

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

California Environmental Quality Act
Notice of Exemption

To: Office of Planning & Research
State Clearinghouse
1400 Tenth Street, Room 113
Sacramento, CA 95814

From: Department of Conservation
Geologic Energy Management Division
801 K Street, MS 18-05
Sacramento, CA 95814

Contact: Larry Kleinecke, (916) 445-9686

Project Title: OG Holmes 4 Wells 05152020

Project Applicant: Holmes Western Oil Corporation

Project Location: Midway-Sunset Oil Field

County: Kern

Section: 22

Township: 11N

Range/Baseline: 23W / SB B&M

Latitude/Longitude: 35.02829959, -119.32386092

The proposed project consists of drilling four new wells in the Midway-Sunset Oil Field in Kern County. The proposed wells are located in a densely developed oil field, within a parcel under active oil production, and in an area with mineral rights owned by the U.S. Bureau of Land Management (BLM). CalGEM has issued permits for the wells and notified BLM of the permits.

| <i>API #</i> | <i>Well Name</i> | <i>API #</i> | <i>Well Name</i> |
|--------------|------------------|--------------|------------------|
| 0403068464 | Leutholtz A 295 | 0403068465 | Leutholtz A 324 |
| 0403068466 | Leutholtz A 320 | 0403068467 | Leutholtz A 292 |

Details on well locations can be found on CalGEM's website at:
<http://www.conservation.ca.gov/calgem/Pages/Wellfinder.aspx>

Exempt Status: As the Lead Agency, the Geologic Energy Management Division (CalGEM) has determined that the proposed project is exempt from further 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 exemptions apply (14 CCR 15300.2).

| Exemption Type | | Statute (PRC) | Regulation (14 CCR) | |
|-------------------------------------|---|---------------|---------------------|--------|
| <input checked="" type="checkbox"/> | Statutory Exemption: | | | |
| <input checked="" type="checkbox"/> | Ongoing Project (<i>pre-CEQA. Approval prior to 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 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 6: Information Collection | | 15306 | |
| <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 | |
| <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) | |

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.

15261(b) - Ongoing Project: The project is statutorily exempt from CEQA under the Ongoing Project exemption (PRC 21169; 14 CCR 15261(b)) because CalGEM identified administrative boundaries of the Midway-Sunset oil & gas field that were approved prior to April 5, 1973 (pre-CEQA). CalGEM permit approvals for oil & gas activities within this field occurred before April 5, 1973 and those permit approvals occurring after that date do not involve a greater degree of responsibility or control over the project as a whole than did the prior approvals.

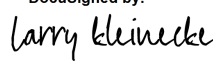
Class 1 – Existing Facility: The project is categorically exempt from CEQA under the "Class 1" (14 CCR §15301) exemption per the CEQA Guidelines and per CalGEM's regulations (14 CCR §1684.1) because the wells will be installed within an existing oil field and involve no expansion of use of the oil field.

Class 4 – Minor Alterations to Land: The project is categorically exempt from CEQA under the "Class 4" (14 CCR 15304) exemption per the CEQA Guidelines because the project involves the minor alteration of the condition of land and/or vegetation within a densely developed oil field and does not require the removal of healthy, mature scenic trees.

Exceptions to Exemptions: CalGEM further finds that there are no exceptions to the otherwise-applicable categorical exemptions (PRC §21084; 14 CCR 15300.2(c)). 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 is no significant "cumulative impacts" resulting from successive projects of the same type in the same place. Therefore, this project is not subject to CEQA.

A copy of this NOE (as required by 14 CCR 15062(a)) and all other related materials are available for public inspection at CalGEM's CEQA Unit, located at 801 K Street, 14th floor, Sacramento, CA 95812; or an electronic copy of these documents may also be accessed online at the State Clearinghouse: <https://ceqanet.opr.ca.gov>; and/or CalGEM's website at <http://www.conservation.ca.gov/calgem/CEQA>

Certified: _____

DocuSigned by:

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Geologic Energy Management Division
 CEQA Unit

Date: _____