

**NOTICE OF EXEMPTION FROM THE  
CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

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<b>To:</b> Governor's Office of Planning and Research – State Clearinghouse 1400 Tenth St, Suite 222 Sacramento, CA 95814-5502	<b>From:</b> South Coast Air Quality Management District 21865 Copley Drive Diamond Bar, CA 91765
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**Project Title:** Proposed Amended Rule 1148.1 – Oil and Gas Production Wells

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**Project Location:** The proposed project is located within the South Coast Air Quality Management District's (South Coast AQMD) jurisdiction, which includes the four-county South Coast Air Basin (all of Orange County and the non-desert portions of Los Angeles, Riverside, and San Bernardino counties), and the Riverside County portion of the Salton Sea Air Basin and the non-Palo Verde, Riverside County portion of the Mojave Desert Air Basin.

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**Description of Nature, Purpose, and Beneficiaries of Project:** Rule 1148.1 was developed to control emissions of volatile organic compounds (VOC), toxic air contaminants, and total organic compounds from the operation of wellheads, well cellars, and the handling of produced gas at oil and gas production facilities. The objective of Proposed Amended Rule (PAR) 1148.1 is to further reduce and control these emissions. PAR 1148.1 will: 1) add new definitions to clarify rule requirements; 2) require the use of enhanced leak detection technology; 3) require equipment that uses produced gas to meet specific oxides of nitrogen (NOx) limits and to verify compliance via source tests; 4) require workover rigs to meet Tier 4 Final diesel engine standards; 5) ban the use of odorants; 6) update signage requirements to include a minimum size and certain instructions; and 7) include additional minor changes to rule language for consistency and clarity. Initial projections indicate that PAR 1148.1 is expected to require some physical modifications involving minimal to no construction activities associated with: 1) upgrading the engines of approximately 30 workover rigs from Tier 2 to Tier 4 Final; 2) retrofitting approximately 17 engines with 3-way catalysts; 3) installing approximately four microturbines; and 4) conducting optical gas imaging inspections. Implementation of PAR 1148.1 is expected to result in emission reductions of 98.55 tons per year of VOC by 2025, 18.47 tons per year of NOx by 2026, and 186.15 tons per year of NOx by 2027 which will benefit public health and ambient air quality.

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<b>Public Agency Approving Project:</b> South Coast Air Quality Management District	<b>Agency Carrying Out Project:</b> South Coast Air Quality Management District
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**Exempt Status:** CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption

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**Reasons why project is exempt:** South Coast AQMD, as Lead Agency, has reviewed the proposed project (PAR 1148.1) pursuant to: 1) CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. The analysis of the anticipated physical changes that may occur as a result of implementing PAR 1148.1 indicates that since minimal to no construction activities are expected, it can be seen with certainty that implementing the proposed project would not cause a significant adverse effect on the environment. Therefore, the proposed project is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption.

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**Date of Project Approval:**

South Coast AQMD Governing Board Public Hearing: August 2, 2024

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**Date Received for Filing:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

 August 2, 2024

Kevin Ni  
Program Supervisor, CEQA  
Planning, Rule Development, and Implementation