

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 and 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: 662775_Group_HWOC_OG_UIC

Project Applicant: Holmes Western Oil Corporation

Project Location: Kern, Midway-Sunset; 21/11N/23W/SB; 35.03144750/-119.33955660; and 427' South and 2384' West of the NE corner of Section 21

Project Description: Holmes Western Oil Corporation (HWOC) proposes to rework existing wells Santiago Creek Unit G-9, G-11, and D-12 located in the Midway Sunset Oilfield. Proposal is to add perforations to the well casings and keep the well type as oil and gas, no injection is planned. The project is expected to take 2 days per well and will be completed during the Fall season. Construction related activities are not required. All equipment will be contained within existing facilities and there will be no expansion of existing former use. Temporary equipment needed for the project includes a Production Rig, Rig Pump, Wireline Truck, and Bins. Vehicles needed to transport personnel, deliver supplies and materials, and transport waste will also visit the project site. This well will not require the use of any produced or fresh water. Therefore, no vacuum truck is necessary. The well is located inside of the Midway Sunset oilfield boundary established before April 5, 1973.

Environmental Setting: The surrounding land use of the proposed project consists of developed oil and gas leases. There are no sensitive receptors within 3200 ft of the project site.

Local Agency Requirements: The project is located on property operated by HWOC in Kern County. Kern County does not issue permits for oil and gas wells. A list of the proposed wells is provided below.

API #	Well Name
0403061361	Santiago Creek Unit G-9
0403061291	Santiago Creek Unit G-11
0403061292	Santiago Creek Unit D-12

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)	
<ul style="list-style-type: none"> .. Statutory Exemption: .. Ongoing Project (<i>pre-CEQA approval on April 5, 1973</i>) .. Ministerial .. Declared Emergency .. Emergency Projects 	<ul style="list-style-type: none"> 21169 21080 (b)(1) 21080 (b)(3) 21080 (b)(4) 	<ul style="list-style-type: none"> 15261 (b) 15268 15269 (a) 15269 (b) or (c) 	
<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Categorical Exemption: <input checked="" type="checkbox"/> Class 1: Existing Facilities <input checked="" type="checkbox"/> Class 2: Replacement or Reconstruction Class 3: New .. Construction/Conversion of Small Structures <input checked="" type="checkbox"/> Class 4: Minor Alterations to Land .. Class 7: Protection of Natural Resources .. Class 8: Protection of the Environment .. Class 11: Accessory Structures .. Class 21: Enforcement Actions to revoke a permit Class 30: Minor Actions to Prevent, Minimize, Stabilize, Mitigate, or Eliminate a Release (Actual or Threat) of Hazardous Substances (Waste or Material) .. Class 33: Small Habitat Restoration Projects 	<ul style="list-style-type: none"> 21084 	<ul style="list-style-type: none"> 15301 15302 15303 15304 15307 15308 15311 15321 15330 15333 	<ul style="list-style-type: none"> 1684.1 1684.2
<ul style="list-style-type: none"> .. General Exemption ("common sense") 		15061 (b)(3)	
<ul style="list-style-type: none"> .. 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 categorically exempt from CEQA under the "Class 1" (14 CCR § 15301) exemption per the CEQA Guidelines because the proposed project is a repair or minor alteration of existing facilities and will not involve an expansion of use of the oil field, and therefore is exempt from the need for full CEQA review. 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. The proposed work involves altering the existing casings and/or wellheads of existing wellbores to restore productivity. Additionally, a CalGEM engineer has confirmed that the proposed work would be a continuation of operations within UIC Project 46400393, as permitted by the project approval letter (PAL).

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." The proposed work will be conducted on an existing wellbore, located on an existing well pad. The project will not expand operations or change the existing use of the well. Additionally, a CalGEM engineer has confirmed that the proposed work would be a continuation of operations within UIC Project 46400393, as permitted by the PAL.

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.") 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 active oil field. The rework would not expand the facilities.

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: _____ **Date:** _____

Department of Conservation,
Geologic Energy Management Division