NOTICE OF PREPARATION OF A DRAFT ENVIRONMENTAL IMPACT REPORT AND PUBLIC SCOPING MEETING FOR COALINGA OIL FIELD EIR No. 7180

TO: Responsible and Trustee Agencies, other interested agencies, and members of the public

FROM: County of Fresno, Department of Public Works and Planning
Development Services and Capital Projects Division
2220 Tulare Street, Sixth Floor
Fresno, CA 93721

SUBJECT: Notice of Preparation of a Draft Environmental Impact Report (EIR) for the Coalinga Oil Field Project EIR No. 7180 and Conditional Use Permit Application Nos. 3538, 3539, & 3548

DATE: June 27, 2018 through July 27, 2018

Action:

The County of Fresno (County) will be the Lead Agency pursuant to the requirements of the California Environmental Quality Act (CEQA), and will be responsible for preparing an Environmental Impact Report (EIR) pursuant to CEQA (Public Resources Code [PRC] Section 21000 et seq.) and the CEQA Guidelines. In accordance with Section 15082 of the CEQA Guidelines, the County has prepared this Notice of Preparation (NOP).

The purpose of this NOP is to solicit comments from public agencies and other interested parties on the scope and content of the information to be addressed in the EIR. The NOP must contain sufficient information describing the proposed project and its potential environmental effects to enable agencies and the public to make a meaningful response.

Project Title: Coalinga Oil Field EIR No. 7180, CUP Application Nos. 3538, 3539, & 3548

Project Applicants: Chevron U.S.A. and Seneca Resources

Project Summary:

Chevron U.S.A. Inc. (Chevron) and Seneca Resources (Seneca) (jointly referred to as Applicants) have individually submitted applications to Fresno County (County) for Conditional Use Permits (CUP) for certain uses of land (oil and gas exploration, drilling and production and related facilities) within the State-designated Coalinga Oil Field and Coalinga East Extension Oil Field administrative boundaries. These lands are located on Applicant-owned and leased properties within the administrative boundary established by the California Department of Conservation, Division of Oil, Gas and Geothermal Resources (DOGGR). The CUP applications comprise the proposed project and are referred to collectively as the Coalinga Oil Field Improvement Project (Project).

The Applicant's Project Descriptions and site plans as well as a location maps, are available for review at the following locations:

- Fresno County Public Works and Planning Department, 2220 Tulare Street, Fresno, CA 93721
- Fresno County website**: http://www.co.fresno.ca.us/EIR**

Written Comments:

The County requests that any potential Responsible or Trustee Agencies responding to this NOP reply in a manner consistent with Section 15082(b) of the CEQA Guidelines, which allows for submittal of any comments in response to this notice no later than 30 days after receipt of the NOP. Comments in response to this NOP will be accepted through 5 p.m., July 27, 2018.

Please send your written comments to:

Attn: Christina Monfette
Fresno County Department of Public Works and Planning
Development Services and Capital Projects Division
2220 Tulare Street, Sixth Floor
Fresno, CA 93721
Phone: (559) 600-4245 Fax: (559) 600-4200
Email: cmonfette@FresnoCountyCA.gov

Please reference EIR No. 7180, Coalinga Oil Field Project and include your name, address, and phone number and/or email address so that we may contact you for clarification, if necessary.

Public Scoping Meeting:

In addition to the opportunity to submit written comments, one public scoping meeting will be held by the County to inform interested parties about the proposed project, and to provide agencies and the public with an opportunity to provide comments on the scope and content of the EIR. This meeting will be held on July 9, 2018 at:

Coalinga-Huron Unified School District Board Room
485 N Fifth St, Coalinga, CA 93210
Time: 5:30 p.m. to 6:30 p.m.

Signature: _____ **Date:** _____

Project Location:

Chevron Field

The primary area of the Chevron Project site is approximately six miles west of I-5 and 0.5 mile west of the center of the City of Coalinga, in the southwestern portion of Pleasant Valley within unincorporated Fresno County, California (refer to Figure 1, Regional Location Map).

