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
11000 River Run Boulevard
Bakersfield, CA 93311

Contact:
CalGEMCentral@conservation.ca.gov

Project Title: 735421_HWOC_UIC

Project Applicant: Holmes Western Oil Corporation (HWOC)

Project Location: Kern County, Midway-Sunset; Sec. 22, Twn. 11N, Rng. 23W, Base SB; Latitude: 35.0284728, Longitude: -119.3250350

Project Description: 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, Cement Truck, Bins, Storage Tank, and Tubing. Vehicles needed to transport personnel, deliver supplies and materials, and transport waste will also visit the project site. Reworking the well will require the use of 84.5 bbls (3,549 gallons) of produced water and 59.2 bbls (2486 gallons) of fresh water. Produced water will come from our Santiago Creek Unit Production Facility, approximately 1.88 miles from the well location. Fresh water will be provided by the cementing service company. The produced water will be transported to the project location by vacuum truck.

The proposed project consists of the California Department of Conservation, Geologic Energy Management Division (CalGEM) approving 1 permit for Holmes Western Oil Corporation to rework the well listed below, in the Midway-Sunset Oil Field, to address well integrity issues.

API #	**Well Name**
0403046972	Leutholtz A 268

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)	
☐	**Statutory Exemption:**			
	☐ Ongoing Project (*pre-CEQA approval on April 5, 1973*)	21169	15261 (b)	
	☐ Ministerial	21080 (b)(1)	15268	
	☐ Declared Emergency	21080 (b)(3)	15269 (a)	
	☐ Emergency Projects	21080 (b)(4)	15269 (b) or (c)	
☑	**Categorical Exemption:**	21084		
	☑ **Class 1**: Existing Facilities		15301	1684.1
	☑ **Class 2**: Replacement or Reconstruction		15302	
	☐ **Class 3**: New Construction/Conversion of Small Structures		15303	
	☑ **Class 4:** Minor Alterations to Land		15304	1684.2
	☑ **Class 7**: Protection of Natural Resources		15307	
	☑ **Class 8**: Protection of the Environment		15308	
	☐ **Class 11:** Accessory Structures		15311	
	☐ **Class 21**: Enforcement Actions to revoke a permit		15321	
	☐ **Class 30**: Minor Actions to Prevent, Minimize, Stabilize, Mitigate, or Eliminate a Release (Actual or Threat) of Hazardous Substances (Waste or Material)		15330	
	☐ **Class 33**: Small Habitat Restoration Projects		15333	
☐	**General Exemption** ("common sense")		15061 (b)(3)	
☐	**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): 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 rework, or replacement, of the existing wellbore. The rework will be on the same site and would have substantially the same purpose and capacity as the well did before the rework. 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 rework 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 proposed project involves remedial/rework operations 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 Central 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: _____ **Date:** _____

Department of Conservation,
Geologic Energy Management Division