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Attorneys for Petitioners/Plaintiffs

SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF SANTA BARBARA

ENVIRONMENTAL DEFENSE CENTER, a California non-profit corporation; GET OIL OUT!, a California non-profit corporation; SANTA BARBARA COUNTY ACTION NETWORK, a California non-profit corporation; SIERRA CLUB, a national non-profit corporation; and SANTA BARBARA CHANNELKEEPER, a California non-profit corporation,

Petitioners and Plaintiffs,

vs.

CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION, by and through the OFFICE OF THE STATE FIRE MARSHAL, an agency of the State of California; DANIEL BERLANT, in his official capacity as State Fire Marshal; and DOES 1 to 10, inclusive,

Respondents and Defendants,

and

SABLE OFFSHORE CORP., a Delaware corporation; and PACIFIC PIPELINE COMPANY, a Delaware Corporation,

Real Parties in Interest.

Case No.:

VERIFIED PETITION FOR WRIT OF MANDATE AND COMPLAINT FOR DECLARATORY AND INJUNCTIVE RELIEF

Petitioners and Plaintiffs ENVIRONMENTAL DEFENSE CENTER, GET OIL OUT!, SANTA BARBARA COUNTY ACTION NETWORK, SIERRA CLUB, and SANTA BARBARA CHANNELKEEPER (collectively, "Petitioners") respectfully petition this Court for a writ of mandate pursuant to Code of Civil Procedure sections 1085 and 1094.5 and seek declaratory and injunctive relief against Respondents and Defendants CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION, by and through its component agency OFFICE OF THE STATE FIRE MARSHAL, and State Fire Marshal DANIEL BERLANT (collectively, "Respondents"), and allege as follows:

INTRODUCTION

1. This case arises from the efforts of Sable Offshore Corp. and its wholly-owned subsidiary Pacific Pipeline Company (together, "Sable") to restart the Las Flores Pipeline System — a defective pipeline system that ruptured in 2015, causing one of the worst oil disasters in California history.

2. On May 19, 2015, pipeline CA-324, a segment of the Las Flores Pipeline System, ruptured at Refugio State Beach Park, spilling more than 120,000 gallons of heavy crude oil into the surrounding environment. The spill was catastrophic. It closed public parks and beaches, killed and injured wildlife, shut down fisheries, and sickened nearby residents with chemical pneumonia.

3. Upon investigation, the Pipeline Hazardous Materials Safety Administration (PHMSA) determined that the rupture was a result of "progressive external corrosion," and that the pipeline's cathodic protection system — intended to prevent such corrosion — had failed. Concerningly, PHMSA ultimately determined that, by flaw of design, cathodic protection is ineffective on the Las Flores Pipeline System, leaving it vulnerable to pervasive corrosion.

4. Because of the Las Flores Pipeline System's dangerous design defects, few suspected that an operator would attempt to bring it back online. In fact, since the pipeline system was idled in 2015, a series of proposals were floated to replace or bypass the system, ostensibly due to the pipelines' obvious risks to public safety.

5. Now, however, Sable — a new, speculative company — is attempting to restart, rather than replace, the defective pipeline system, disregarding a litany of environmental and safety concerns as it rushes to resume drilling off the Gaviota Coast.

6. Because of the Las Flores Pipeline System's extensive corrosion issues, in order to restart it, Sable must obtain waivers from the Office of the State Fire Marshal (OSFM) that excuse it from complying with certain regulatory requirements. Specifically, Sable must obtain State Waivers "for the limited effectiveness of cathodic protection" on CA-324 and CA-325, the two pipeline segments that comprise the Las Flores Pipeline System. Sable submitted applications for the two aforementioned State Waivers in April 2024.

7. Importantly, Sable's proposal to operate the Las Flores Pipeline System without effective cathodic protection represents a substantial departure from the project that was initially reviewed and approved. When first proposed in the 1980's, the pipeline system was expressly proposed as one that would be protected, in its entirety, by cathodic protection. Hence, environmental review of the project, conducted *forty* years ago, was largely premised on effective cathodic protection; indeed, in considering the project's potential impacts, the Environmental Impact Report (EIR) expressly relied on cathodic protection as a design specification that would be "very effective" in preventing an oil spill, and it assumed the same in evaluating potential impacts.

8. The risks of operating the Las Flores Pipeline System without effective cathodic protection have never been fully evaluated. However, an analysis prepared by OSFM found that operating buried pipelines without cathodic protection can increase the risk of a spill by as much as *five times*. And a separate analysis, discussed below, found that operating this particular pipeline system without effective cathodic protection could result in a spill *every year*, and a major rupture *every four*.

9. We have already seen first-hand the devastation that these pipelines can wreak on coastal resources. But the 120-mile long pipeline system also threatens major sources of water supply, renowned parks and ecological reserves, and a number of endangered and special-status species. Perhaps most concerning, however, is that it runs directly under a populated suburban neighborhood in Buellton, California, complete with schools, parks, and dozens of residential homes.

10. In light of the obvious threat to public health and safety posed by these defective pipelines, community organizations sent multiple requests to OSFM for increased transparency and public engagement as it considered Sable's State Waiver applications. Petitioners called on OSFM to hold a public hearing on the applications, as required by law. They also pointed out that operating the

Las Flores Pipeline System without effective cathodic protection was neither anticipated nor reviewed in the original EIR for the project, necessitating that OSFM conduct further environmental review pursuant to the California Environmental Quality Act (CEQA).

11. Community outcry was echoed by thirteen state legislators, who sent a letter of their own to OSFM calling for environmental review of Sable's State Waiver applications and a transparent public process. The letter stated that the legislators "have grave reservations regarding the restart of CA-324 and CA-325, which have *already* caused a catastrophic oil spill, and which Sable intends to restart without effective protection from corrosion. . . . [O]ne governing body has already identified that proceeding in this manner would inevitably lead to another oil spill, one that could be twice the size of the 2015 disaster."

12. Acknowledging "the public's considerable interest in the restart of these pipelines," OSFM committed to holding a "public meeting" — not a hearing, as required — *before* making a determination on Sable's State Waiver applications.

13. Then, on December 17, 2024, without having held any sort of "public meeting," OSFM approved the State Waiver applications. OSFM did not offer any cognizable public process in advance of its decision or even release key documents (like the applications themselves); did not conduct environmental review of the State Waiver applications; and did not provide any supporting analysis or justification for its decision to grant the Waivers. In doing so, OSFM entirely disregarded applicable pipeline safety laws, bedrock environmental laws, and its own previous commitments to state legislators and the public.

14. Given the unprecedented nature of these Waivers, and the critical resources that this 120-mile-long pipeline system can impact, the need for public comment, independent expert scrutiny, and environmental review was especially critical here. Yet OSFM pushed the Waivers through behind closed doors, reneging even on its minimal commitment to first have a "public meeting" on the issue.

15. Without the benefit of public review, the Waivers that OSFM approved have a number of glaring deficiencies, and they ultimately fail to ensure that the pipelines will be "as safe or safer" than if they had effective cathodic protection — the standard under which OSFM reviewed Sable's applications. Those deficiencies are discussed at length below and in the attached expert reports.

16. Most notably, the logic underpinning the Waivers is fundamentally flawed. Instead of *proactively* preventing corrosion in the first place, the Waivers condition operation of the pipelines on a number of *reactive* measures — namely, conducting more frequent inspections to check for corrosion — that leave room for operator error. The management program contemplated by the Waivers, which *allows* the progressive corrosion of the Las Flores Pipeline System to continue, cannot, by any measure, be considered as safe as preventing corrosion in the first place.

17. Moreover, the Waivers are largely (and naively) premised on the hope that Sable will do a better job than the previous operator at detecting and remediating corrosion. But there is little reason to suspect that will be the case. The in-line inspection tools used to detect corrosion have proven to be inaccurate and unreliable when measuring corrosion on the Las Flores Pipeline System; in fact, the failure of such tools was a contributing factor of the Refugio Oil Spill. And Sable — a new, speculative company that has never actually operated an oil and gas pipeline — has done little to assure that it can or will comply with the Waivers' intensive management program.

18. Restarting the Las Flores Pipeline System in the manner envisioned by OSFM would not only invite another oil disaster on the Central Coast, but all but ensure it. The decision to grant the Waivers represents a grave dereliction of OSFM's duty to ensure the safety of hazardous liquid pipelines, made worse by the fact that OSFM provided no public process or justification for its decisions.

19. This Petition challenges Respondents' discretionary approval of the State Waivers on the grounds that Respondents (1) failed to comply with mandatory procedures outlined in state and federal pipeline safety laws, (2) failed to comply with CEQA's environmental review process, and (3) prejudicially abused its discretion in issuing the Waivers.

JURISDICTION AND VENUE

20. Petitioners hereby incorporate by reference each and every allegation set forth above.

21. This Court has jurisdiction over Petitioners' claims against Respondents under sections 1060, 1085, and 1094.5 of the Code of Civil Procedure, and Article VI, section 10 of the California Constitution.

22. This case is properly classified as an unlimited civil case, and therefore within the

jurisdiction of this court, because it is not one of the types of cases listed as limited civil cases in section 85 or 86 of the Code of Civil Procedure.

23. Venue for this action properly lies in the Superior Court of the State of California in and for Santa Barbara County, as the Las Flores Pipeline System is located in Santa Barbara County and the causes of action arose therein.

24. Petitioners have performed all conditions precedent to filing this action and have exhausted all available remedies to the extent required by law. Petitioners do not have a plain, speedy, or adequate remedy at law but depend on the Court granting the relief requested herein to require Respondents to satisfy their obligations under state and federal law.

PARTIES

25. Petitioner and Plaintiff ENVIRONMENTAL DEFENSE CENTER (EDC) is a non-profit, public interest environmental law firm that defends nature and advances environmental justice on California's Central Coast through advocacy and legal action. EDC has members who live, visit, work, and recreate in and around the area that would be affected by the restart of the Las Flores Pipeline System under the State Waivers. EDC's members are interested in protecting resources along the 120-mile long pipeline route — including coastal resources; rivers, creeks, and wetlands; special-status species; and abundant recreational opportunities — from the risks of renewed oil and gas production. Members of EDC are also interested in preserving the environmental integrity of sensitive areas along the pipeline route that would be exposed to the risk of another oil spill, as well as continuous excavations required by the Waivers' management program. EDC, by and through its counsel, has submitted written comments to OSFM that detail its concerns with respect to the State Waivers. As such, EDC is beneficially interested in the outcome of this proceeding and in OSFM's performance of its legal duties.

26. Petitioner and Plaintiff SANTA BARBARA COUNTY ACTION NETWORK (SBCAN) is a nonprofit grassroots organization that works to promote social and economic justice, preserve environmental and agricultural resources, and create sustainable communities within Santa Barbara County, California. SBCAN advocates a holistic approach to community planning that integrates housing, open space, and transportation to meet the needs of all members of the community and future

generations. SBCAN works in cooperation with a broad range of progressive activists and organizations to bridge the gap between environmental and social justice issues and ensure that all members of the community share a voice in its future. SBCAN has members who live, visit, work, and recreate in and around the area that would be affected by the restart of the Las Flores Pipeline System under the State Waivers. SBCAN's members are interested in protecting resources along the 120-mile long pipeline route — including coastal resources; rivers, creeks, and wetlands; special-status species; and abundant recreational opportunities — from the risks of renewed oil and gas production. Members of SBCAN are also interested in preserving the environmental integrity of sensitive areas along the pipeline route that would be exposed to the risk of another oil spill, as well as continuous excavations required by the Waivers' management program. SBCAN, by and through its counsel, has submitted written comments to OSFM that detail its concerns with respect to the State Waivers. As such, SBCAN is beneficially interested in the outcome of this proceeding and in OSFM's performance of its legal duties.

