

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: 509828_CRPC_OG

Project Applicant: California Resources Production Corporation (CRPC)

Project Location: Kern County, North Shafter Oil Field; 28/27S/25E/MD;
 35.55764771, -119.28707123

Project Description: CRPC proposes to rework an existing oil & gas well located in the North Shafter Oil Field. The rework involves pulling production equipment, cleaning out the wellbore and evaluating the liner condition for damage, remediating the liner with a squeeze cement job and/or running a slotted inner liner, re-running production equipment, and returning the well to production to existing facilities. No production facilities and no new ground surface disturbance will be associated with the rework. 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. Any waste materials will be properly disposed of in accordance with all applicable laws and regulations.

The administrative grouping initially proposed reworking 3 wells. Of the 3 wells, 2 wells were determined to have integrity issues that required swift action for the protection of public health, safety, and the environment and therefore received an 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 1 well from the initial administrative grouping. The wells that received an expedited review are listed below.

| API # | Well Name |
|------------|----------------|
| 0403050850 | Shafter WD 2-6 |
| 0403020556 | SWICO 34-9 |

The proposed project consists of the California Department of Conservation, Geologic Energy Management Division (CalGEM) approving a permit for CRPC to rework the well listed below, in the North Shafter Oil Field.

| API # | Well Name |
|------------|----------------|
| 0403047995 | Timeless 28-6H |

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>) <input type="checkbox"/> Ministerial <input type="checkbox"/> Declared Emergency <input type="checkbox"/> Emergency Projects | 21169 21080 (b)(1) 21080 (b)(3) 21080 (b)(4) | 15261 (b) 15268 15269 (a) 15269 (b) or (c) | |
| <input checked="" type="checkbox"/> Categorical Exemption: <input checked="" type="checkbox"/> Class 1: Existing Facilities <input checked="" type="checkbox"/> Class 2: Replacement or Reconstruction <input type="checkbox"/> Class 3: New Construction/Conversion of Small Structures <input checked="" type="checkbox"/> Class 4: Minor Alterations to Land <input type="checkbox"/> Class 7: Protection of Natural Resources <input type="checkbox"/> Class 8: Protection of the Environment <input type="checkbox"/> Class 11: Accessory Structures <input type="checkbox"/> Class 21: Enforcement Actions to revoke a permit <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) <input type="checkbox"/> Class 33: Small Habitat Restoration Projects <input type="checkbox"/> General Exemption ("common sense") | 21084 | 15301 15302 15303 15304 15307 15308 15311 15321 15330 15333 | 1684.1 1684.2 |
| <input type="checkbox"/> Not a "Project" subject to CEQA | | 15061 (b)(3) | 15378 (b)(2) |
| <p>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.</p> | | | |

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): The project is exempt under the Class 1, Existing Facilities exemption because the project would make minor changes to an existing well involving no expansion of the existing use of the well. 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." Additionally, in accordance with 14 CCR § 1684.1 the Class 1 exemption consists of operation, repair, maintenance, minor alternation of existing public or private structures, facilities, mechanical equipment, or topographical features involving negligible or no expansion of use beyond that existing previously. This Class includes but is not limited to conversion, and abandonment work on oil, gas, injection, and geothermal wells involving the alteration of well casing, such as perforating and casing repair, removal, or replacement; installation or removal of downhole production or injection equipment, cement plugs, bridge plugs, and packers set to isolate production or injection intervals. The project consists of remediating the liner with a squeeze cement job and/or running a slotted inner liner and returning the well to production. No expansion of the existing well pad, roads, staging areas, or pipelines are proposed, and the completion design would be the same as the original wellbore. According to a CalGEM engineer, the proposed work is within the scope of UIC project 69900001 and would be a continuation of operations within the confines of the UIC project as permitted by the project approval letter (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): Class 2 exemption 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, "[r]eplacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity." The project would include pulling and replacing production equipment, cement squeezing, and replacing the inner liner, and the completion design would be the same as the original wellbore. According to a CalGEM engineer, the proposed work is within the scope of UIC project 69900001 and would be a continuation of operations within the confines of the UIC project as permitted by the PAL. Therefore, the proposed project consists of replacement or reconstruction and would not change the purpose or capacity of the well.

Class 4, Minor Alterations to Land (14 CCR §§ 15304, 1684.2): Class 4 exemption applies. 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 be conducted entirely on an existing pad with enough space to contain all equipment. The project would include remediating the liner with a squeeze cement job and/or running a slotted inner liner and returning the well to production, and the completion design would be the same as the original wellbore. No expansion of the existing well pad, roads, staging areas, or pipelines are proposed. 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."

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

