

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:** Well Stimulation Treatment (WST) Permitting Phase-Out

**Project Applicant:** Department of Conservation, Geologic Energy Management Division (CalGEM)

**Project Location:** Any oil or gas well in California on which WST could be conducted would be subject to the proposed amendment to CalGEM's WST regulations. Therefore, the rulemaking would potentially apply to all fields, counties, and CalGEM Districts.

**Project Description:** The Project proposes amending California Code of Regulations, title 14, § 1780 to add a new subsection (d) requiring that CalGEM not approve applications for WST permits for oil and gas wells after a date certain. Existing permits would be allowed to expire. Almost all WST operations in California occur at wells in the San Joaquin Basin. Only a small portion of WST carried out in the State has occurred at offshore wells or in other parts of the State. Over the past decade, 12 operators completed WSTs across Kern, Kings, Orange, and Ventura Counties.

**Exempt Status:** As the Lead Agency, CalGEM has determined that the proposed Project is exempt from further 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 (Cal. Code Regs., tit. 14, § 15300.2).

| Exemption Type                      |  | Statute (PRC) | Regulation (14 CCR) |        |
|-------------------------------------|--|---------------|---------------------|--------|
| <input type="checkbox"/>            | <b>Statutory Exemption:</b>  |               |                     |        |
|                                     | <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 checked="" type="checkbox"/> | <b>Categorical Exemption:</b>  | 21084         |                     |        |
|                                     | <input type="checkbox"/> <b>Class 1:</b> Existing Facilities                             |               | 15301               | 1684.1 |
|                                     | <input type="checkbox"/> <b>Class 2:</b> Replacement or Reconstruction                   |               | 15302               |        |
|                                     | <input type="checkbox"/> <b>Class 3:</b> New Construction/Conversion of Small Structures |               | 15303               |        |
|                                     | <input type="checkbox"/> <b>Class 4:</b> Minor Alterations to Land                       |               | 15304               | 1684.2 |

| Exemption Type                      |   | Statute (PRC) | Regulation (14 CCR) |  |
|-------------------------------------|---|---------------|---------------------|--|
| <input type="checkbox"/>            | <b>Class 6:</b> Information Collection  |               | 15306               |  |
| <input checked="" type="checkbox"/> | <b>Class 7:</b> Protection of Natural Resources   |               | 15307               |  |
| <input checked="" type="checkbox"/> | <b>Class 8:</b> Protection of the Environment   |               | 15308               |  |
| <input type="checkbox"/>            | <b>Class 11:</b> Accessory Structures   |               | 15311               |  |
| <input type="checkbox"/>            | <b>Class 21:</b> Enforcement Actions to revoke a permit   |               | 15321               |  |
| <input type="checkbox"/>            | <b>Class 30:</b> Minor Actions to Prevent, Minimize, Stabilize, Mitigate, or Eliminate a Release (Actual or Threat) of Hazardous Substances (Waste or Material) |               | 15330               |  |
| <input type="checkbox"/>            | <b>Class 33:</b> Small Habitat Restoration Projects   |               | 15333               |  |
| <input checked="" type="checkbox"/> | <b>General Exemption</b> (“common sense”)   |               | 15061 (b)(3)        |  |
| <input type="checkbox"/>            | <b>Not a “Project” subject to CEQA</b>  |               | 15378 (b)(2)        |  |

**CEQA Exceptions to the Exemptions (14 CCR § 15300.2):** Project Location (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.

**Categorical Exemptions: Class 7 (Actions taken by Regulatory Agencies for Protection of Natural Resources) and Class 8 (Actions taken by Regulatory Agencies for Protection of the Environment).**

**Class 7** consists of “actions taken by regulatory agencies as authorized by state law or local ordinance to assure the maintenance, restoration, or enhancement of a natural resource where the regulatory process involves procedures for protection of the environment. Examples include but are not limited to wildlife preservation activities of the State Department of Fish and Game. Construction activities are not included in this exemption.” (Cal. Code Regs., tit. 14, § 15307.)

**Class 8** consists of “actions taken by regulatory agencies, as authorized by state or local ordinance, to assure the maintenance, restoration, enhancement, or protection of the environment where the regulatory process involves procedures for protection of the environment. Construction activities and relaxation of standards allowing environmental degradation are not included in this exemption.” (Cal. Code Regs., tit. 14, § 15308.)

The proposed Project consists of amending section 1780 of CalGEM’s oil and gas regulations to add subdivision (d), which would merely prohibit CalGEM from approving applications for permits to conduct well stimulation treatments after a date certain. The amendment would allow WST permits already issued when the regulation takes effect to remain valid until they expire or are otherwise inoperable by law. Accordingly, the proposed Project would result in a phased cessation of WST in California as existing WST permits expire.

CalGEM proposes the Project to avoid the potential adverse environmental impacts that were identified and described in the Senate Bill (SB) 4 Final Environmental Impact Report (FEIR) and to otherwise protect natural resources, the environment, and public health consistent with the State Oil and Gas Supervisor’s legal authority (see Pub. Resources Code, §§ 3011, 3106). The

SB 4 FEIR was a statewide programmatic analysis of WST and determined that WST has the potential to cause significant and unavoidable impacts to aesthetics, air quality, biological resources (terrestrial environment), cultural resources, geology, soils and mineral resources, greenhouse gas emissions, land use and planning, risk of upset/public and worker safety, and transportation and traffic. Based on the evidence in the record for the proposed Project, including the SB 4 FEIR, the benefits of phasing out WST in California support that the rulemaking would assure the maintenance, restoration, or enhancement, or protection of natural resources and the environment throughout the State. The rulemaking would avoid significant environmental impacts to the environmental factors mentioned above, including air quality and biological resources. The rulemaking would implement the Supervisor's authority and be consistent with the Governor's longstanding policies and directives to reduce greenhouse gas emissions. The rulemaking would not require construction activities, nor would it relax standards allowing for environmental degradation. Rather, the rulemaking would avoid future environmental degradation.

**Commonsense Exemption.** The commonsense exemption applies only "[w]here it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment[.]" (Cal. Code Regs., tit. 14, § 15061(b)(3).)

The proposed Project, the phase-out of WST activities in California, will create environmental benefits as discussed above, in part by avoiding potentially significant impacts identified in the SB 4 FEIR. Moreover, the rulemaking does not require or provide for the authorization of any construction or other activities that could cause adverse environmental effects. For these reasons and based on the evidence in the proposed Project file, there is no possibility that the activity may have a significant effect on the environment.

No other CEQA exemptions were determined to potentially apply.

**Exceptions to Exemptions:** CalGEM further finds that there are no exceptions to the otherwise-applicable categorical exemptions (Cal. Code Regs., tit. 14, § 15300.2). 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 these exemptions is appropriate.

Consistent with the purposes of Public Resources Code § 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 (Cal. Code Regs., tit. 14, § 15062) and all other related materials can be made available to the public by contacting the CalGEM CEQA Program, located at 715 P Street, MS 1803, Sacramento, CA 95814-3530; by calling (916) 445-9686; or an electronic copy of these documents may be requested by contacting [CEQA@conservation.ca.gov](mailto:CEQA@conservation.ca.gov). A copy of this NOE also may be accessed online at the State Clearinghouse: <https://ceqanet.opr.ca.gov>

**Certified:** Jan Perez  
California Geologic Energy Management Division  
CEQA Program

**Date:** 8/30/2024