27. Petitioner and Plaintiff GET OIL OUT! (GOO!) is a non-profit organization that was formed in the wake of the 1969 Santa Barbara Oil Spill and continues to work to protect California from further oil and gas development and exploitation. GOO! has members who live, visit, work, and recreate in and around the area that would be affected by the restart of the Las Flores Pipeline System under the State Waivers. GOO!'s members are interested in protecting resources along the 120-mile long pipeline route — including coastal resources; rivers, creeks, and wetlands; special-status species; and abundant recreational opportunities — from the risks of renewed oil and gas production. Members of GOO! are also interested in preserving the environmental integrity of sensitive areas along the pipeline route that would be exposed to the risk of another oil spill, as well as continuous excavations required by the Waivers' management program. GOO!, by and through its counsel, has submitted written comments to OSFM that detail its concerns with respect to the State Waivers. As such, GOO! is beneficially interested in the outcome of this proceeding and in OSFM's performance of its legal duties.

28. Petitioner and Plaintiff SIERRA CLUB, a national nonprofit organization with thousands of members in California, is dedicated to exploring, enjoying, and protecting the wild places of the earth; to practicing and promoting the responsible use of the earth's ecosystems and resources; to educating and encouraging humanity to protect and restore the quality of the natural and human

environment; and to using all lawful means to carry out these objectives. Sierra Club has members who live, visit, work, and recreate in and around the area that would be affected by the restart of the Las Flores Pipeline System under the State Waivers. Sierra Club's members are interested in protecting resources along the 120-mile long pipeline route — including coastal resources; rivers, creeks, and wetlands; special-status species; and abundant recreational opportunities — from the risks of renewed oil and gas production. Members of Sierra Club are also interested in preserving the environmental integrity of sensitive areas along the pipeline route that would be exposed to the risk of another oil spill, as well as continuous excavations required by the Waivers' management program. As such, Sierra Club is beneficially interested in the outcome of this proceeding and in OSFM's performance of their legal duties.

29. Petitioner and Plaintiff SANTA BARBARA CHANNELKEEPER (SBCK) is a nonprofit organization. Its mission is to protect and restore the Santa Barbara Channel and its watersheds through science-based advocacy, education, field work, community engagement, and enforcement of environmental laws. SBCK has members who live, visit, work, and recreate in and around the area that would be affected by the restart of the Las Flores Pipeline System under the State Waivers. SBCK's members are interested in protecting resources along the 120-mile long pipeline route — including coastal resources; rivers, creeks, and wetlands; special-status species; and abundant recreational opportunities — from the risks of renewed oil and gas production. Members of SBCK are also interested in preserving the environmental integrity of sensitive areas along the pipeline route that would be exposed to the risk of another oil spill, as well as continuous excavations required by the Waivers' management program. As such, SBCK is beneficially interested in the outcome of this proceeding and in OSFM's performance of their legal duties.

30. Respondent and Defendant CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CalFIRE) is, and at all relevant times hereto has been, an agency of the State of California. The OFFICE OF THE STATE FIRE MARSHAL is, and at all relevant times hereto has been, a division and component agency of CalFIRE. OSFM is charged with ensuring the safety of intrastate hazardous liquid pipelines and their compliance with state and federal laws. CalFIRE and OSFM qualify as administrative tribunals and persons for purposes of sections 1085 and 1094.5 of the

Code of Civil Procedure.

31. Respondent and Defendant DANIEL BERLANT serves as California's State Fire Marshal and is sued in his official capacity as the head of OSFM.

32. On information and belief, Real Party in Interest SABLE OFFSHORE CORP. is, and at all times relevant hereto has been, a Delaware corporation based in Houston, Texas. On information and belief, Sable Offshore Corp. is the designated operator of the Las Flores Pipeline System and applied for the State Waivers at issue.

33. On information and belief, Real Party in Interest PACIFIC PIPELINE COMPANY (PPC) is, and at all times relevant hereto has been, a Delaware corporation based in Houston, Texas. PPC is a wholly owned subsidiary of Sable. On information and belief, PPC is the owner of the Las Flores Pipeline System and, together with Sable Offshore Corp., applied for the State Waivers at issue.

34. Petitioners are ignorant of the true names or capacities of the respondents sued herein under the fictitious names DOES 1 through 10, and will seek leave to amend this petition to identify them in their true names and capacities when and if identified.

AUTHENTICITY OF EXHIBITS ATTACHED

35. Petitioners hereby incorporate by reference each and every allegation set forth above.

36. The documents accompanying this petition are true and correct copies of the original documents and are incorporated herein by reference as though fully set forth in this petition.

FACTUAL AND PROCEDURAL BACKGROUND

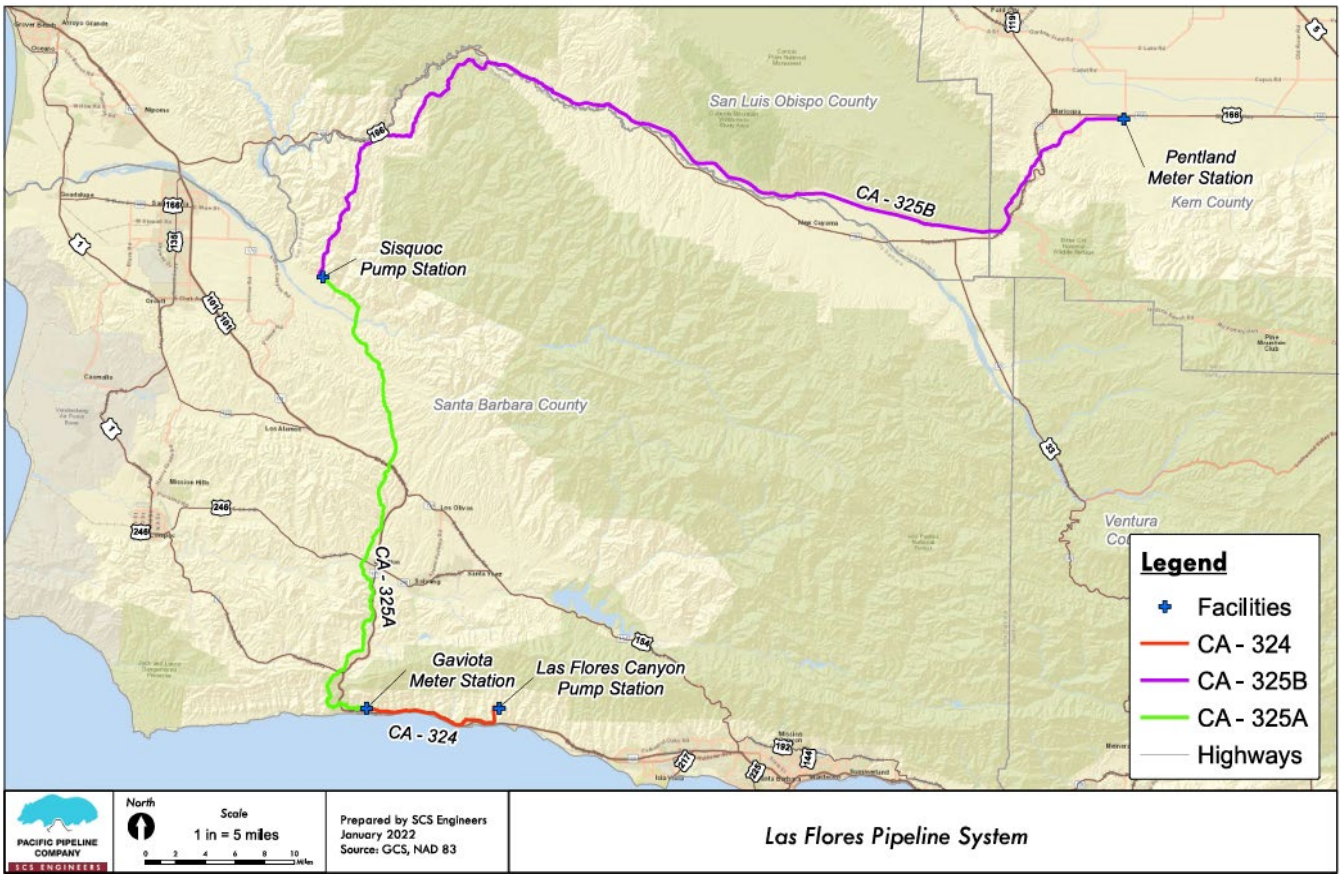
37. Petitioners hereby incorporate by reference each and every allegation set forth above.

Overview of the Las Flores Pipeline System

38. The Las Flores Pipeline System was constructed in the early 1990's to transport crude oil produced off the coast of Santa Barbara County to inland refineries. Today, its sole remaining purpose is to service the Santa Ynez Unit ("SYU") — a dormant oil and gas production unit located on the Gaviota Coast.

39. When operational, the SYU produces crude oil and natural gas from three offshore platforms that sit in federal waters: Harmony, Heritage, and Hondo. Once extracted, oil and gas are transported via subsea pipelines to a consolidated processing facility located in Las Flores Canyon, just

west of Goleta, California. From there, crude oil is transported inland through the Las Flores Pipeline System. The pipeline system is the only available means by which oil produced at the SYU can be transported and brought to market.



40. From its starting point in Las Flores Canyon, the Las Flores Pipeline System travels approximately 120 miles, traversing three counties en route to Pentland Station. Along the way, the buried pipeline system passes through sensitive coastal habitat, major rivers and groundwater basins, world-renowned parks and ecological reserves, and a populated suburban area.

41. As depicted above, the Las Flores Pipeline System consists of two major sections: line CA-324 (formerly "Line 901") and line CA-325 (formerly "Line 903"). CA-325 is further subdivided into sections A and B.

42. **CA-324**, the first section of the pipeline system, is a 24-inch diameter pipeline that travels westward along the Gaviota Coast in close proximity to the Pacific Ocean. It transports oil from the Las Flores Canyon processing facility approximately eleven miles to Gaviota Station.

43. The area through which CA-324 travels — the very heart of the Gaviota Coast — is of

considerable local import, and is home to globally significant natural, cultural, historical, and recreational resources. It is a spectacular rural landscape defined by rugged mountains, rolling coastal hills, and the ecologically rich Santa Barbara Channel. It is also, famously, one of the last remaining stretches of undeveloped coastline in Southern California.

44. As such, CA-324 traverses some of the most cherished and environmentally sensitive areas in Santa Barbara County, if not the state. In just eleven miles, the pipeline crosses oft-visited recreation areas; drainages, wetlands, and perennial creeks that feed directly into the nearby Pacific Ocean; and critical habitat for multiple special-status species. Most notably, the pipeline passes directly through the Arroyo Hondo Preserve — an area popular for recreation and rich in Chumash and early California history. Arroyo Hondo Creek, the central feature of the Preserve, is currently home to over two hundred federally endangered Southern California Steelhead.

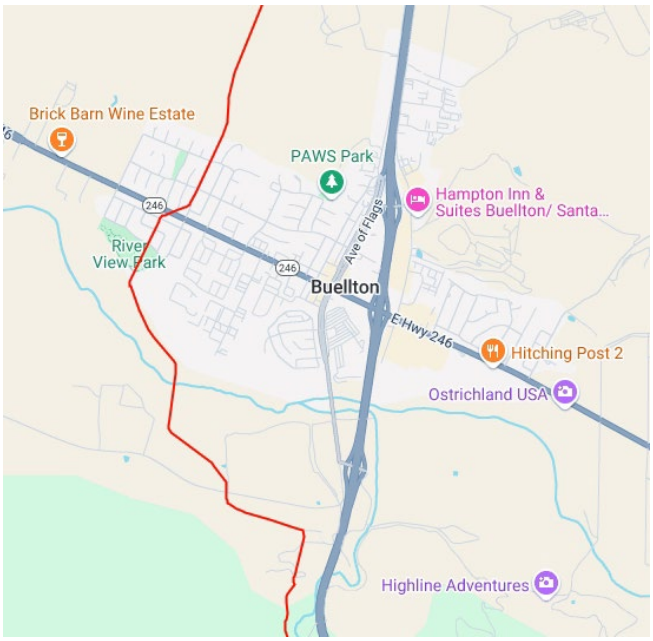
45. After CA-324 terminates at Gaviota Station, oil is transported northward via **CA-325A** — a 30-inch diameter pipeline that extends approximately thirty-eight miles to Sisquoc Station.

