedial because it is attendant to compliance with updated CalGEM regulations.

Class 2, Replacement or Reconstruction (14 CCR §15302): 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 installation of CalGEM compliant tubing and packer replacement, replacement of existing wellhead; install new production liner and gravel pack; and install new tubing string and packer, to enhance the safety of UGS projects. The location of the well will not change, nor will the underground structure of the well (the wellbore). The reworked well will serve the same purpose as other UGS wells, a gas storage well, and continue to provide the same measure of deliverability or capacity.

Class 4, Minor Alterations to Land (14 CCR §§ 15304, 1684.2): Class 4 exemption applies. The proposed project would be conducted entirely on an existing pad with enough space to contain all equipment. The project would not disturb any undisturbed areas. The proposed project would not disturb any undisturbed areas. The proposed Project is located within an industrial area. Therefore, the proposed Project "consists of drilling operations that result in only minor alterations with negligible or no permanent effects to the existing condition of the land, water, air, and/or vegetation." The reworks would not expand the facility and are conducted in order to comply with CalGEM safety regulations (remedial) and maintain level of service.

Classes 7 and 8, Protection of Natural Resources and the Environment (14 CCR §§ 15307, 15308): Class 7 and Class 8 exemptions apply. The exemptions are for 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 reworks involve the installation of CalGEM compliant tubing and packer and is attendant to compliance 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 rework of these wells to install CalGEM compliant tubing and packer replacement will ensure that potential impacts to natural resources and the environment from compliance issues associated with the well are minimized, and the approval for the reworks will also include conditions that protect natural resources and the environment. Therefore, as demonstrated in the proposed Project file description of the well rework operations, the reworks 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 that 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