

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: 730308_Group_PGE_UGS

Project Applicant: Pacific Gas and Electric Company

Project Location: San Joaquin, McDonald Island Gas; 25/02N/04E/MD; 37.99500275/-
121.47741699

Project Description: Pacific Gas and Electric Company plans to rework the proposed wells to meet CalGEM Underground Gas Storage inspection and construction requirements as specified in 14 CCR § 1726. The proposed scope of work includes the following activities: retrieve existing tubing string and packer, retrieve production liner, perform casing integrity wireline surveys, replace existing wellhead, install new production liner and gravel pack, and install new tubing string and packer. The proposed project will require, at a minimum, the following equipment: Workover rig (double), mud pumps, cuttings bin blowout prevention equipment and accumulator, generator, fuel tanks, fluid Tanks, and light towers. All equipment will be staged and operated within the existing facility footprint and existing roadways will be used for access. This includes all ancillary equipment which may be required such as pump trucks, vac trucks, and casing storage. No new surface construction activities are planned with the rework. No new permanent facilities will be constructed and no expansion to associated facilities or roadways will be required. The project is anticipated to last from March to December 2025. The wells will be returned to service as a gas storage well with no change or expansion of existing use. The project is in an agricultural zone in San Joaquin County. San Joaquin County does not require any ministerial or discretionary permits for well reworks. The surrounding land use within a 3-mile radius is primarily agricultural.

Waste material will be properly disposed of as non-hazardous or hazardous waste at a facility licensed to accept the waste. Secondary containment will be utilized for liquid HazMat's and workover fluids. No erosion controls will be required as these sites are all graveled. Water will be applied as mitigation for dust suppression from vehicle traffic.

The proposed project consists of the California Department of Conservation, Geologic Energy Management Division (CalGEM) approving 3 permits- UIC 45200001, for

Supplementary Notice of Intention - Pacific Gas and Electric Company to Rework the well(s) listed below, in the McDonald Island Gas Oil Field.

API #	Well Name
0407720173	Whiskey Slough 3-E
0407720219	Turner Cut 2-S
0407720228	Turner Cut 10-N

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:			
.. Ongoing Project (<i>pre-CEQA approval on April 5, 1973</i>)	21169	15261 (b)	
.. Ministerial	21080 (b)(1)	15268	
.. Declared Emergency	21080 (b)(3)	15269 (a)	
.. 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	
.. Class 3: New Construction/Conversion of Small Structures		15303	
<input checked="" type="checkbox"/> 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)	

Exemption Type	Statute (PRC)	Regulation (14 CCR)	
** 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. An example provided in the CEQA guidelines states 'existing facilities of both investor and publicly owned utilities used to provide electric power, natural gas, sewerage, or other public utility services.' The proposed work involves altering the existing casing and/or wellhead of existing wells to restore productivity and address known integrity issues.

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." An example provided in the CEQA guidelines states 'replacement or reconstruction of existing utility systems.' The proposed project is the rework of an existing wellbore which is needed to install a casing liner in a well with known casing damage. The rework will be on the same site and would have substantially the same purpose and capacity as the well did before the rework.

Class 4, Minor Alterations to Land (14 CCR §§ 15304, 1684.2): Class 4 exemption applies. The proposed project would be conducted entirely on existing well pads with enough space to contain all equipment. The project would not disturb any undisturbed areas. The proposed project is located within an existing underground gas storage facility. 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 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:** _____

Signed by:
Mila Galenski
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Department of Conservation,
Geologic Energy Management Division