46. At the outset of its route, CA-325A traverses much of Gaviota State Park, where it crosses Gaviota Creek before redirecting inland. The Park provides abundant recreational opportunities to some 100,000 annual visitors. However, it also serves to protect a range of environmentally sensitive habitat areas, including oak woodland, chaparral and sage scrub, and riparian habitats. In fact, the portion of Gaviota Creek affected by the pipeline includes some of the highest quality riparian habitat remaining in southern Santa Barbara County. The perennial creek also provides critical habitat to the federally endangered Southern California steelhead and threatened California red-legged frog, as well as other special-status species, like the Southwestern pond turtle. Notably, the pipeline crosses the creek just a few hundred meters from where it empties into the Pacific Ocean.

47. After leaving the Park, CA-325A again crosses Gaviota Creek before heading northward through the Santa Ynez Mountains. En route to Sisquoc Station, CA-325A passes through multiple watersheds, dozens of creeks and drainages, and two major rivers: the Santa Ynez River and the Sisquoc River. Aside from their obvious ecological and recreational benefits, the underflows of these two rivers provide critical sources of domestic, municipal, and agricultural water supply for nearby communities. Relatedly, CA-325A permeates large swaths of three major groundwater basins — the Santa Ynez River

Valley basin, San Antonio Creek basin, and Santa Maria River Valley basin — which are some of the foremost sources of water supply in Santa Barbara County.

48. Perhaps most concerning, however, is that CA-325A passes directly through a suburban neighborhood in the city of Buellton, California. The pipeline runs by a preschool, an elementary school, and several popular parks. It also runs directly beneath, or in close proximity to, dozens of residential homes.



49. At Sisquoc Station, oil transfers to **CA-325B**, the last section of the Las Flores Pipeline System. CA-325B is a 30-inch pipeline that runs the remaining seventy-four miles to Pentland Station.

50. CA-325B begins by climbing over the rugged Sierra Madre Mountains and descending into the Cuyama River Valley, where it crosses the Cuyama River into San Luis Obispo County. Just a few miles downstream of the pipeline crossing, the Cuyama River is dammed at Twitchell, creating the Twitchell Reservoir. Among other things, the Reservoir provides an important source of groundwater recharge for the region.

51. After crossing the Cuyama River, CA-325B turns east, traveling parallel and in close proximity to the River for much of the remaining pipeline route. Before reaching its terminus, the pipeline crosses two additional areas of prominent ecological significance: the Carrizo Plain Ecological Reserve and the Bitter Creek National Wildlife Refuge. Between these two interconnected areas, the region supports the largest number of endangered, threatened, and sensitive species in the state.

52. CA-325B ultimately terminates at Pentland Station in Kern County, which marks the end of the Las Flores Pipeline System. From there, oil produced at the SYU is blended with crude oil delivered from other lines and transported to Los Angeles refineries in a separate pipeline system.

Design, Construction, and Environmental Review of the Las Flores Pipeline System

53. The inception of the Las Flores Pipeline System dates back to the early 1980's, when Celeron Pipeline Company ("Celeron") proposed building a buried pipeline system that would service oil production facilities in the Gaviota Coast area. The proposal was a subset of a larger project, known and referred to as the Celeron/All American Pipeline Project, which envisioned a pipeline route that would ultimately extend all the way to refineries in Midland, Texas.

54. In light of the scope of the Las Flores Pipeline System (described at length above), Celeron's project required approvals from a number of federal agencies, state agencies, and local governing bodies. However, construction and operation of the pipeline system was primarily overseen and permitted by the Bureau of Land Management, the California State Lands Commission, and Santa Barbara County (the "County"), which together prepared a joint Environmental Impact Report (EIR) and Environmental Impact Statement (EIS) for the project, as required by both CEQA and the National Environmental Policy Act (NEPA). A final joint EIR/EIS was certified in 1985 (the "1985 EIR/EIS"), which each agency relied on in its respective review of the project.[1]

55. Among other things, the 1985 EIR/EIS included a comprehensive description of Celeron's proposed project, from design and construction of the pipeline system through to operation and abandonment. On information and belief, it is the only surviving, publicly available document that contains a complete description of the proposed project.

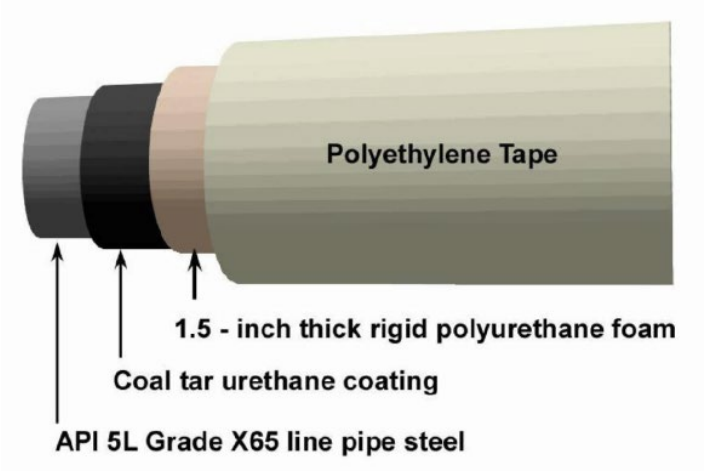
56. Of the pipeline features detailed in the 1985 EIR/EIS, two are particularly relevant here.

57. The first is the pipeline's coating and insulation system. Because of the high viscosity of the Outer Continental Shelf oil produced off Santa Barbara County, it cannot be pumped at ambient temperatures. Instead, it must be delivered to a pipeline at a relatively high temperature — e.g., as

[1] The Final EIR/EIS published in 1985 is a finalizing addendum to the 1984 Draft EIR/EIS. The preface of the Final EIR/EIS explains that the Final EIR/EIS is intended to be read "in conjunction with, rather than in place of, the Draft EIR/EIS that was released for public review on August 1, 1984." Thus, collectively, the two documents and their appendices form the project EIR/EIS. The Draft EIR/EIS is available on the County's website, at https://cosantabarbara.app.box.com/s/gc3vhh8ns8aiwketnq35vwbehnhre672. The Final EIR/EIS is likewise available at https://cosantabarbara.app.box.com/s/lkl9oo9xdsaangevdp6pasfo0cmimvlt.

proposed by Celeron, 160 degrees — and then maintained at an elevated temperature during transport. Accordingly, to minimize heat loss from the line, the 1985 EIR/EIS specified that the "[e]ntire . . . pipeline . . . would be insulated . . . with 1.5 inches of polyurethane with a vinyl outer jacket." (Draft EIR/EIS, p. 2-5.)

58. Thus, the Las Flores Pipeline System was ultimately installed with three "layers" of material: (1) a coal tar urethane coating, which was applied directly to the pipes' bare steel to help ward off corrosion; then (2) 1.5-inches of urethane foam insulation, which was sprayed onto the pipe over the coating; and, lastly, (3) a wrap of polyethylene tape, which would act as a moisture barrier and protect the insulation on the pipe.



59. The second, and perhaps most important, feature of the proposed pipeline system was its cathodic protection system — the foremost means by which the pipeline would be protected from corrosion.

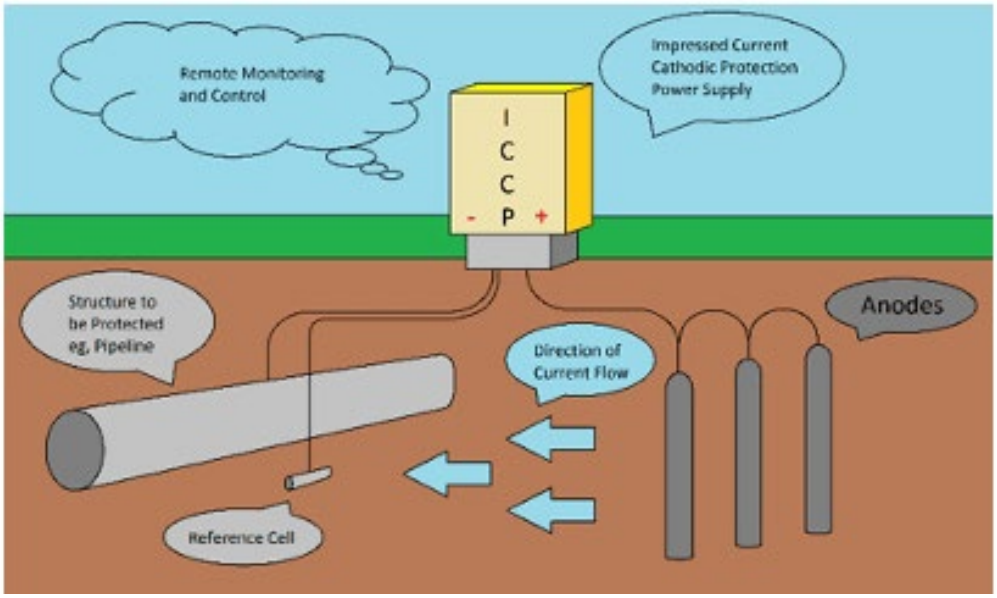
60. Corrosion, in essence, is an electrochemical reaction between metal and its environment. In steel pipelines — like the Las Flores Pipeline System — external corrosion occurs naturally over time as electrons in the pipeline's metal atoms transfer to the surrounding environment, causing metal loss from the surface of the pipe. Corrosion is especially aggressive in buried pipelines that are in direct contact with the ground.

61. The first line of protection from external corrosion is a pipeline's coating, which can prevent the flow of electrons to the pipe's surroundings. However, even the best coating will wear over time, leaving bare spots in the coating (called "holidays") where steel can leave the pipe. Thus, even if

properly coated, a buried pipeline will inevitably corrode without additional protection. Accordingly, buried pipelines are generally equipped with an additional corrosion control feature called a cathodic protection system, which targets and prevents corrosion in areas where the pipe's coating has been compromised.

62. In short, a cathodic protection system imparts an electric current onto a pipeline through a process that, when effective, causes a substitute source of metal to corrode in place of the pipeline. As long as the current is sufficient, the system theoretically prevents any corrosion of the pipeline, or at least holds it in check.

63. More specifically, a cathodic protection system works as follows: first, a device called a rectifier sends an electric current to "sacrificial" metals in the earth, which are positioned near the pipeline; next, the current picks up electrons from the metals and travels through the ground to the pipeline, which receives the electrons; and lastly, the current travels through the pipeline and back to the rectifier, completing the circuit. The pipeline's receipt of electrons from the sacrificial metals prevents it from losing electrons and corroding; the metals, meanwhile, corrode in place of the pipeline, "sacrificing" themselves to protect the pipeline. (The process effectively creates an electrochemical cell, with the sacrificial metals serving as the "anode" of the cell (which loses electrons, or "oxidizes") and the pipeline as the "cathode" (which gains electrons, or "reduces") — hence the name "cathodic protection.")



64. Federal regulations have long required that buried pipelines generally be equipped with cathodic protection. (*See* 49 C.F.R. § 195.563.) Thus, consistent with those regulations, Celeron's proposal specified that "[t]he *entire* pipeline would be protected from corrosion with cathodic protection systems." (Draft EIR/EIS, p. 2-5). To ensure the cathodic protection system was functioning as intended, the system would be periodically inspected and maintained, and "[c]orrosion control test stations would be installed with which to test the integrity of the corrosion protection." (Draft EIR/EIS, pp. 2-5, 2-32, 4-106).

