

Exhibit E

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October 31, 2024

VIA EMAIL

Ms. Fionna Jensen
Monterey County HCD Planning Department
Monterey County
144 Schilling Place, South, 2nd Floor
Salinas CA 93901
jensenf1@countyofmonterey.gov

Dear Ms. Jensen:

MYHRE ARVID TR ET AL. (AERA ENERGY LLC) PLN 210174

The California Geologic Energy Management Division (CalGEM) appreciates the opportunity to submit comments on the project referenced above (Project). Due to the large number of wells in the project, CalGEM requests additional time to determine an accurate abandonment status for each well. CalGEM will submit an additional, detailed letter to the County by Wednesday November 13th, 2024.

CalGEM's authority is set forth in Division 3 of the Public Resources Code (PRC), and of the California Code of Regulations, title 14, (CCR). PRC section 3208.1 establishes well re-abandonment responsibility when a previously plugged and abandoned well may be impacted by planned property development or construction activities. Local permitting agencies, property owners, and/or developers should be aware of, and fully understand, that significant and potentially dangerous issues may be associated with development near oil, gas, or geothermal wells.

CalGEM has reviewed the Project. To assist local permitting agencies, property owners, and developers in making wise land use decisions regarding potential development near oil, gas, or geothermal wells, CalGEM provides the following information.

Our records indicate there are approximately 67 oil, gas, or geothermal wells located in the project indicated above. For comment and well review for future development on parcels where wells are located, please contact CalGEM. Records and locations for oil, gas, and geothermal wells located in California are available online at <https://www.conservation.ca.gov/calgem/Pages/WellFinder.aspx>

CalGEM categorically advises against building over, or in any way impeding access to oil, gas, or geothermal wells. Access is considered the ability for a well servicing unit and associated necessary equipment to reach a well from a public street or access

State of California Natural Resources Agency | Department of Conservation

Northern District

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way, solely over the parcel on which the well is located. A well servicing unit, and any necessary equipment, should be able to pass unimpeded along and over the route, and should be able to access the well without disturbing the integrity of surrounding infrastructure. Items that can affect well access include, but are not limited to, buildings, housing, fencing, hardscape, landscape, trees, pools, patios, sidewalks, roadways, parking lots, waterways or channels, and decking. Impeding access to a well could result in the need to remove any structure or obstacle that prevents or impedes access.

There are no guarantees a well abandoned in compliance with current CalGEM requirements will not start leaking in the future. It always remains a possibility that any well may start to leak oil, gas, and/or water after abandonment, no matter how thoroughly the well was plugged and abandoned. CalGEM acknowledges wells plugged and abandoned to the most current standards have a lower probability of leaking in the future, however there is no guarantee that such abandonments will not leak.

CalGEM advises that all wells identified on development parcels prior to, or during, development activities be tested for liquid and gas leakage. Surveyed locations should be provided to CalGEM in Latitude and Longitude, NAD 83 decimal format. CalGEM expects any wells found leaking to be reported to it immediately.

PRC section 3208.1 gives CalGEM the authority to order or permit the re-abandonment of any well where it has reason to question the integrity of the previous abandonment, or if the well is not accessible or visible. Failure to plug and re-abandon a well may result in enforcement action, including an order to perform re-abandonment well work, pursuant to PRC section 3208.1, and 3224. Responsibility for re-abandonment costs may be affected by the choices made by the local permitting agency, property owner, and/or developer in considering the general advice set forth in this letter. The PRC continues to define the person or entity responsible for re-abandonment as:

1. **The property owner** - If the well was plugged and abandoned in conformance with CalGEM requirements at the time of plugging and abandonment, and in its current condition does not pose an immediate danger to life, health, and property, but requires additional work solely because the owner of the property on which the well is located proposes construction on the property that would prevent or impede access to the well for purposes of remedying a currently perceived future problem, then the owner of the property on which the well is located shall obtain all rights necessary to re-abandon the well and be responsible for the re-abandonment.
2. **The person or entity causing construction over or near the well** - If the well was plugged and abandoned in conformance with CalGEM requirements at the time of plugging and abandonment, and the property owner, developer, or local agency permitting the construction failed either to obtain an opinion from the supervisor or district deputy as to whether the previously abandoned well is

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required to be re-abandoned, or to follow the advice of the supervisor or district deputy not to undertake the construction, then the person or entity causing the construction over or near the well shall obtain all rights necessary to re-abandon the well and be responsible for the re-abandonment.

- 3. The party or parties responsible for disturbing the integrity of the abandonment -**
If the well was plugged and abandoned in conformance with CalGEM requirements at the time of plugging and abandonment, and after that time someone other than the operator or an affiliate of the operator disturbed the integrity of the abandonment in the course of developing the property, then the party or parties responsible for disturbing the integrity of the abandonment shall be responsible for the re-abandonment.

To view PRC section 3208.1 in its entirety, please visit:

<https://www.conservation.ca.gov/index/Documents/CALGEM-SR-1%20Web%20Copy.pdf>

No well work may be performed on any oil, gas, or geothermal well without written approval from CalGEM. Well work requiring written approval includes, but is not limited to, mitigating leaking gas or other fluids from abandoned wells, modifications to well casings, and/or any other abandonment or re-abandonment work. CalGEM also regulates the top of a plugged and abandoned well's minimum and maximum depth below final grade. CCR section 1723.5 states well casings shall be cut off at least 5 feet but no more than 10 feet below grade. If any well needs to be lowered or raised (i.e., casing cut down or casing riser added) to meet this regulation, a permit from CalGEM is required before work can start.

CalGEM makes the following additional recommendations to the local permitting agency, property owner, and developer:

1. To ensure that present and future property owners are aware of (a) the existence of all wells located on the property, and (b) potentially significant issues associated with any improvements near oil or gas wells, CalGEM recommends that information regarding any identified well(s), and any other pertinent information obtained after the issuance of this letter, be communicated to the appropriate county recorder for inclusion in the title information of the subject real property.
2. CalGEM recommends that any soil containing hydrocarbons be disposed of in accordance with local, state, and federal laws. Please notify the appropriate authorities if soil containing significant amounts of hydrocarbons is discovered during development.

As indicated in PRC section 3106, CalGEM has jurisdictional authority over the drilling, operation, maintenance, and abandonment of oil, gas, and geothermal wells, and attendant facilities, to prevent, as far as possible, damage to life, health, property, and natural resources, damage to underground oil, gas, and geothermal deposits, and damage to underground and surface waters suitable for irrigation or domestic

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purposes. In addition to CalGEM's authority to order work on wells pursuant to PRC section 3208.1 and 3224, it has authority to issue civil and criminal penalties under PRC section 3236, 3236.5, and 3359 for violations within the CalGEM's jurisdictional authority. CalGEM does not regulate grading, excavations, or other land use issues.

If during development activities any wells are encountered that were not part of a construction site well review, a CalGEM engineer in the Northern District - Orcutt office is to be notified immediately, and an amended site plan with well casing diagrams for CalGEM review shall be filed. After appropriate review, the District office will send a follow-up well evaluation letter to the property owner, applicant, and local permitting agency.

Thank you for considering CalGEM's comments. If you have any questions, please contact our District office at (805) 937-7246 or via email at CalGEMNorthern@conservation.ca.gov.

Sincerely,



Trey Powell
Northern District Deputy

ZN:jj:kv

cc: Chrono
CSWR