The Project site is approximately 17,600 acres in size, and falls within portions of the United States Geologic Survey Coalinga and Polvadero Gap Quadrangles: (Township 19 South, Range 14 East, Section 36; Township 19 South, Range 15 East, Section 31 and 32; Township 19 South, Range 16 East, Section 31; Township 20 South, Range 14 East, Sections 1, 11, 12, 13, 14, 23, 24, 25, 26, and 36; Township 20 South, Range 15 East, Sections 1, 5, 6, 7, 12, 13, 17, 18, 19, 30, and 31; Township 20 South, Range 16 East, Sections 6, 7, 8, 17, 18, 19, and 20). (See Figure 2, Project Location Map).

Seneca Field

The primary area of the Seneca Project site is approximately two miles west of 1- 5 and six miles northeast of the City of Coalinga, in the southwestern portion of Pleasant Valley within unincorporated Fresno County, California (refer to Figure 1, Regional Location Map).

The Project site is approximately 8,149 acres in size, and falls within portions of the United States Geologic Survey Coalinga and Domengine Ranch Quadrangles (Township 19 South, Range 15 East, Sections 2, 3, 11, 12, 13, 22, 23, 25, 28, 33, 35 and Township 20 South, Range 15 East, Sections 1 and 3) (See Figure 2, Project Location Map).

Physical Setting:

Chevron Field

There are approximately 1,180 active production, injection, and observation wells in operation at the Coalinga and Coalinga East Extension oil fields. Two Oil Cleaning Plants, one Water Cleaning Plant, 37 existing natural-gas fired steam generators, and a variety of wells, facilities and other infrastructure support existing operations within the Coalinga and Coalinga East Extension oil fields. Additional support facilities include administrative buildings, storage yards/warehouse, and percolation ponds. See Table 1 for a list of existing oil field components in the Chevron field.

Seneca Field

At present, there are approximately 190 active production, injection, and observation wells in operation. Two Oil Cleaning Plants, one Water Cleaning Plant, and a variety of wells, facilities and other infrastructure support existing operations. Additional support facilities include administrative buildings, storage yards/warehouse, and storage tanks.