65. The importance of the proposed cathodic protection system, and its centrality to the project itself, cannot be overstated. As the pipelines' ultimate means of corrosion control, cathodic protection was foundational to the overall design of the Las Flores Pipeline System and the success of the project. As the 1985 EIR/EIS acknowledged, "[p]rotection of a pipeline from corrosion is of *critical importance* to the environment as well as the pipeline operator"; without such protection, the strength of the pipeline wall can deteriorate, leading to a break in the pipe and a possible oil spill. (Draft EIR/EIS, p. 4-106 (emphasis added).)

66. Relatedly, environmental review of the project was largely premised on an effective cathodic protection system. Indeed, in predicting the likelihood of an oil spill — the primary environmental impact considered — the 1985 EIR/EIS explicitly relied on cathodic protection as a design specification that "would reduce the probability of an event [i.e., oil spill] occurring," and would be "very effective" in doing so. (Final EIR/EIS, pp. 2-57, Appendix 4.3.)

67. After certification of the 1985 EIR/EIS, Celeron received all necessary approvals for construction and operation of the Las Flores Pipeline System. Celeron proceeded with construction in the late 1980's, and the pipeline system went into service in or around 1992.

68. In 1998, the pipeline system was acquired by Plains Pipeline, L.P., a wholly owned subsidiary of Plains All American Pipeline, L.P. (together, "Plains"), which would own and operate the pipelines for the majority of their life.

The 2015 Refugio Oil Spill and Ineffectiveness of Cathodic Protection

69. On May 19, 2015, CA-324 ruptured near Refugio State Beach Park, releasing more than 120,000 gallons of heavy crude oil into the surrounding environment. The spill devastated

approximately 150 miles of the California coast. Thousands of acres of shoreline and subtidal habitat were destroyed, and an untold number of animals — including marine mammals — were injured or killed. The spill also forced the closure of fisheries and beaches, which jeopardized local businesses and caused an estimated 140,000 lost recreational user days between Santa Barbara and Ventura Counties.

70. The spill was one of the largest in California history, and the damage to the region's unparalleled resources was immeasurable. However, the economic toll of the spill was also considerable. To date, Plains, which owned and operated the Las Flores Pipeline System at the time of the spill, has spent upwards of $870M in clean up costs, remediation, and compensatory damages to various third parties. $200M of that went to local business and property owners affected by the spill.

71. Upon investigation, PHMSA determined that the rupture in CA-324 was a result of "progressive external corrosion," and that the pipeline's cathodic protection system — intended to prevent such corrosion — was ineffective.[2] Without sufficient protection from corrosion, the pipeline wall had thinned as much as 89% at the point of rupture, and was thus no longer able to withstand the internal pressure of operations. Notably, the pipeline was only operating at approximately 55% of its maximum operating pressure at the time it failed.

72. As it turns out, the ineffectiveness of cathodic protection on CA-324 was a product of the pipeline's flawed design. Specifically, the various layers of material installed on the pipeline — its coating, foam insulation, and outer protective tape wrap — created conditions that prevented the pipeline's cathodic protection system from functioning as intended.

73. The coal tar urethane coating installed on the Las Flores Pipeline System is an older type of coating that is nonconductive, meaning cathodic protection current cannot pass through it. It also has a tendency to lose its adhesion over time, becoming separated or disbonded from the pipe. When it becomes disbonded — as it did here — moisture can reach the pipe's bare steel and form corrosion cells underneath the coating. Those corrosion cells, in turn, can cause many different forms of corrosion, including stress corrosion cracking and selective seam corrosion cracking, *which cannot be prevented or remedied by cathodic protection*.

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[2] PHMSA's Failure Investigation Report, cited herein, is available on PHMSA's website, at https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/docs/PHMSA_Failure_Investigation_Report_Plains_Pipeline_LP_Line_901_Public.pdf.

74. The pipeline's insulation and protective tape barrier separately rendered cathodic protection ineffective on the line, for a few reasons. First and foremost, the external tape wrap installed on the pipeline is not conductive, and it thus acted to prevent cathodic protection current from reaching the pipeline's wall. Likewise, the underlying foam insulation worked to shield the pipeline from the electric current.

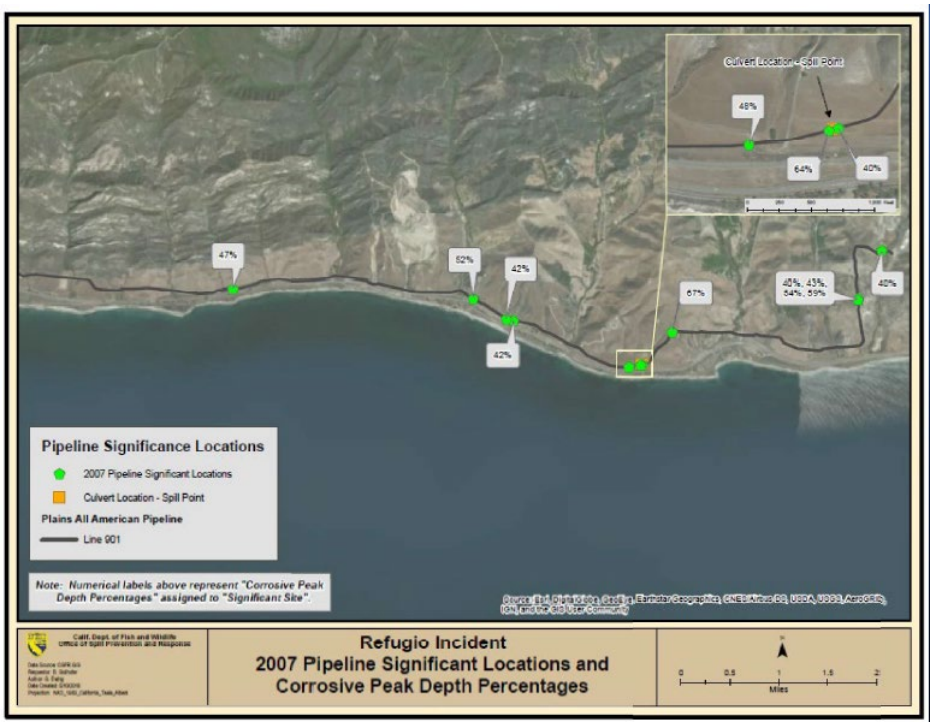
75. Additionally, the pipeline's external tape wrap wrinkled and cracked over time, allowing water to saturate the underlying foam insulation and, eventually, ingress all the way to the pipeline wall. Water then accumulated along the pipeline and migrated to the lowest local elevation point, becoming trapped beneath the insulation. Where the moisture reached the pipe's bare steel, it created corrosion cells that aggressively ate away at the pipe over time. This phenomenon, called "corrosion under insulation," was identified as "the primary corrosion mechanism" that led to the rupture in CA-324. (PHMSA Failure Investigation Report, Appendix M, p. 18.) According to PHMSA, cathodic protection cannot prevent "corrosion under insulation" when, as here, the outer wrap that protects the insulation inevitably becomes compromised. (PHMSA Failure Investigation Report, p. 14.)

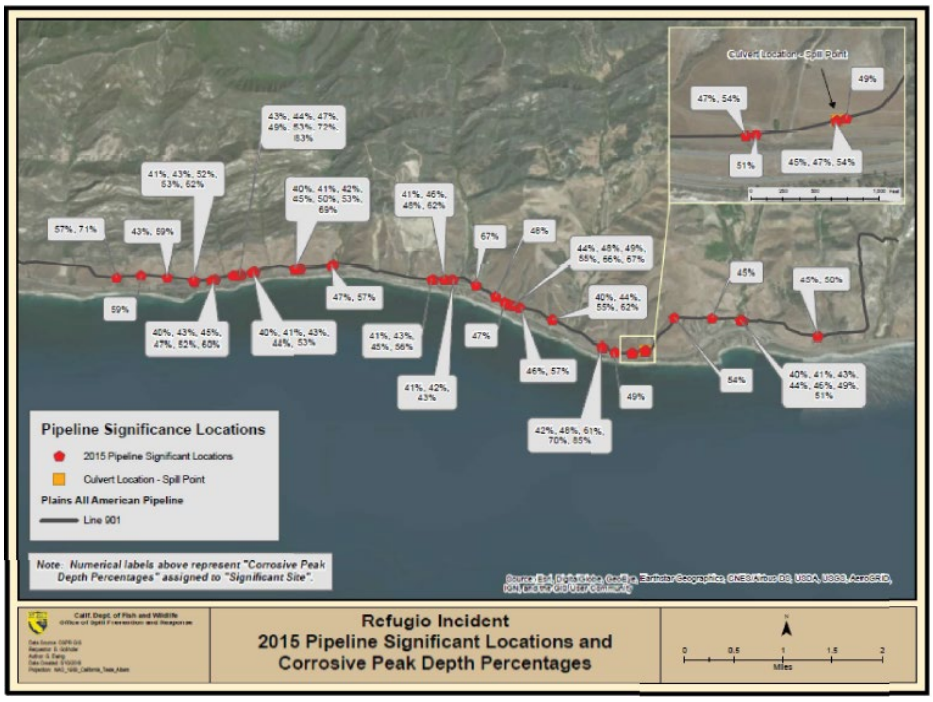
76. Importantly, the above issues were not limited to CA-324. Ultimately, **PHMSA found pervasive metal loss throughout the entirety of the Las Flores Pipeline System, and it concluded that cathodic protection is ineffective on both CA-324 and CA-325**. (PHMSA Failure Investigation Report, pp. 3, 14, Appendix E.) That information was not known until 2016 — more than thirty years after the 1985 EIR/EIS was certified.

77. PHMSA further concluded that, as a general matter, "[cathodic protection] is ineffective on buried, insulated pipelines" writ large. (PHMSA Failure Investigation Report, Appendix E, p. 2.) On information and belief, it may have been previously understood that buried, insulated lines could be susceptible to aggressive corrosion, but the earliest report considering the ineffectiveness of cathodic protection on such lines, prepared by the National Association of Corrosion Engineers (NACE), was not issued until 1992 — seven years after the 1985 EIR/EIS was certified.

78. In addition to the failure of the pipeline's cathodic protection system, PHMSA cited another factor that contributed to the spill: Plains' failure to properly detect and mitigate corrosion.

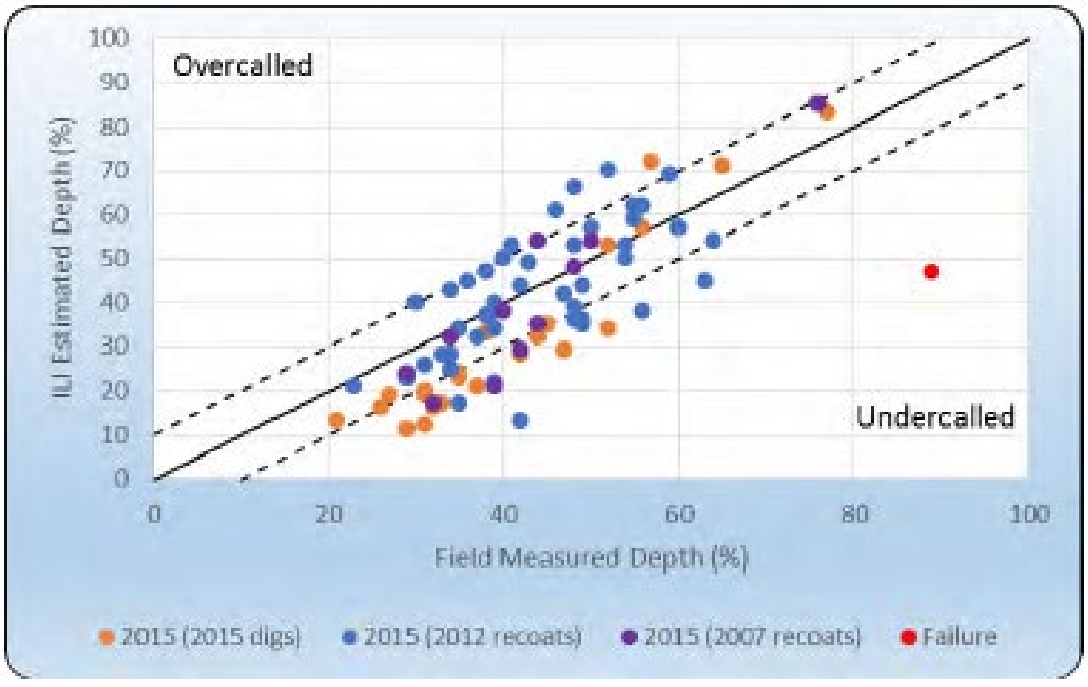
79. In the years leading up to the spill, Plains had been periodically running an in-line inspection ("ILI") tool to assess the integrity of the Las Flores Pipeline System, as required by federal regulations. The ILI surveys, unsurprisingly, revealed an alarming pattern of progressive corrosion. The below charts depict results from ILI surveys that Plains conducted on CA-324 in 2007 and May 6, 2015, and show the areas where, according to the surveys, the pipeline wall had corroded more than 40%.





