

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: 609417_Group_PG&E_UGS

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

Project Location: San Joaquin County, McDonald Island Gas Storage Field
 Latitude 37.99600983, Longitude -121.47903442

Project Description: The permitted activity is a new drill and a sidetrack of two underground gas storage (UGS) wells in the McDonald Island Gas Storage Field. Drilling activity will be performed on existing pads, and existing roadways will be used for access. New drill activity will include directional drilling to bottom hole location approximately 5,400' below surface. New casing will be installed and cemented to the surface. New CalGEM compliant tubing and packer will be installed. The rework will be conducted in order to meet CalGEM Underground Gas Storage inspection and construction requirements as specified in 14 CCR § 1726 et seq.

The permitted activity consists of CalGEM approving two permits for PG&E to sidetrack and drill the UGS wells listed below, in the McDonald Island Gas Storage Field.

API #	Well Name
N/A (New Drill)	TC-01B-S
0407720467	WS-19W

Exempt Status: As the Lead Agency, CalGEM has determined that the permitted activity 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 permitted activity 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)	
<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 checked="" 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: 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 to the sidetrack and new replacement well under CalGEM's regulations and section 15301(b) of the CEQA Guidelines. 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." (§ 1684.1.) CEQA section 15301(b) Class 1 exemption allows for: "Existing facilities of both investor and publicly-owned utilities used to provide electric power, natural gas, sewerage, or other public utility services[.]" As this facility is a natural gas public utility service, it would qualify for a Class 1 exemption under § 15301(b). The UGS facility 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 activities 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 activity is to make up for lost deliverability, the activities 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 activity satisfies the requirements of the Class 1 exemption.

Class 2, Replacement or Reconstruction (14 CCR § 15302(c)): Class 2 applies because the sidetrack and new drill activities consist 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, “[r]eplacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity.” The proposed project involves the sidetrack of an existing well and the installation of a new replacement gas storage well at an existing UGS utility facility. The purpose of the proposed activities is to replace wells that were converted to tubing and packer and outage (i.e., thereby reducing capacity) associated with the ongoing inspections in compliance with CalGEM’s 2018 regulations. The 2018 regulations establish standards for the design, construction, and maintenance of all gas storage wells. The activities will be performed on existing well pads within the existing gas storage facility. The wells will serve the same purpose as the wells that have been modified and are necessary for the facility to provide the same measure of deliverability capacity. The proposed activity will not result in an expansion in gas compressor capacity, nor will there be an expansion of the injection and withdrawal rates. Therefore, the activities proposed satisfy the requirements of the Class 2 exemption.

Class 3, New Construction or Conversion of Small Structures (14 CCR § 15303): Class 3 applies to the proposed project. Class 3 “consists of construction and location of limited numbers of new, small facilities or structures” and “installation of small new equipment and facilities in small structures.” An example of this exemption includes “[w]ater main, sewage, electrical, gas, and other utility extensions.” (14 CCR § 15303(d).) Because the proposed project involves the installation of small structures in a natural gas facility, and the structures are an extension of the natural gas transmission process, the project is categorically exempt under the Class 3 exemption.

Class 4, Minor Alterations to Land (14 CCR §§ 15304, 1684.2): Class 4 applies to the proposed activities. Under the CEQA Guidelines, Class 4 “consists of minor or public or private alterations in the condition of land, water, and/or vegetation which do not involve removal of healthy mature, scenic trees except for forestry and agricultural purposes.” CalGEM’s regulations define Class 4 as “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.” The project would be conducted entirely on existing pads of sufficient space to contain all equipment, and existing roads to the pads would be utilized with no new disturbance. As explained in this PR, no impacts to biological resources are expected. No trees would be removed, and the project would not otherwise disturb any undisturbed areas. Therefore, the project would result in only

