Docusign Envelope ID: 621F6046-9B0C-41D9-B2CD-1FBA1B587584

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
195 S. Broadway, Suite 101
Orcutt, CA 93455
Contact:
CalGEMNorthern@conservation.ca.gov

Project Title: Aera San Ardo Three (3) Wells Administrative Grouping

Project Applicant: AERA ENERGY LLC

Project Location: Monterey County, San Ardo Oil Field; Section 12/Township 23S/Range 10E/MD B&M; 35.94155121, -120.84874725

Project Description: The primary work objective is to sidetrack three (3) existing well(s). 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 a new section in an existing wellbore in the same rock formation restoring the well's original functionality.

The potential disturbance footprint would encompass an existing 20,000 square foot (100 ft x 200 ft) well pad per well. The entirety of this work would be located in an area of existing disturbance and no change in the surface topography (such as drainage patterns) would result. There will be no expansion of the existing well pads, roads, staging areas, or pipelines. No new grading would occur in any undisturbed areas. No new road construction or expansions would be required for the proposed project. Routine maintenance activities at the site would include removal of weeds and other ruderal vegetation for fire control and road maintenance.

The work will commence after CalGEM permit approval. The time of year the work would occur is dependent on the date of final CalGEM permit approval. For a single well, it is expected to take approximately 17 operational days to complete all construction phases.

Construction activities would generally include the following phases with estimated duration:

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1. Plugging a portion of existing wellbore – 2 days

    • Zonal plugging of wellbore to be sidetracked from in accordance with CalGEM plugging requirements.

2. Site preparation – 7 days

    • Site location work on existing well pads to create safe work site for personnel and environment

3. Sidetrack drilling (construction) of the well – 3 days

    • Sidetracking operations in accordance with CalGEM regulations

4. Well completion – 2 days

    • Subsurface completion of well in accordance with CalGEM regulations

5. Final site surface construction – 3 days

    • Re-installation of various aboveground piping and equipment to connect well sites to the existing infrastructure

Each phase requires different combinations of temporary equipment. At the end of each construction phase, the temporary equipment would be removed from the well site.

All work during the project phases, except for the drilling phase, will occur during the days Monday through Friday, and approximate hours from 6 am to 5 pm. The drilling rig will operate 24 hours per day.

The construction activity will not include installation of new pipelines or infrastructure. No new ground disturbance would occur. The proposed construction activities would use existing electrical lines. The proposed construction activities would involve a combination of re-use, repair, or reinstallation of various above-ground piping to connect subject well sites to the existing infrastructure.

The proposed sidetracks are of existing cyclic steam wells which are completed in the Lombardi Sands (Pool: Lombardi, Pool Code: 10). The Lombardi Sands in the San Ardo Oil Field is a known hydrocarbon zone. The proposed sidetracks will remain in the same pool as the original wellbore. The pool designation will not change. The proposed sidetracks will NOT change the current designation of the existing wells.

The proposed project consists of the California Department of Conservation, Geologic Energy Management Division (CalGEM) approving three (3) permit(s) for Aera Energy LLC to perform sidetrack work on the wells listed below, in the San Ardo Oil Field.

API #	**Well Name**
0405322020	Orradre 1428-12
0405322421	Orradre 1263-12
0405322525	Orradre 1594-12

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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

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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.

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 Northern District Orcutt Office, located at 195 S. Broadway, Orcutt, CA 93455; or an electronic copy of these documents may also be accessed online at the State Clearinghouse: https://ceqanet.opr.ca.gov.

Certified: _____ **Date:** 11/6/2025

Department of Conservation,
Geologic Energy Management Division