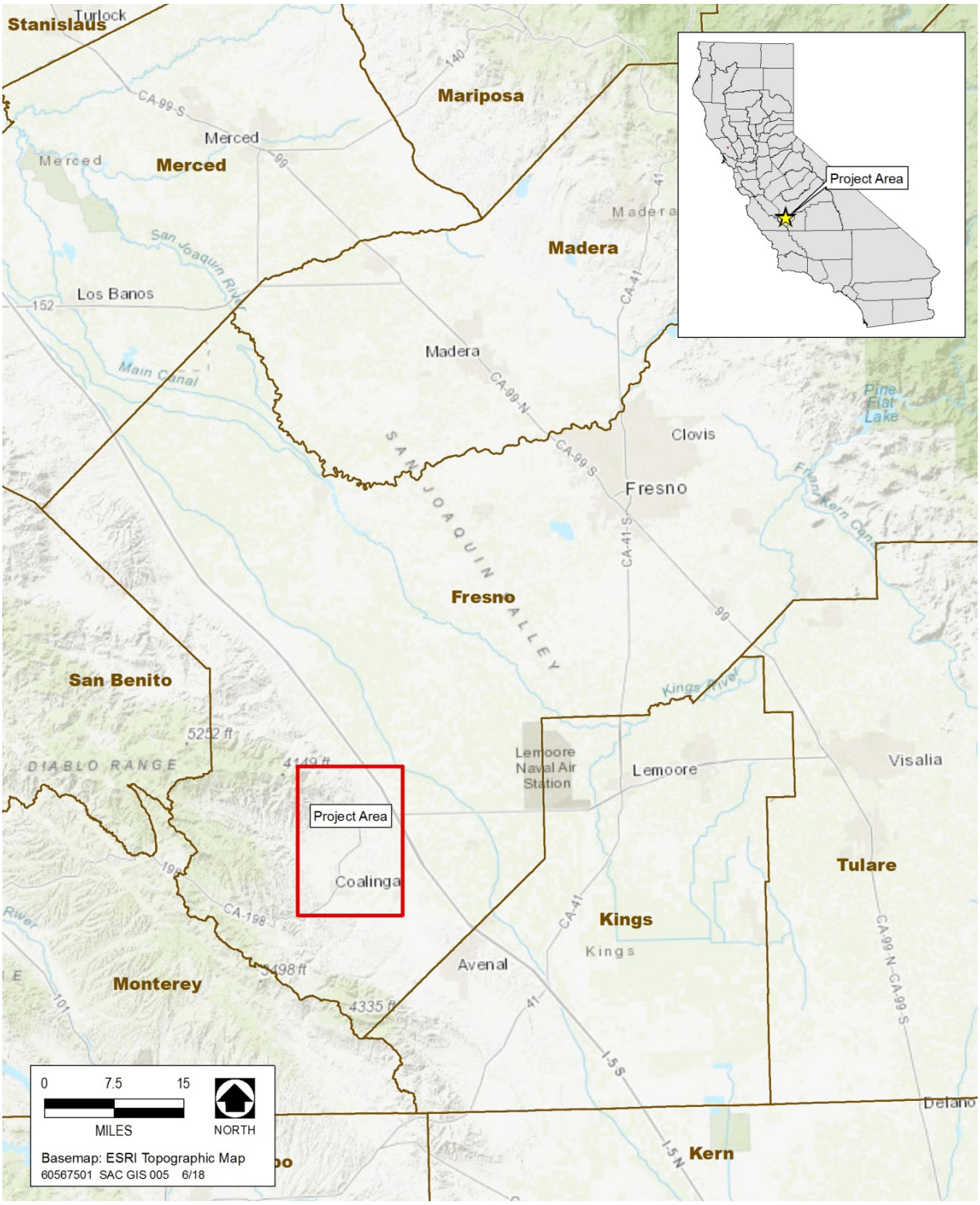

Figure 1: Regional Location Map

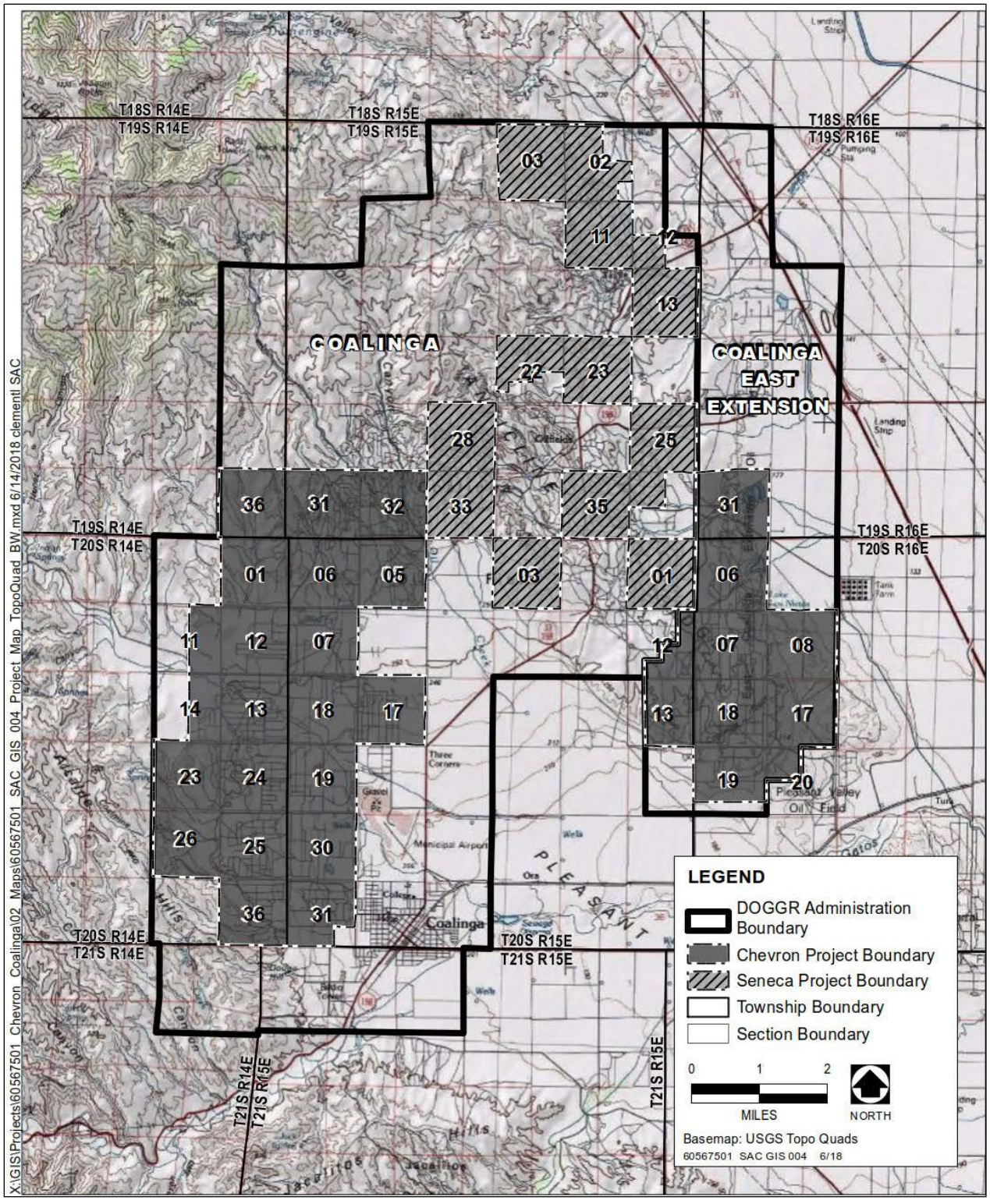

Figure 2: Project Location

Table 1 Existing Chevron Oil Field Components

Existing Major Components (Refer to Section Below)	Approximate Quantity or Characteristic As of January 1, 2016
Cogeneration Facilities (1.6.5)	3
Gas Handling and Distribution (1.6.8)	3
Internal Combustion Engines (1.6.9)	3
Gauge Settings (1.6.10)	44
Administrative Buildings Center (1.6.11)	1
Storage Yards (1.6.12)	1
Aboveground Storage Tanks/ Vessels (1.6.13)	57
Solids Drying Facility (1.6.14)	1
Percolation Ponds (1.6.15)	11
Total Active Production, Injection, and Observation Wells (1.6.6)	
Producers	850
Continuous Injectors	150
Temperature Observation	180
Subtotal, Active Wells	1,180
Coalinga Nose Unit	
Oil Cleaning Plant (1.6.1)	1
Producer Wells (1.6.6)	3
Water/Brine Disposal Wells (1.6.7)	2

Table 2 Existing Oil Field Components-Seneca Field

Existing Major Components (Refer to Section Below)	Approximate Quantity or Characteristic As of August 1, 2016
Oil Cleaning Plants	2
Water Cleaning Plant	1
Water/Brine Disposal Wells	7
Gauge Settings	5-6
Administrative Buildings Center	1
Storage Yards	2
Aboveground Storage Tanks/ Vessels	9
Total Active Production, Injection, and Observation Wells	
Producers	172
Continuous Injectors	13
Temperature Observation	5
Subtotal, Active Wells	190

Major Components of the Project:

The Project proposes improvements over a 20-year period including upgrades to existing facilities and construction of new facilities as well as drilling new wells and installation of other supporting infrastructure. Implementation of the Project Components has the potential to affect existing operations and maintenance activities and require improvements to existing infrastructure. Whether all or only some of the Project Components will be constructed or operated will be driven by market conditions and ongoing regulatory developments.

The Project will enable Chevron and Seneca to continue to recover crude oil and natural gas, though in a more efficient manner, from its existing oil field properties through construction and operation of upgraded oil production and treatment facilities.