80. Equally alarming is that the ILI tool used by Plains proved to be inaccurate and unreliable. When Plains performed exploratory digs to corroborate the results of its 2007 and 2012 ILI surveys — as required by federal regulations — its field measurements were inconsistent with the ILI results. In many areas, the ILI tool had significantly underestimated (or "undercalled") the depth of corrosion that was actually present. Plains, however, did not consult its ILI vendor about the inaccuracies or take any meaningful steps to resolve the issue.

81. PHMSA's investigation, which included a number of its own exploratory excavations, revealed that Plains' May 2015 ILI survey was likewise inaccurate. According to PHMSA, the ILI tool was only "accurate," per industry standards, 57% of the time. And it had wildly undercalled the corrosion in the area where the pipeline ultimately ruptured. While the 2015 survey showed a corrosion depth of 49%, in actuality the pipeline wall had thinned about 89%. The chart below compares the 2015 ILI survey results with measurements taken in the field, depicting the inaccuracy of the ILI tool.



82. Following the Refugio Oil Spill, PHMSA issued a series of Corrective Action Orders (CAOs) requiring, *inter alia*, that the Las Flores Pipeline System be emptied, purged, and idled, and it remains idle to date. Due to the unavailability of the pipeline system, the SYU was shut in, and production at the unit was suspended indefinitely. Neither the Las Flores Pipeline System nor the SYU have been operated for almost ten years.

Transfer of Jurisdiction to OSFM and Conditions for Restarting

83. At the time of the Refugio Oil Spill, the Las Flores Pipeline System was classified as an *interstate* pipeline system and, thus, was subject to the exclusive regulatory jurisdiction of PHMSA. However, following the spill, Plains cancelled its Federal Energy Regulatory Commission (FERC) certificates for the pipeline system, acknowledging that the pipelines had never actually been used to facilitate interstate commerce and, in any event, were no longer available to do so. By cancelling its FERC certificates, Plains effectively reclassified the Las Flores Pipeline System as an *intrastate* pipeline system, which transferred regulatory and enforcement jurisdiction over the pipelines to OSFM.

84. In May 2016, PHMSA formally acknowledged the reclassification of the pipelines and the transfer of jurisdiction to OSFM. The pipelines, which were previously known as Lines 901 and 903, were given the new monikers CA-324 and CA-325, respectively, and rebranded as the Las Flores Pipeline System.

85. Several years later, PHMSA, OSFM, and a number of other state and federal agencies sued Plains seeking civil penalties and compensation for natural resource damages associated with the spill. (*U.S. v. Plains All American Pipeline*, United States District Court for the Central District of California, Civil Action No. 2:20-cv-02415.) The parties settled, and the agreement was memorialized in a Consent Decree entered by the court.[3]

86. In addition to imposing monetary penalties on Plains, the Consent Decree contemplated the future of the Las Flores Pipeline System. It offered three paths forward for Plains (and any subsequent owner) in light of the pipelines' design defects. First, Plains could simply abandon and decommission the defunct pipelines. Second, Plains could replace the pipeline system with new, non-insulated pipe, which could potentially allow cathodic protection to function properly. And last, as a third and final option, Plains could restart the existing pipelines, but only under strict conditions.

87. As relevant here, those restart conditions included the following: (1) complete all remaining corrective actions required by PHMSA's CAOs, such as repairing metal loss anomalies on the pipelines; (2) install new automatic shutoff valves along the Las Flores Pipeline System, which,

[3] The Consent Decree is available on the Environmental Protection Agency's website, at https://www.epa.gov/sites/default/files/2020-03/documents/plainsallamericanpipelinelp.pdf.

importantly, do not *prevent* a spill, but can help reduce the volume of a spill should one occur; and (3) obtain State Waivers from OSFM "for the limited effectiveness of cathodic protection" on both CA-324 and CA-325, which would excuse Plains from complying with the regulations that require cathodic protection. (Consent Decree, at Appendix B, Article I, § 1.) Notably, nowhere does the Consent Decree suggest that OSFM *must* issue a State Waiver for either CA-324 or CA-325.

88. Should Plains complete (1), (2), and (3) above, the final step in the restart process would be (4) submitting Restart Plans to OSFM for review and approval, and obtaining ultimate approval from OSFM to restart CA-324 and CA-325. The Consent Decree is clear that neither Plains nor any subsequent owner/operator may operate CA-324 or CA-325 "until authorized to do so by OSFM," at OSFM's discretion.

Interim Efforts to Restart the SYU and the Las Flores Pipeline System

89. Recall that the Las Flores Pipeline System is integral to the viability of the SYU; without it, oil produced at the SYU cannot be transported or brought to market. Hence, the SYU was shut-in when the pipeline system was taken offline in 2015. Notably, in the last full year it was active, the SYU was responsible for 50% of all greenhouse gas emission in Santa Barbara County.

90. With the Las Flores Pipeline System out of service, ExxonMobil ("Exxon"), the longtime owner and operator of the SYU, first attempted to resume production at the SYU by bypassing the pipeline system altogether. Specifically, it applied to the County for permission to truck, rather than pipe, its oil from Las Flores Canyon to Kern County. The County denied Exxon's application in March 2022, citing obvious environmental and safety concerns.

91. Meanwhile, Plains sought to replace the Las Flores Pipeline System, ostensibly due to the risk the corroded pipelines pose to public health and safety.

92. Plains applied to the County for the necessary land use permits, and the County began conducting environmental review of Plains' proposal, as required by CEQA. In preparing a Draft EIR for the project, the County considered, as an alternative to replacement, the impacts of simply restarting the existing pipelines. An analysis prepared by the County's consultants suggested that restarting the defective pipelines would not only invite another disastrous spill, but all but ensure it. Relying on a report prepared by OSFM, the analysis found that, without effective cathodic protection, the risk of a

spill from the pipelines was *five times greater* than initially estimated. **The analysis further concluded that restarting — rather than replacing — the Las Flores Pipeline System could result in a spill once a year, and a rupture (a spill greater than five barrels) every four.** And a spill in the coastal zone, it found, could be nearly twice the size of the 2015 spill, even with the addition of automatic shut-off valves. An excerpt of this analysis is attached hereto as **Exhibit A**.

93. As Plains' application to replace the pipelines was pending, Plains sold the Las Flores Pipeline System to PPC, then a wholly-owned subsidiary of Exxon. Shortly thereafter, on October 24, 2023, Exxon withdrew the application. In reneging on the plan to replace the pipeline system, it cited, in part, "a high degree of local permitting and business uncertainty . . . that has impacted investment commitment . . . ."

94. Pivoting, Exxon instead sought to *restart* the existing Las Flores Pipeline System, despite the threat of another spill from the defective pipelines. Pursuant to the Consent Decree, on July 10, 2023, Exxon, via PPC, applied to OSFM for State Waivers for the limited effectiveness of cathodic protection on CA-324 and CA-325.

95. Exxon's restart proposal would also require retrofitting the Las Flores Pipeline System with new safety valves, as mandated by the Consent Decree and Government Code section 51013.1 — a pipeline safety statute enacted in response to the Refugio Oil Spill. Installation of the valves, however, required County approval.

96. The County Planning Commission denied Exxon's application to install new valves, which, again, would facilitate restart of the defective pipeline system. The Planning Commission rejected the idea that the Las Flores Pipeline System could be safely or responsibly restarted, pointing to the pipelines' degraded condition and ineffective cathodic protection system. On appeal, the Board of Supervisors voted 2-2 on the issue, effectively denying Exxon's application.[4]

97. Having repeatedly failed in its attempts to restart the SYU, Exxon eventually looked to offload its SYU assets. Enter Sable, a new, speculative entity formed to chance the regulatory hurdles that Exxon failed to clear.

[4] Exxon later sued the County in United States District Court for the Central District of California, Case No. 2:23-cv-09218-DMG-MRW. After Sable acquired PPC, the parties reached a settlement agreement that cleared the way for PPC to install the valves.

Sable's Acquisition and Haphazard Efforts to Restart the Las Flores Pipeline System

98. Sable Offshore Corp. began in 2020 as several special purpose entities, which were organized to evaluate and facilitate a potential acquisition of the SYU and associated assets. The corporations were formed by current Sable CEO Jim Flores, who had just led a different, troubled venture to bankruptcy.

99. On February 14, 2024, Sable Offshore Corp. acquired the SYU from Exxon and all its associated assets: the three offshore platforms, the subsea pipelines and infrastructure, and the Las Flores Canyon processing facilities. Sable Offshore Corp. also acquired PPC, and with it, the defunct Las Flores Pipeline System.

100. However, Sable, being undercapitalized, lacked the financial resources to fund the $625M deal with Exxon. Thus, Sable was forced to secure a $622M loan from Exxon — a whopping 99% of the purchase price — just to finance it. In exchange, Sable agreed that the SYU assets may, at Exxon's option, revert to Exxon if the SYU is not back online by early 2026.

101. The SYU assets — which have not been operational since 2015 — remain Sable's only assets, leaving Sable without a reliable or predictable source of revenue. Sable is currently operating at an astounding ~$700M deficit, and it will continue operating at a deficit unless and until it restarts the SYU. Hence, according to Sable itself, "substantial doubt exists about the Company's ability to continue," and it "may have insufficient funds available to operate its business prior to first production."

102. With the clock ticking on Sable's ability and window to restart the SYU, Sable is, predictably, trying to cut any regulatory corners it can.

103. Following in Exxon's footsteps, Sable is attempting to restart, rather than replace, the defective Las Flores Pipeline System, which has now aged past its expected lifespan. And, as it rushes to bring the Las Flores Pipeline System back online, Sable has repeatedly violated state law, ignored directives from state agencies, and otherwise shown an aversion to regulatory compliance.

104. Recall that, in order to restart the pipelines, the Consent Decree requires that Sable install additional safety valves along the pipeline system and conduct repairs where severe corrosion has been detected. On information and belief, beginning September 2024, Sable began extensive excavations along the pipeline route, including in wetlands, critical habitat for special-status species, and other

sensitive areas — all without coordinating with relevant agencies or applying for necessary permits.

105. When the California Coastal Commission (CCC) got wind of Sable's activities, it issued Sable a Notice of Violation (NOV) clarifying that Sable is required to obtain Coastal Development Permits (CDPs) for both the valve installations and repair work. Alarmingly, *Sable continued working despite the NOV*, prompting the CCC to issue a second NOV and, ultimately, a Cease-and-Desist Order, which directed Sable to apply for CDPs.

106. Separately, in December 2024, Sable received two NOVs from the Regional Water Quality Control Board alerting it of violations of the Clean Water Act and California Water Code and directing it to apply for necessary permits. Sable also received an NOV from the California Department of Fish and Wildlife (CDFW), which alleged that Sable had potentially trespassed on state property, harmed endangered species, and improperly disturbed a number of streambeds.

