

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: 508830_Group_CREH_OG_UIC

Project Applicant: California Resources Elk Hills, LLC

Project Location: Kern County, Elk Hills Oil Field; 33/30S/24E;
 Latitude 35.26863158, Longitude -119.40868273

Project Description: The approved project consists of reworking two existing oil and gas production wells. One rework consists of setting a bridge plug and perforating. The second rework would perforate and, if necessary due to casing integrity issues, cement squeeze. Temporary equipment such as pumps and return bins may be needed. Various mobile temporary equipment will be used including, but not limited to, workover rig, etc., and vehicles to transport personnel and materials to/from the site. No production facilities and no new ground surface disturbance will be associated with the reworks. Any waste materials will be properly disposed of in accordance with all applicable laws and regulations.

The administrative grouping initially proposed reworking six wells. Of the six wells, two have been exempted in previous preliminary reviews and NOEs were filed for each (refer to SCH# 2024030354 and SCH# 2024020829). Two wells were determined to have integrity issues that required swift action for the protection of public health, safety, and the environment and received expedited review. The work was approved with a prior exemption and the optional NOE was not filed. The scope of this review is the rework of the remaining two wells from the initial administrative grouping. The previously reviewed wells are listed below.

| API # | Well Name |
|------------|---------------------|
| 0403045497 | Unspecified 27E-35R |
| 0403039340 | Unspecified 64-35S |
| 0403020754 | Unspecified 62NE-4G |
| 0403067549 | Unspecified 88S-1B |

CalGEM has approved permits for California Resources Elk Hills, LLC to rework the oil and gas wells listed below, in the Elk Hills Oil Field.

| API # | Well Name |
|------------|---------------------|
| 0403065416 | Unspecified 27H-33S |
| 0402929091 | Unspecified 46-5G |

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 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) | |
| Exemption Type | | Statute (PRC) | Regulation (14 CCR) | |
| <input checked="" 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 | | | |
| <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 type="checkbox"/> | Class 7: Protection of Natural Resources | | 15307 | |
| <input 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:

Class 1, Existing Facilities (14 CCR §§ 15301, 1684.1): The project is exempt under the Class 1, Existing Facilities exemption because the project would make minor changes to existing wells involving no expansion of the existing use of the wells. Class 1 consists of the “minor alteration” of existing facilities “involving negligible or no expansion of existing or former use.” (14 CCR § 15301.) This includes “alteration of well casing, such as perforating and casing repair.” (14 CCR § 1684.1.) The proposed project would make minor alterations to two oil and gas production wells by setting a bridge plug in one well, performing cement squeeze in the other well, and perforating in both wells. This work is maintenance done to continue resource production. The wells would remain oil and gas production wells with substantially the same production capacity. Additionally, a CalGEM engineer has confirmed that the proposed work is within the scope of UIC project 22800007 and would be a continuation of operations within the confines of the UIC project as permitted by the PAL. Therefore, the changes to the existing facilities would be negligible and would not expand the existing use.

Class 2, Replacement or Reconstruction (14 CCR § 15302): The project is exempt under the Class 2, Replacement or Reconstruction exemption because the project would reconstruct the casing of existing wells and would not change the purpose or capacity of the wells. Class 2 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[.]” (14 CCR § 15302.) The proposed project would make minor alterations to two oil and gas production wells by setting a bridge plug in one well, performing cement squeeze in the other well, and perforating in both wells. This work is maintenance that would reconstruct the casing of the wells in order to continue resource production. The work would take place on existing wellbores located on existing well pads. The wells would remain oil and gas production wells with substantially the same production capacity. Additionally, a CalGEM engineer has confirmed that the proposed work is within the scope of UIC project 22800007 and would be a continuation of operations within the confines of the UIC project as permitted by the PAL. Therefore, the reconstructed casing would be located on the same sites and would not change the purpose or capacity of the wells.

Class 4, Minor Alterations to Land (14 CCR §§ 15304, 1684.2): The project is exempt under the Class 4, Minor Alterations to Land exemption because the project would have negligible effects on the surrounding environment. Class 4 consists of “drilling operations that result only in minor alterations with negligible or no permanent effects to the existing condition of the land, water, air, and/or vegetation” (14 CCR § 1684.2; see also 14 CCR § 15304.) The proposed project would make minor alterations to two oil and gas production wells by setting a bridge plug in one well, performing cement squeeze in the other well, and perforating in both wells. Work would take place on two existing well pads in an established oil field. The well pads are large enough to

accommodate the necessary equipment and can be accessed by existing roads. The project does not involve the construction of new facilities or the expansion of existing facilities. Therefore, there would be no new ground disturbance that would impact the surrounding 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 (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 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. A copy of this NOE may also be accessed online at the State Clearinghouse: <https://ceqanet.opr.ca.gov>

Certified: Mikayla Vaba **Date:** 11/13/2024
 Department of Conservation,
 Geologic Energy Management Division
 CEQA Program