

State of California
 Natural Resources Agency / Department of Conservation
 GEOLOGIC ENERGY MANAGEMENT DIVISION

California Environmental Quality Act Notice of Exemption

To: Office of Land Use & Climate Innovation
 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: 627707_Group_Macpherson_OG_UIC

Project Applicant: Macpherson Oil Company

Project Location: Kern County, Round Mountain Oil Field; 18/28S/29E/MD; Latitude 35.49292755, Longitude -118.89672852

Project Description: The project would rework eleven wells by converting one steamflood injection well to waterflood injection, converting two observation wells to waterflood injection, converting five oil and gas production wells to waterflood injection, and perforating three waterflood injection wells in order to address integrity issues and continue resource development. Work involves testing, cementing, and perforating casing. The proposed project is estimated to take an estimated five days per well once work has begun. The project will utilize a workover rig, and various temporary support equipment that include delivery trucks, backhoes, and pickup trucks. The well pad will be able to accommodate all associated equipment and operations, including personnel parking. The rig will then conduct day-light operations until work is completed. The rig operations and equipment will then be demobilized and removed from the site. No production facilities and no new ground surface disturbance will be associated with the reworks.

The grouping initially proposed reworking twelve wells. One of the wells was 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 eleven wells from the initial grouping. The previously reviewed well is listed below:

API #	Well Name
0402918033	USL 18 93

The proposed project consists of the California Department of Conservation, Geologic Energy Management Division (CalGEM) approving eleven permit(s) for Macpherson Oil Company to rework the wells listed below, in the Round Mountain Oil Field.

API #	Well Name
0402916985	USL 18 2
0403029348	USL 18 315
0403009474	USL 18 420
0403035022	USL 18 635
0403046706	USL 18 TOW 3
0402916988	USL 18 13
0403046167	USL 18 156
0403048462	USL 18 168
0403026957	USL 18 630
0403054366	Caldwell 100
0403030275	USL 18 310

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 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	

Exemption Type		Statute (PRC)	Regulation (14 CCR)	
<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 project is exempt under the Class 1, Existing Facilities because the project would make minor alterations to existing wells with negligible changes to the existing use of the wells. 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.” This includes “remedial, maintenance, 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.” (14 CCR § 1684.1.) The project involves remedial, maintenance, and conversion work on eleven existing wells in order to address integrity issues and continue resource development. The project includes the conversion of one steamflood injection well to waterflood injection, two observation wells to waterflood injection, and five oil and gas production wells to waterflood injection. Two of the wells would be abandoned in the Vedder production zone and recompleted in the Pyramid Hill zone. The proposed work consists of testing, cementing, and perforating casing. These are negligible changes that would not result in significant impacts to surface or subsurface conditions. A CalGEM engineer has stated that Pyramid Hill and Vedder are commonly produced together, and it is a common development practice in the Round Mountain oil field to plug back a well in one zone to produce in the other. Both zones are existing hydrocarbon zones and are currently producing. The engineer also confirmed that the Pyramid Hill zone is higher than Vedder and produces fewer overall fluids, so the capacity of the wells would not need to be expanded to produce in Pyramid Hill. A CalGEM engineer has confirmed that the proposed work is within the scope of UIC projects 62809014, 62809021, 62809023, and 62809024, and the purpose of the proposed operations is the continuation of operations within the UIC projects as approved by the PALs. The conversions are part of an approved expansion of UIC project 62809023. The State Water Resources Control Board reviewed UIC project 62809023 for groundwater impacts and did not object to the project. The work described in this review is separate from the 2022 addendum to the PAL for 62809021 and the 2021 addendum to the PAL for 62809023, as confirmed by a

CalGEM engineer. Therefore, the conversions and zone changes would be a negligible change in 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 and wellbores of eleven existing wells and would not substantially change the purpose or capacity of the wells. Class 2 consists of the "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 project would reconstruct the casing and wellbores of eleven existing wells by testing, cementing, and perforating casing. The work would take place on the existing well pads and wellbores. The project involves the conversion of eight wells and would abandon two wells in the Vedder production zone and recomplete them in the Pyramid Hill zone. A CalGEM engineer has confirmed that the proposed work is a continuation of the approved UIC projects 62809014, 62809021, 62809023, and 62809024. The conversions are part of an approved expansion of UIC project 62809023. Changes in the production zone would not expand well capacity as the Pyramid Hill zone is higher than Vedder and produces fewer overall fluids. Therefore, the proposed work would not substantially 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 because the project involves minimal surface disturbance that could significantly impact 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 project would take place on previously disturbed, existing well pads which are large enough to accommodate the necessary equipment and can be accessed by existing roads. The project does not involve the expansion of the existing well pads, flowlines corridor, or powerline corridor. The project is located in a densely developed oil field. Therefore, there would be minimal new disturbance that could significantly 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) 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 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; by calling (916) 445-9686; or an electronic copy of these documents may be requested by contacting CEQA@conservation.ca.gov. The notice filed with the State Clearinghouse may be accessed online at: <https://ceqanet.opr.ca.gov>

Certified: *Mikayla Vaba* **Date:** 3/20/2025
 Department of Conservation,
 Geologic Energy Management Division