107. On information and belief, Sable temporarily ceased work in response to the above NOVs. However, on February 14, 2025, Sable resumed work on the Las Flores Pipeline System — willfully ignoring state law and many of the above NOVs. The CCC was forced to issue yet another Cease-and-Desist Order, and *Sable proceeded to continue work in violation of the order*. At a March 13, 2025, town hall, a representative of CCC stated that never in the history of the CCC had a company so brazenly violated a Cease-and-Desist Order.

108. Due to Sable's continuous violations of state law, on April 10, 2025, the CCC issued Sable an ~$18M fine — the maximum penalty it could impose and the largest in the agency's history.

109. On information and belief, Sable has now completed installing new valves on the pipeline system as well as the vast majority of its planned repair work — two key prerequisites to restart. However, as discussed above, there are still a few other boxes that Sable must check before restarting, including obtaining State Waivers from OSFM.

OSFM Grants State Waivers with No Public Process, Environmental Review, or Justification

110. On April 24, 2024, Sable, via PPC, notified OSFM that it would be assuming Exxon's applications for State Waivers for CA-324 and CA-325, which had been pending since July 2023. The applications requested, pursuant to the Consent Decree, permission to operate despite the limited effectiveness of cathodic protection on the pipelines. They also "request[ed] relief from the requirements

to evaluate and remediate all corrosion of or along longitudinal seam welds per 49 C.F.R. § 195.452(h)(4)(iii)(H).” Sable’s April 24, 2024 correspondence, with the two applications attached, is attached hereto as **Exhibit B**.

111. In light of the threat to public health and safety posed by the Las Flores Pipeline System, beginning in March 2024, community organizations began asking OSFM for increased transparency and public engagement as it considered whether to permit the restart of CA-324 and CA-325. In response, OSFM agreed to “[h]old public meetings and engage with the public at appropriate milestones for a potential restart,” including, specifically, “at the State Waiver step of the process.”

112. On September 27, 2024, Petitioners EDC, SBCAN, and GOO! sent a letter to OSFM renewing their request for a public process. Petitioners explained that not only was a public hearing appropriate under the circumstances but, in the case of the State Waivers, required by law. Petitioners also pointed out that operating the Las Flores Pipeline System without effective cathodic protection was neither anticipated nor reviewed in the 1985 EIR/EIS or any project approval, and the potential impacts of doing so have never been fully considered. Thus, the letter also called on OSFM to conduct environmental review of Sable’s State Waiver applications, as well as Sable’s broader restart proposal, pursuant to its obligations under CEQA. Petitioners’ September 27, 2024 letter is attached hereto as **Exhibit C**. OSFM never responded to the letter.

113. Also on September 27, 2024, thirteen state legislators sent a letter of their own to OSFM echoing the calls of community organizations for environmental review of Sable’s restart proposal and a transparent public process. The letter stated that the legislators “have grave reservations regarding the restart of CA-324 and CA-325, which have *already* caused a catastrophic oil spill, and which Sable intends to restart without effective protection from corrosion. . . . [O]ne governing body has already identified that proceeding in this manner would inevitably lead to another oil spill, one that could be twice the size of the 2015 disaster.” The legislators’ September 27, 2024 letter is attached hereto as **Exhibit D**.

114. On November 7, 2024, OSFM responded to the state legislators. It inaccurately downplayed its role in overseeing the restart of the Las Flores Pipeline System, and it refused to commit to conducting environmental review or holding a formal public process. However, acknowledging “the

public's considerable interest in the restart of these pipelines," OSFM reiterated its commitment to hold a "public meeting" — not a hearing — at an indefinite point in the future. On information and belief, the agency also verbally committed to holding the "public meeting" *before* making a determination on Sable's State Waiver applications.

115. On December 17, 2024, without having held any sort of "public meeting," OSFM preliminarily approved the State Waiver applications. OSFM did not offer any sort of public process in advance of its decision, or even release key documents (like the applications themselves). Nor did it conduct environmental review of the State Waiver applications. In other words, in approving the Waivers, OSFM entirely disregarded applicable procedural requirements, critical environmental laws, and its own previous commitments to state legislators and the public.

116. On December 23, 2024, EDC and Center for Biological Diversity submitted to OSFM an expert report prepared by Accufacts, Inc. — the first of two such reports. The report explained why cathodic protection is ineffective on the Las Flores Pipeline System. It also identified deficiencies in ILI technologies which lead to inaccurate assessments of external corrosion threats that most likely exist on the pipelines. Notably, the report explained why the pipelines were at risk of failure and cannot be made as safe as new pipelines. Accufacts, Inc.'s first report is attached hereto as **Exhibit E**. OSFM did not respond to the report.

117. OSFM submitted the State Waivers to PHMSA on December 18, 2024, triggering a 60-day review period for PHMSA to consider the Waivers. On February 11, 2025, PHMSA notified OSFM that it would not object to either State Waiver, rendering the Waivers final and effective. The State Waivers for CA-324 and CA-325 are attached hereto as **Exhibits F and G**, respectively.

118. As requested by Sable, the State Waivers permit the operation of CA-324 and CA-325 despite their lack of effective cathodic protection, and, separately, relieve Sable of compliance with 49 C.F.R. § 195.452(h)(4)(iii)(H), so long as Sable complies with some sixty conditions outlined in the Waivers. According to OSFM, the conditions ensure that the pipelines will be "as safe or safer" than if they had effective cathodic protection.

119. At first blush, the imposition of sixty-plus conditions would suggest that the Waivers comprehensively address the pipelines' defects and safety issues. But a closer review reveals substantial

and concerning deficiencies with the Waivers.

120. In short, the Waivers substitute cathodic protection with more frequent inspections of the pipelines using ILI tools — tools which we know from the 2015 spill to be demonstrably unreliable. In other words, rather than *proactively* preventing corrosion in the first place with proven technology, the Waivers instead rely on purely *reactive* measures — i.e., attempting to track down corrosion (with inherently unreliable tools), locate anomaly sites in the field, and properly repair them — which leave room for technical and operator error.

121. Put differently, the Waivers allow for the pervasive, progressive corrosion of the Las Flores Pipeline System that we saw leading up to the 2015 spill to continue, and naively hope that Sable will do a better job than Plains at detecting and remediating it. Yet there is little reason to suspect that will be the case. The tools themselves, we know, can be inaccurate. And Sable — a new, speculative company that has never actually operated an oil and gas pipeline — has done little to assure that it can or will comply with the maintenance program contemplated by the Waivers. In fact, considering its pattern of regulatory aversion and violations, all we have definitively seen from Sable is the opposite.

122. The many deficiencies of the Waivers are explained at length in a second expert report prepared by Accufacts, Inc., which is attached hereto as **Exhibit H**. The report concludes that, contrary to OSFM's determination, the Las Flores Pipeline System will not be made safe by the Waivers' conditions.

123. Perhaps realizing the indefensibility of the Waivers, OSFM did not even bother to provide any supportive reasoning for its decisions. Indeed, the Waivers do not include *any* analysis as to why the pipelines will be "as safe or safer" than if they had effective cathodic protection, despite such an analysis being required by state and federal law.

124. On information and belief, OSFM's approvals here were unconventional and unprecedented. The Waivers are, for all intents and purposes, entirely experimental. In fact, the State Fire Marshal, Daniel Berlant, all but admitted as much at a town hall on March 13, 2025, acknowledging that a number of other jurisdictions are closely watching to see how the Waivers play out.

125. Given the "experimental" nature of the Waivers, and the critical resources that this 120-mile-long pipeline system can impact, the need for public comment, independent expert scrutiny, and

environmental review was especially critical here, as highlighted by the two reports prepared by Accufacts, Inc. Instead, OSFM pushed the Waivers through behind closed doors, reneging even on its minimal commitment to first have a public meeting on the issue.

LEGAL BACKGROUND

126. Petitioners hereby incorporate by reference each and every allegation set forth above.

OSFM's Delegated Authority under the Federal Hazardous Liquid Pipeline Safety Act

127. Pipeline safety is generally regulated by the federal government pursuant to the federal Hazardous Liquid Pipeline Safety Act (the "Federal PSA"), 49 United States Code section 60101 *et seq*., which is administered by PHMSA. However, the extent of the federal government's regulatory authority varies between interstate and intrastate pipelines.

128. For *interstate* pipelines, PHMSA has exclusive jurisdiction over matters of pipeline safety. In fact, state authorities are expressly preempted from "adopt[ing] or continu[ing] in force safety standards for interstate pipeline facilities. (49 U.S.C. § 60104(c).)

129. However, PHMSA's authority over *intrastate* pipelines — like the Las Flores Pipeline System — is merely provisional. Pursuant to 49 U.S.C. section 60105, states have the option to assume exclusive responsibility for regulating intrastate pipelines by submitting an annual certification to the Secretary of Transportation ("Certification"). Among other things, the Certification must affirm that the state has adopted the minimum federal pipeline safety standards, which are outlined in Title 49 of the Code of Federal Regulations, Part 195 ("Part 195").

130. Once a state has submitted a valid Certification, exclusive regulatory and enforcement authority over intrastate pipelines passes to the state. (*See* 49 U.S.C. § 60105(a).) Indeed, PHMSA is prohibited from "prescrib[ing] or enforc[ing] safety standards and practices" on intrastate pipelines that are regulated under a certified program. (49 U.S.C. § 60105(a).)

131. Like most other states, California has and maintains such a Certification, giving it the authority to regulate its intrastate pipelines. That authority is delegated to OSFM, which administers the state's pipeline safety laws and regulations under color of the Certification. (*See* Gov. Code, § 51010.) OSFM also effectively administers the federal safety standards outlined in Part 195, which, as required for Certification, are incorporated by reference in California's pipeline safety regulations. (*See* 19

C.C.R. § 2000.)

State Waivers under the Federal PSA

132. Where a state has a valid Certification, the Federal PSA grants state authorities the flexibility to depart from federal minimum safety standards. They are free, for example, to impose more stringent safety standards than those required by federal law. (49 U.S.C. § 60104(c).) Or, they can excuse compliance with federal safety standards by issuing a "State Waiver." (49 U.S.C. 60118(d).)

133. Specifically, 49 U.S.C. section 60118 provides that, "[i]f a [Certification] . . . is in effect, the State authority *may*" — i.e., at its discretion — "waive compliance with a safety standard to which the [C]ertification . . . applies." (49 U.S.C. 60118(d) (emphasis added).) However, the statute imposes an important limitation on that authority: a State Waiver can only be issued "*in the same way and to the same extent* that the Secretary [of Transportation] may waive compliance under subsection (c)" of the statute. (49 U.S.C. § 60118(d) (emphasis added).) In other words, while a state authority has the discretion to grant a State Waiver, it can only do so by following the standards and procedures set forth in 49 U.S.C. section 60118(c).

134. 49 U.S.C. section 60118(c), in turn, outlines the corollary authority of the Secretary to waive federal safety standards for pipelines directly under PHMSA's jurisdiction — e.g., interstate pipelines.[5] (49 U.S.C. 60118(c).) It prescribes the procedures by which the Secretary may issue a waiver and sets forth the substantive standard for issuing both "nonemergency" and "emergency" waivers. (*Id.*)

135. For "nonemergency waivers," subsection (c) provides that the Secretary can issue a waiver "on terms the Secretary considers appropriate if the Secretary determines that the waiver is not inconsistent with pipeline safety." (49 U.S.C. § 60118(c)(1)(A).) However, as relevant here, subsection (c) explicitly states that "[t]he Secretary may act on a waiver . . . *only after notice and opportunity for a hearing*." (49 U.S.C. § 60118(c)(1)(B) (emphasis added).) And, it directs that "[t]he Secretary *shall* state in an order issued under this subsection the reasons for granting the waiver." (49 U.S.C. § 60118(c)(3) (emphasis added).)

