

Department of Conservation

Notice of Exemption

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
 11000 River Run Boulevard
 Bakersfield CA 93311

Contact: CalGEMCentral@conservation.ca.gov

Project Title: 498417_Aera_O&G

Project Applicant: Aera Energy LLC (Aera)

Project Location: Kern County, Lost Hills; 13/26S/20E/MD; 35.6729219, -119.774112

Project Description: The primary work objective is to sidetrack 1 existing oil and gas well(s) to restore them to their original functionality. This work is designed to support continuation of oil and gas resource development in the area. The wells are not being sidetracked (i) for abandonment purposes only or (ii) in connection with an enforcement order to mitigate or prevent environmental damage or surface expression. Sidetracking is the process of drilling a new wellbore from an existing wellbore. This is typically done when the original wellbore encounters a problem, when accessing remaining hydrocarbons within portions of the same reservoir, or when obstructions in the wellbore need to be bypassed. This process allows drilling anew section in an existing wellbore in the same rock formation restoring the well's original functionality. Currently the wells proposed for sidetracking are damaged to the extent that their functionality has been impaired and cannot be repaired; therefore, the purpose of the sidetrack is to remediate existing damage on those wells and to restore their functionality.

The proposed project consists of the California Department of Conservation, Geologic Energy Management Division (CalGEM) approving one permit for Aera to perform sidetrack work on the well listed below, in the Lost Hills Oil Field, to address well integrity issues.

API #	Well Name
0403059118	"Lost Hills Three" LH2020R

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)	
<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		15302	
<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 checked="" type="checkbox"/>	Class 7: Protection of Natural Resources		15307	
<input checked="" 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)	
<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 "Class 1" (14 CCR § 15301) exemption is applicable per the CEQA Guidelines and CalGEM's regulations (14 CCR § 1684.1) because the proposed work consists of repair, maintenance, or minor alteration of an existing previously permitted well involving no expansion of former use. The Class includes, but is not limited to: remedial, maintenance, conversion, and abandonment work on oil, gas, injection, and geothermal wells. The well would maintain its existing well type and the use of the well would remain the same as before.

Class 2, Replacement or Reconstruction (14 CCR § 15302): Class 2 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, “Replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity.” The proposed project is the sidetrack, or replacement, of the existing wellbore which is needed to restore the well’s original functionality. The sidetracked well will be located on the same site and would have substantially the same purpose and capacity as the well did before the sidetrack. Additionally, no additional construction will occur.

Class 4, Minor Alterations to Land (14 CCR §§ 15304, 1684.2): Class 4 exemption applies. The proposed project would be conducted entirely on an existing pad with enough space to contain all equipment. The project would not disturb any undisturbed areas. 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.” The sidetrack would not expand the facility.

Classes 7 and 8, Actions by Regulatory Agencies for Protection of Natural Resources and the Environment (14 CCR §§ 15307, 15308): Class 7 and Class 8 exemptions apply. The exemptions are for actions taken by regulatory agencies as authorized by law to assure the maintenance, restoration, enhancement, or protection of a natural resource or the environment where the regulatory process involves procedures for the protection of the environment.” As demonstrated in the record, the sidetrack involves remedial/rework to address well integrity issues that requires swift action for protection of a natural resource and the 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) referenced above. 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 that there are no significant “cumulative impacts” resulting from successive projects of the same type in the same place. Therefore, reliance on the exemptions is appropriate.

A copy of this Notice of Exemption (as required by 14 CCR § 15062(a)) and all other related materials are available for public inspection at CalGEM's District office, located at 11000 River Run Boulevard, Bakersfield CA 93311; or an electronic copy of these documents may also be accessed online at the State Clearinghouse:

<https://ceqanet.opr.ca.gov>.

Certified: _____ *Ghebreteinsae Sequar* **Date:** 1/29/2025
 Department of Conservation,
 Geologic Energy Management Division