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 715 P Street, MS 1803 Sacramento, CA 95814 Contact: Jan Perez, (916) 445-9686

Project Title: OG Chevron 072022-001

Project Applicant: Department of Conservation, Geologic Energy Management Division (CalGEM)

Project Location: Multiple locations in the Cymric Oil Field in Kern County. See Attachment 1 for specific locations.

Exempt Status: As the California Environmental Quality Act (CEQA) lead agency for the project, CalGEM determined that the proposed project is exempt from further environmental review requirements of CEQA, pursuant to the statutory exemption: Emergency Project (Pub. Resources Code, § 21080(b)(4); Cal. Code Regs., tit. 14, § 15269(c)). "Specific actions necessary to prevent or mitigate an emergency. This does not include long-term projects undertaken for the purpose of preventing or mitigating a situation that has a low probability of occurrence in the short-term, but this exclusion does not apply (i) if the anticipated period of time to conduct an environmental review of such a long-term project would create a risk to public health, safety or welfare, or (ii) if activities (such as fire or catastrophic risk mitigation or modifications to improve facility integrity) are proposed for existing facilities in response to an emergency at a similar existing facility." (Cal. Code Regs., tit. 14, § 15269(c).)

Project Description: Chevron U.S.A. Inc. (Chevron) proposes to drill 24 new wells (Attachment 1) in the Cymric oil field in Kern County to help mitigate the unrestricted flow of oil and water at the surface that is caused by a series of surface expressions referred to as "Gauge Setting 5" (GS-5). (Manmade surface expression can occur when steam injected under pressure to produce oil breaks through natural geologic barriers and comes to the surface; this is the case in the GS-5 surface expression). Sixteen new wells will be replacement production wells, drilled to the diatomite production zone, to manage ground deformation and continue to de-energize the reservoir through cooling (water injection) and withdrawal. Six new wells will be drilled at first, to act as intercept wells to plug and abandon six existing wells. Once the six existing wells are plugged and abandoned, the new wells will be used as temperature observation wells. Two new overburdened relief wells will be drilled to produce oil in amounts determined necessary to relieve pressure in areas believed to be influencing GS-5.

Since the purpose of these wells is part of the effort to stop GS-5, the wells are not likely to be long-term wells. The replacement wells may be in place 5-10 years, depending on

how long it takes to relieve energy in the area and/or stop GS-5 flow. The observation wells may be abandoned quickly after information is obtained or remain in use for up to 10 years to continue monitoring the overburden. The overburden wells may be in place longer that the other wells depending on how long it takes to relieve energy in the area and/or stop GS-5 flow. Upon completion of useful life of the wells, the wells will be plugged and abandoned to CalGEM requirements, and the site fully restored to as near a natural state as practicable.

The goal of the project is to reduce and ultimately stop the uncontrolled release of oil, water, and associated fluids into the environment. As such, the project qualifies for the statutory emergency project exemption. Specifically, an emergency exists due to uncontrolled surface expressions associated with GS-5. The surface expressions involve the flow or movement of fluid and other underground materials, and the emergency exemption expressly applies to occurrences of soil or geologic movements.

The 24-well relief effort is necessary to (1) mitigate and abate the ongoing, imminent, clear, and significant harm to the environment and threats to public health, safety, and welfare that the surface expressions pose and (2) prevent the harm from recurring or increasing in magnitude. The data CalGEM considered demonstrate that such harm includes, but is not limited to, the unrestricted flow to the surface of 1,700 barrels (7,100 gallons) a day of oil and produced water. Broken wells can act as a conduits that allow fluid to escape from the target zone, and any compromised wells and uncontrolled flow violates underground injection control regulations and potentially endangers public health and safety and the environment.

In the three years since CalGEM issued the first NOV (V19-0008) to Chevron for the surface expression in the Cymric oil field, Chevron took measures that reduced the seep by 94%. If Chevron were to ease up on its efforts to control the GS-5 seep, history has shown that the seep may once again expand in size and volume, based on occurrences from 2003 to 2019.

A copy of this NOE and all other related materials are available for public inspection at CalGEM's CEQA Program, located at 715 P Street, 18th floor, Sacramento, CA 95814; or an electronic copy of these documents may also be accessed online at the State Clearinghouse: https://ceqanet.opr.ca.gov.

	Tharon Wright	
Certified:		<u>Date: October 13, 2022</u>
	Tharon Wright	
Geologic Energ	gy Management Division, (CEQA Program

Attachment 1

List of New Wells and Locations

API #	Well		Date of Permit
	Name	Location Lat & Long	0.04.00
0403069573	0702V	35.352734 -119.672358	9.24.22
0403069577	0901X	35.353629 -119.671111	9.24.22
0403069580	1104V	35.351561 -119.669028	9.24.22
0403069578	1307U	35.349377 -119.668490	9.24.22
0403069568	0620V	35.355259 -119.673109	9.24.22
0403069572	0721U	35.354314 -119.673162	9.24.22
0403069572	0822V	35.354165 -119.671384	9.24.22
0403069569	0601R	35.353057 -119.673646	9.24.22
0403069566	1306V	35.350222 -119.667482	9.24.22
0403069570	0721B	35.355129 -119.671809	9.24.22
0403069574	2110B	35.347574 -119.661425	9.24.22
0403069575	2213X	35.345537 -119.660831	9.24.22
0403069576	2009V	35.348266 -119.662207	9.24.22
0403069566	2210B	35.347653 -119.660667	9.24.22
0403069579	2017B	35.343133 -119.662377	9.24.22
0403069565	2216U	35.345537 -119.660831	9.24.22
0403069563	2011RX	35.346634 -119.662924	9.23.22
0403069564	0703SX	35.352538 -119.672314	9.23.22
0403069561	0602NX	35.352956 -119.672692	9.23.22
0403069559	1512SX	35.346506 -119.666451	9.23.22
0403069560	1610RX	35.347495 -119.665543	9.23.22
0403069562	2214AX	35.344907 -119.660690	9.23.22
0403069558	1021AS	35.354518 -119.670042	9.16.22
0403069557	1811RS	35.346909 -119.664050	9.16.22