136. Again, the provision authorizing state authorities to issue waivers incorporates the standards and procedures outlined in 49 U.S.C. section 60118(c). (49 U.S.C. § 60118(d).) Thus, to grant

[5] When the Secretary issues a waiver, it is the functional equivalent of a State Waiver, but it is called a "Special Permit."

a State Waiver, a state authority must (1) provide the public with notice and an opportunity for a hearing on the waiver application, (2) properly determine that the waiver would not be inconsistent with pipeline safety, and (3) provide a statement of reasons explaining its decision. (49 U.S.C. § 60118(c), (d).) Where a state authority fails to comply with one or more of these requirements, it violates the Federal PSA.

137. Additionally, before issuing a State Waiver, a state authority "must give the Secretary written notice of the waiver at least 60 days before its effective date." (49 U.S.C. § 60118(d).) The Secretary can concur with the waiver, object, or simply let the sixty days lapse without taking any action. (*See id.*) Should the Secretary concur or take no action, the waiver becomes final and effective.

Additional Waiver Requirements under the State Elder Pipeline Safety Act

138. California's Elder Pipeline Safety Act of 1981 (the "State PSA"), Government Code section 51010 *et seq.*, is the state's preeminent pipeline safety law. To the extent allowed by the Federal PSA, it grants the State Fire Marshal the "exclusive safety regulatory and enforcement authority over intrastate hazardous liquid pipelines" in California, and it outlines a number of pipeline safety requirements above and beyond what is required by federal minimum standards. (*See* Gov. Code, § 51010.)

139. The State PSA also directs the State Fire Marshal to "adopt hazardous liquid pipeline safety regulations in compliance with federal law." (Gov. Code, § 51011.) As noted above, among the regulations that OSFM has adopted is 19 C.C.R. section 2000, which incorporates by reference the entirety of Part 195.

140. Like the Federal PSA, the State PSA allows for the waiver of certain safety requirements. However, it imposes a higher standard for such "exemptions." It states: "The State Fire Marshal may exempt the application of regulations adopted pursuant to this section" — like Part 195's federal minimum safety standards — "to any pipeline, or portion thereof, when it is determined that the risk to public safety is slight and the probability of injury or damage remote." (Gov. Code, § 51011(b).)

141. Should the State Fire Marshal grant an exemption, it must be in writing, and the notice of exemption "shall include a discussion of those factors that the State Fire Marshal considers significant to the granting of the exemption." (Gov. Code., § 51011(c).)

California Environmental Quality Act

142. CEQA was enacted to ensure that government agencies consider the environmental consequences of their actions before approving projects. (Pub. Res. Code, §§ 21000 *et. seq*.) CEQA's statutory requirements are further defined and implemented by the "CEQA Guidelines." (14 Cal. Code Regs., §§ 15000 *et. seq*.)

143. A central element of CEQA is to require public agency decision makers to evaluate and document the potential environmental implications of their actions. (Pub. Res. Code, §§ 21000, 21001; CEQA Guidelines, §§ 15002, 15003; *Friends of Mammoth v. Board of Supervisors* (1972) 8 Cal. 3d. 247, 254-56.) In enacting CEQA, the state legislature intended the law "to be interpreted in such a manner as to afford the fullest possible protection to the environment . . . ." (CEQA Guidelines, § 15003(f); *Friends of Mammoth*, 8 Cal. 3d at 259.)

144. CEQA contains both procedural and substantive requirements. A critical procedural requirement is the need to prepare an EIR for projects that may result in a significant effect on the environment. (CEQA Guidelines, § 15064.) The purpose of an EIR is to consider the significant effects of a project, as well as alternatives and mitigation measures that can avoid or mitigate such effects. (Pub. Res. Code, §§ 21002.1, 21061; CEQA Guidelines, §§ 15003, 15126, 15126.2, 15126.4, 15126.6.) The EIR requirement "is the heart of CEQA." (CEQA Guidelines, § 15003(a); *County of Inyo v. Yorty* (1973) 32 Cal.App.3d 795, 810.) "The EIR process protects not only the environment but also informed self-government." (*Laurel Heights Improvement Assn. v. Regents of University of California* (1988) 47 Cal. 3d 376, 392.)

145. In addition to the procedural requirements of CEQA, the law contains a "substantive mandate" requiring agencies to impose feasible alternatives and/or mitigation measures to avoid or substantially lessen the environmental effects of projects. (Pub. Res. Code, § 21002; CEQA Guidelines, § 15091.) These alternatives and mitigation measures must first be identified and discussed in an EIR. (CEQA Guidelines §§ 15126.4, 15126.6.)

146. Public participation is essential to the function of CEQA. (Pub. Res. Code, § 21000(e); *Environmental Planning and Information Council v. County of El Dorado* (1982) 131 Cal. App. 3d 350, 354 ("A paramount consideration is the right of the public to be informed in such a way that it can

intelligently weigh the environmental consequences of any contemplated action and have an appropriate voice in the formulation of any decision.").)

147. When an EIR has been prepared for a project, subsequent or supplemental environmental review is required if certain events occur which may result in new or increased significant effects on the environment. (Pub. Res. Code § 21166; CEQA Guidelines § 15162(a).) Specifically, a subsequent EIR is required where:

> (1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or Negative Declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
>
> (2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or Negative Declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
>
> (3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:
>
> > (A) The project will have one or more significant effects not discussed in the previous EIR or negative declaration;
> >
> > (B) Significant effects previously examined will be substantially more severe than shown in the previous EIR;
> >
> > (C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
> >
> > (D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more

> significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

(CEQA Guidelines § 15162(a).)

148. If an agency is faced with a new discretionary decision after a project has been approved, the agency must consider whether any of the conditions set forth in CEQA Guidelines section 15162(a) apply, and if so, the agency must prepare a subsequent EIR. (CEQA Guidelines § 15162(c).)

FIRST CAUSE OF ACTION

Violation of the Federal PSA — Failure to Provide a Public Process

(Code Civ. Proc., § 1085; 49 U.S.C. § 60118(d))

149. Petitioners hereby incorporate by reference each and every allegation set forth above.

150. 49 U.S.C. section 60118(d), which incorporates the standards and procedures outlined in section 60118(c), imposed a mandatory and nondiscretionary duty on OSFM to provide the public with "notice and an opportunity for a hearing" prior to granting the State Waivers for CA-324 and CA-325. (49 U.S.C. § 60118(c), (d).)

151. Prior to granting the State Waivers, OSFM did not provide any cognizable public process. OSFM did not provide formal notice to the public of its intent to consider the State Waiver applications; did not invite or consider public comment on the applications; and did not provide the public with any opportunity for a hearing. In fact, OSFM did not even make the State Waiver applications publicly available prior to granting the Waivers, despite repeated requests from the public to do so.

152. Thus, OSFM violated its mandatory and nondiscretionary duty under the Federal PSA to provide the public with notice and an opportunity for a hearing.

153. The State Waivers for both CA-324 and CA-325 became final and effective on February 11, 2025, when PHMSA notified OSFM that it would not object to either State Waiver. Thus, each State Waiver constitutes a final agency action that is ripe for judicial review.

154. Petitioners have performed all conditions precedent to filing this action and have exhausted all available remedies to the extent required by law. Petitioners do not have a plain, speedy, or adequate remedy at law other than mandamus relief, and they depend on the Court granting the relief

requested herein to require OSFM to satisfy its obligations under the Federal PSA. (*See* Code Civ. Proc., § 1086.)

155. In their capacity as members of the public interested in ensuring agency compliance with laws, regulations, and guidance concerning pipeline safety and the preservation of public health and natural resources, Petitioners had a beneficial right to performance of OSFM's duties. (*See* Cal. Const. arts. I, §§ 1, 3(a); Code Civ. Proc., § 1085.)

SECOND CAUSE OF ACTION

Violation of the Federal PSA — Failure to Provide a Statement of Reasons

(Code Civ. Proc., § 1085; 49 U.S.C. § 60118(d))

156. Petitioners hereby incorporate by reference each and every allegation set forth above.

157. 49 U.S.C. section 60118(d), which incorporates the standards and procedures outlined in section 60118(c), imposed a mandatory and nondiscretionary duty on OSFM to, for each State Waiver, "state . . . the reasons for granting the [W]aiver." (49 U.S.C. § 60118(c), (d).)

158. Each State Waiver includes, in its entirety, the following: a perfunctory recital of Sable's requests, a statement of OSFM's regulatory jurisdiction, and the scope and conditions of each approved Waiver. But neither Waiver provides *any* justification, supporting analysis, or reasons for OSFM's decision to grant the Waiver. On information and belief, OSFM did not issue any other letter, order, or document in approving the Waivers that included a statement of reasons for its decision.

159. Thus, OSFM violated its mandatory and nondiscretionary duties under the Federal PSA to provide, for each State Waiver, a statement of reasons for granting the Waiver.

160. The State Waivers for both CA-324 and CA-325 became final and effective on February 11, 2025, when PHMSA notified OSFM that it would not object to either State Waiver. Thus, each State Waiver constitutes a final agency action that is ripe for judicial review.

161. Petitioners have performed all conditions precedent to filing this action and have exhausted all available remedies to the extent required by law. Petitioners do not have a plain, speedy, or adequate remedy at law other than mandamus relief, and they depend on the Court granting the relief requested herein to require OSFM to satisfy its obligations under the Federal PSA. (*See* Code Civ. Proc., § 1086.)

162. In their capacity as members of the public interested in ensuring agency compliance with laws, regulations, and guidance concerning pipeline safety and the preservation of public health and natural resources, Petitioners had a beneficial right to performance of OSFM's duties. (*See* Cal. Const. arts. I, §§ 1, 3(a); Code Civ. Proc., § 1085.)

THIRD CAUSE OF ACTION

Declaratory Relief — State Waiver Procedures Required under the Federal PSA

(Code Civ. Proc., § 1060; 49 U.S.C. § 60118(d))

163. Petitioners hereby incorporate by reference each and every allegation set forth above.

164. As noted, OSFM did not offer any cognizable public process before granting the State Waivers, and, on information and belief, has a pattern and practice of granting such waivers without providing the public with notice, an opportunity for a hearing, or a statement of reasons for its decision, as required by the Federal PSA.

165. An actual controversy has arisen and now exists between Petitioners, on the one hand, and OSFM, on the other hand, relative to their respective rights and duties as it relates to Petitioners' request that OSFM provide a public process before approving Sable's State Waiver applications.

166. Petitioners seek a judicial determination regarding the scope of OSFM's obligations under the Federal PSA. Petitioners seek a declaration that, in granting a State Waiver, OSFM must comply with same standards and procedures that the Secretary of Transportation must adhere to in granting a waiver under 49 U.S.C. section 60118(c), including providing the public with notice, an opportunity for a hearing, and a statement of reasons.

FOURTH CAUSE OF ACTION

Abuse of Discretion under the Federal PSA

(Code Civ. Proc., § 1094.5; 49 U.S.C. § 60118(d))

167. Petitioners hereby incorporate by reference each and every allegation set forth above.

168. The State Waivers for CA-324 and CA-325 constitute final administrative decisions that were quasi-judicial in nature.

169. Code of Civil Procedure section 1094.5 permits judicial review of quasi-judicial administrative decisions. In reviewing a quasi-judicial decision, the court considers, in part, "whether

there was any prejudicial abuse of discretion." (Code Civ. Proc., § 1094.5(b).) "Abuse of discretion is established if the respondent has not proceeded in the manner required by law, the order or decision is not supported by the findings, or the findings are not supported by evidence." (*Id.*)

170. As a matter of procedure, OSFM abused its discretion by failing to comply with the mandatory State Waiver procedures outlined in the Federal PSA, as explained in Petitioners' First and Second Causes of Action.

171. As to the merits of OSFM's decisions, the Federal PSA only allows a State Waiver to be granted if the relevant state authority "determines that the waiver is not inconsistent with pipeline safety." (49 U.S.C. § 60118(c)(1)(A), (d).) OSFM has consistently construed this standard to mean that a State Waiver can only be granted where the operator's "proposed alternative measures can provide an equal or greater level of safety than the required regulation." (*Pathways for Restarting Pipelines*, OSFM, https://osfm.fire.ca.gov/what-we-do/pipeline-safety-and-cupa/pathways-for-restarting-pipelines.) In other words, as OSFM has also put it, the proposed alternative measures must ensure the pipeline will be "as safe or safer" than if it was in compliance.