The Project does not propose DOGGR-regulated components outside the existing administrative boundary of the Coalinga Oil Field or Coalinga East Extension.[1] Exploratory wells or other expansions outside of the DOGGR administrative boundary would be subject to a separate permit process.

Chevron CUP Application

Project components proposed under the Chevron CUP are presented below:

- Upgraded Oil Cleaning Plants at 13D and 25D;
- Upgraded Water Cleaning Plant at 13D;
- Upgraded water injection plant (WIP) and pipeline;
- Upgraded Solids Drying Facility;
- New steam generators, steam generator retrofits, and associated equipment;
- New wells, other facilities and infrastructure; and
- Associated operational activities, including routine maintenance, repair, and replacement.

New oil and gas wells would include those designed for Enhanced Oil Recovery (EOR)[2] methods such as steamflood and cyclic steam, replacement wells, and wells in new areas (within the current DOGGR administrative field boundaries). New facilities are required to support the EOR efforts. Table 3 lists project components of the Chevron CUP application.

[1] Division of Oil, Gas, and Geothermal Resources. 1998. California Oil and Gas Fields Volume 1 - Central California. Department of Conservation. Sacramento, CA

[2] EOR does not include hydraulic fracturing, acid fracturing, and acid matrix stimulation that are subject to DOGGR's permanent regulations for well stimulation treatments adopted on December 30, 2014.

Table 3: Project Components for Chevron CUP Application

Major Components	Total Potential New by Buildout Year – 2037[a]
Major Facilities and Infrastructure	
New and/or upgraded oil cleaning plants	2
New and/or upgraded water cleaning plant	1
New and/or upgrading of water injection plant (WIP) and pipeline	1
Solids drying facility	1
Steam Generators	5
Steam Generator Retrofits[b]	2
Gauge Settings	15
Roadways	< 60 miles[c]
Natural Gas/Softwater Pipelines	<10 miles
Flowlines	< 800 miles
Production, Injection, and Observation Wells[d]	
Producers	1,000
Continuous Injectors	500
Temperature Observation	160
Well Subtotal:	1,666
Well Improvements	
Replacement Wells	100
Well Workovers/Sidetracks	1,000
Well Abandonments (Plugging & Abandonment [P&A])	700
Water Disposal Wells	
Water Disposal Wells	95[e]

Notes:

[a] Buildout year is for the purposes of CEQA analysis. Development at the oil field is anticipated to continue beyond this timeframe, but the type and extent of future development beyond 20 years is sufficiently speculative at this time that future consideration will likely be required to determine if further CEQA review is warranted, as determined by the lead agency.

[b] Steam generator retrofits would be utilized as substitutes for new steam generators.

[c] Assumes each new well will require approximately 500 linear feet of new road.

[d] Not including Replacement Wells

[e] Total number includes replacement wells drilled. No more than 30 wells will be in operation at any one time.

Seneca CUP Application

Proposed Project Components of Seneca's Conditional Use Permit Application include:

- New Oil Cleaning Plant at 28A;
- New Water Cleaning Plant at 28A;
- New and/or upgraded water disposal wells and pipeline;
- New or upgraded Solids Drying Facility;
- New steam generators and associated equipment;
- New vapor recovery unites and associated equipment;
- New wells, other facilities and infrastructure; and
- Associated operational activities, including routine maintenance, repair, and replacement.

New oil and gas wells would include those designed for EOR methods such as steamflood and cyclic steam, replacement wells, and wells in new areas (within the current DOGGR administrative field boundaries). New facilities are needed to support the EOR efforts. Table 4 lists project components of the Seneca CUP application.

Table 4: Project Components of Seneca's Conditional Use Permit Application

Major Components	Total Potential New by Buildout Year – 2037a
Major Facilities and Infrastructure	
New and/or upgraded oil cleaning plants	2
New and/or upgraded water cleaning plant	1
Solids drying facility	1
Steam Generators	5
Gauge Setting	20
Roadways	<60 miles[b]
Natural Gas/Softwater Pipelines	<10 miles
Flowlines	<800 miles
Production, Injection, and Observation Wells[c]	
Producers	798
Continuous Injectors	612
Temperature Observation	167
Well Subtotal	1,577
Well Improvements	
Replacement Wells	240
Well Workovers/Sidetracks	357
Well Abandonments (Plugging & Abandonment [P&A])	34
Water Disposal Wells	
Water Disposal Wells	95[d]

Notes:

[a] Buildout year is for the purposes of CEQA analysis. Development at the oil field is anticipated to continue beyond this timeframe, but the type and extent of future development beyond 20 years is sufficiently speculative at this time that future consideration will likely be required to determine if further CEQA review is warranted, as determined by the lead agency.

[b] Assumes each new well will require approximately 500 linear feet of new road.

[c] Not including Replacement Wells shown below.

[d] Total number includes replacement wells drilled. No more than 30 wells will be in operation at any one time.

Regulatory Approvals

In addition to the County's Zoning Ordinance, oil and gas activities are subject to review by a number of regulatory agencies. The Division of Oil, Gas, and Geothermal Resources (DOGGR) regulates the construction, operation, and abandonment of all oil and gas wells in the state, DOGGR also enforces regulations related to facilities management. In addition to the DOGGR facilities regulations, operators that have facilities in designated areas must have Spill Prevention, Control and Countermeasure Plans per US Environmental Protection Agency (EPA) requirements. The San Joaquin Valley Air Pollution Control District (SJVAPCD) regulates all stationary sources from an air quality perspective while the California Air Resources Board regulates and permits portable equipment. Greenhouse gas emissions

are regulated under the California Air Resources Board's Cap & Trade Program and the US EPA's Title V program. The Central Valley Regional Water Quality Control Board regulates all activities that involve the discharge of waste or waters into the basin. The US Fish and Wildlife Service and the California Department of Fish and Wildlife regulate and permit the protection of endangered species and other biological resources. Other County Departments including the Fire Department, Engineering, Surveying & Permit Services and the Environmental Health Department regulate and inspect industry facilities.

Potential Environmental Impacts:

Fresno County has determined that this Project could result in significant environmental impacts and/or have a significant impact on the quality of the human environment, thereby necessitating the preparation of an EIR. Pursuant to CEQA Guidelines Section 15060(d), the County, as lead agency, elected to issue a Notice of Preparation upon determining the applications for each CUP was complete.

As required by CEQA, the EIR will describe existing conditions and evaluate the potential environmental effects of the proposed project and a reasonable range of alternatives, including the no-project alternative. It will address direct, indirect, and cumulative effects. The EIR will identify feasible mitigation measures, if available, to reduce potentially significant impacts. The EIR will analyze energy conservation and all environmental issues identified in the CEQA Environmental Checklist Form (listed below), after having first established the environmental setting, or baseline, for the environmental analysis.

Once baseline conditions are established, the EIR will identify any potential significant direct, indirect, and cumulative effects of the Project and alternatives related to:

- Aesthetic quality and views, particularly in the vicinity of existing communities
- Agriculture and forestry resources, including the use of property now in non-irrigated agricultural use
- Air Quality and Toxic Air Contaminants in the vicinity of sensitive receptors
- Biological resources, including species and habitats, based on database queries, field surveys, and agency consultations, if required
- Cultural and paleontological resources that could be disturbed during construction, and operation based on record searches, previous field surveys and consultation with tribes
- Energy conservation, regarding the efficient use of energy
- Geology and soils
- Hazards and hazardous materials
- Hydrology and water quality
- Greenhouse gas emissions
- The Project's relationship to land use and planning, as well as lands subject to special resources management activities
- Transportation and traffic, particularly during construction activities
- Utilities and service systems

Alternatives to be Analyzed in the EIR:

In accordance with Section 15126.6 of the CEQA Guidelines, the Draft EIR will assess a range of reasonable alternatives to the Project. The range of alternatives will include a No Project Alternative as well as other alternatives that would attain most of the basic objectives of the Project while avoiding or reducing any of its significant environmental effects. Potential alternatives will be identified during the coordinated consultation and scoping process.