172. As discussed above, OSFM did not provide any analysis in support of its decisions to grant the State Waivers. Nor, relatedly, did it make any specific findings as to why the conditions of the Waivers would ensure that CA-324 and CA-325 are "as safe or safer" than if they had effective cathodic protection, or complied with 49 C.F.R. § 195.452(h)(4)(iii)(H). In fact, neither Waiver even referenced the applicable State Waiver standard in the Federal PSA, making it impossible to determine whether OSFM applied the appropriate legal standard in its review.

173. By failing to provide *any* findings in support of its decisions, OSFM abused its discretion. (*See Topanga Assn. for a Scenic Comm. V. County of Los Angeles* (1974) 11 Cal.3d 506, 515 ("[I]mplicit in [Code of Civil Procedure] section 1094.5 is a requirement that the agency which renders the challenged decision must set forth findings to bridge the analytic gap between the raw evidence and ultimate decision or order.").)

174. Moreover, even a cursory review of the State Waivers reveals that they are patently inadequate to address the defects in the Las Flores Pipeline System and, ultimately, fail to ensure that CA-324 and CA-325 will be "as safe or safer" than if they complied with all applicable regulations.

175. First, as noted above, the fundamental logic underpinning the State Waivers is flawed from the start. The Waivers allow Sable to replace effective cathodic protection, which prevents corrosion from occurring in the first place, with something akin to an enhanced management program. Indeed, instead of *proactively* preventing corrosion with proven technology, the Waivers require only that the operator *reactively* track down and remediate the incessant corrosion of the pipelines, primarily by using ILI tools.

176. You do not have to be a pipeline safety expert to see that the management program contemplated by the Waivers, which *allows* the progressive corrosion of the Las Flores Pipeline System to continue, is not, by any measure, as safe as preventing corrosion in the first place.

177. Second, we have already seen the shortcomings of the risk management measures on which the Waivers rely. As discussed, the failure of ILI tools was a contributing factor to the Refugio Oil Spill. Plains periodically conducted ILI inspections of the Las Flores Pipeline System, but the results of those inspections were often erroneous, and they failed to accurately detect the anomaly that ultimately caused the rupture in CA-324. With the real possibility that anomalies are undercalled or go unnoticed, effective cathodic protection is the only way to ensure the Las Flores Pipeline System does not again corrode to the point of rupture.

178. Third, and compounding that concern, OSFM has failed to consider Sable's operational capacity. The management program outlined in the Waivers puts an enormous amount of faith in the operator's capacity to properly and timely run ILI tools, review the results of the ILI surveys, precisely locate corrosion anomalies, and properly repair them. But there is no indication that Sable merits such trust. Sable is a new, speculative entity that has never actually operated an active oil and gas facility. And all it has affirmatively demonstrated is a propensity to cut regulatory corners.

179. Fourth, the Waivers only consider the risk of corrosion under insulation ("CUI"). While CUI is certainly an issue on the Las Flores Pipeline System, it is only one of many corrosion threats that the pipelines are vulnerable to without effective cathodic protection.

180. As previously discussed, the pipelines' heavy shielding, tape barrier, vintage and type of coating, operating temperature, and surrounding environment all work in concert to create external corrosion in various forms. Such external corrosion falls into four general categories: (1) wall loss or

thinning, (2) cracking or crack-like corrosion, (3) pitting, and (4) corrosion within dents. The latter two forms of corrosion are especially difficult to identify via ILI tools, and almost impossible to reliably predict when it comes to estimating failure. The Waivers do not address these threats.

181. Fifth, while the Waivers require hydrotesting of CA-324 and CA-325A before they return to service, they inexplicably exclude CA-325B. Without a hydrotest, OSFM cannot assure that previously-identified anomalies on CA-325B have been properly repaired.

182. Sixth, and relatedly, the parameters for the hydrotest of CA-324, including the pressure within the line, are insufficient to accurately test CA-324's integrity.

183. Seventh, the Waivers do not require critical corrosion tracking that can inform an operator of corrosion "hot spots" along the pipeline system and sites where there may be interactive threats, like general wall loss in combination with cracking corrosion. Given the pipelines' history of pervasive corrosion, separately identifying and plotting corrosion indications by type, severity, and approximate milepost is a necessary step towards ensuring their safety.

184. The above list is representative of why the Waivers fail to ensure that the Las Flores Pipeline System will be "as safe or safer" as if it complied with all applicable regulations, but it is non-exhaustive. Petitioners' review of the Waivers is ongoing, and, as OSFM releases more pertinent documents, Petitioners and their retained expert(s) will likely identify additional deficiencies with the Waivers.

185. In sum, the Waivers represent an astonishing lapse of judgment in an agency that is charged with overseeing pipeline safety, made worse by the fact that OSFM provided no public process or justification for its decisions. Because (1) OSFM failed to comply with the mandatory State Waiver procedures outlined in the Federal PSA, (2) OSFM failed to provide *any* findings in support of its decisions, and (3) the State Waivers, by any measure, fail to ensure the Las Flores Pipeline System will be as safe or safer than if it complied with all applicable regulations, OSFM prejudicially abused its discretion in issuing the Waivers, warranting administrative mandamus relief. (Code Civ. Proc., § 1094.5(b).)

186. Petitioners have performed all conditions precedent to filing this action and have exhausted all available remedies to the extent required by law. Petitioners do not have a plain, speedy, or

adequate remedy at law other than mandamus relief.

187. In their capacity as members of the public interested in ensuring agency compliance with laws, regulations, and guidance concerning pipeline safety and the preservation of public health and natural resources, Petitioners are beneficially interested in OSFM's decisions on Sable's State Waiver applications.

FIFTH CAUSE OF ACTION

Violation of the State PSA — Failure to Provide a Discussion of Significant Factors

(Code Civ. Proc., § 1085; Gov. Code, § 51011(c))

188. Petitioners hereby incorporate by reference each and every allegation set forth above.

189. The Las Flores Pipeline System is subject to the State PSA and the regulations adopted thereunder, which are codified at Title 19 of the California Code of Regulations, section 2000 *et seq*. (*See* Gov. Code, § 51010.5(a).)

190. Government Code section 51011 allows the State Fire Marshal to "exempt the application of regulations adopted pursuant to [the State PSA]." (Gov. Code, 51011(b).) However, should the State Fire Marshal grant such an exemption, Government Code section 51011 imposes a mandatory and nondiscretionary duty to "include a discussion of those factors that the State Fire Marshal consider[ed] significant to the granting of the exemption." (Gov. Code, § 51011(c).)

191. The waivers that OSFM issued for CA-324 and CA-325 function, incontrovertibly, as State Waivers for purposes of the Federal PSA. But they also constitute "exemptions" under the State PSA, as they effectively excuse compliance with "regulations adopted pursuant to [the State PSA]." (Gov. Code, § 51011(b).) Specifically, and as noted in the Waivers themselves, they excuse Sable from fully complying with Title 19 of the California Code of Regulations, section 2000, which incorporates by reference Part 195's federal minimum safety standards.

192. Thus, in addition to the standards and procedures for waivers required by the Federal PSA, Respondents had a concurrent obligation to comply with the more onerous waiver/exemption requirements required by the State PSA. Accordingly, in granting the State Waivers, Respondents had a mandatory and nondiscretionary duty to, for each Waiver, include in its decision a discussion of factors significant to the decision. (Gov. Code, § 51011(c).)

193. As discussed above in Petitioners' Second Cause of Action, in issuing the State Waivers, neither OSFM nor the State Fire Marshal provided *any* justification, supporting analysis, or reasons for its decision. Nor did they otherwise provide "a discussion of factors that the State Fire Marshal consider[ed] significant" to the decision. (Gov. Code, § 51011(c).)

194. Thus, Respondents violated their mandatory and nondiscretionary duties under the State PSA to provide, for each Waiver, a discussion of the factors they considered significant to the decision.

195. The Waivers (and "exemptions") for both CA-324 and CA-325 became final and effective on February 11, 2025. Thus, each State Waiver constitutes a final agency action that is ripe for judicial review.

196. Petitioners have performed all conditions precedent to filing this action and have exhausted all available remedies to the extent required by law. Petitioners do not have a plain, speedy, or adequate remedy at law other than mandamus relief, and they depend on the Court granting the relief requested herein to require Respondents to satisfy their obligations under the State PSA. (*See* Code Civ. Proc., § 1086.)

197. In their capacity as members of the public interested in ensuring agency compliance with laws, regulations, and guidance concerning pipeline safety and the preservation of public health and natural resources, Petitioners had a beneficial right to performance of Respondents' duties. (*See* Cal. Const. arts. I, §§ 1, 3(a); Code Civ. Proc., § 1085.)

SIXTH CAUSE OF ACTION

Abuse of Discretion under the State PSA

(Code Civ. Proc., § 1094.5; Gov. Code, § 51011(b))

198. Petitioners hereby incorporate by reference each and every allegation set forth above.

199. The State Waivers for CA-324 and CA-325 constitute final administrative decisions that were quasi-judicial in nature.

200. Code of Civil Procedure section 1094.5 permits judicial review of quasi-judicial administrative decisions. In reviewing a quasi-judicial decision, the court considers, in part, "whether there was any prejudicial abuse of discretion." (Code Civ. Proc., § 1094.5(b).) "Abuse of discretion is established if the respondent has not proceeded in the manner required by law, the order or decision is

not supported by the findings, or the findings are not supported by evidence." (*Id.*)

201. The State PSA only allows the State Fire Marshal to "exempt the application of regulations adopted pursuant to [the State PSA] . . . when it is determined that the risk to public safety is slight and the probability of injury or damage remote." (Gov. Code, § 51011(b).)

202. As discussed above, neither OSFM nor the State Fire Marshal provided any analysis in support of its decisions to grant the State Waivers. Nor, relatedly, did either expressly determine that the risk of the Waivers to public safety is slight and the probability of injury or damage remote, suggesting that they failed to properly consider and apply Government Code section 51011(b). Nor did OSFM or the State Fire Marshal make any specific findings to support such a determination. For that reason alone, approval of the waivers constitutes an abuse of discretion. (*See Topanga Assn. for a Scenic Comm. V. County of Los Angeles* (1974) 11 Cal.3d 506, 515 ("[I]mplicit in [Code of Civil Procedure] section 1094.5 is a requirement that the agency which renders the challenged decision must set forth findings to bridge the analytic gap between the raw evidence and ultimate decision or order.").)

203. Moreover, for the same reasons that the Waivers failed to meet the Federal PSA standard — outlined above in Petitioners' Third Cause of Action — they failed to meet the more onerous standard imposed by the State PSA.

204. Indeed, the risk of a rupture from the Las Flores Pipeline System is not merely hypothetical; it has already caused one of the worst oil spill disasters in California history. The Waivers would allow Sable — a speculative company — to resurrect the pipeline system without correcting or adequately addressing the fundamental design defect that caused the 2015 spill. Should Sable proceed under the Waivers, another spill is not just possible, but according to one independent analysis, likely. And the 120-mile long Las Flores Pipeline System — which passes through a suburban neighborhood, a number of popular recreation areas, and critical sources of water for inland communities — poses a substantial and direct threat to public safety.

205. Because the State Fire Marshal did not — and cannot — determine that the risk of the Waivers to public safety is slight and the probability of injury or damage remote, the Waivers constitute a prejudicial abuse of discretion, warranting administrative mandamus relief. (Code Civ. Proc., § 1094.5(b).)

206. Petitioners have performed all conditions precedent to filing this action and have exhausted all available remedies to the extent required by law. Petitioners do not have a plain, speedy, or adequate remedy at law other than mandamus relief.

207. In their capacity as members of the public interested in ensuring agency compliance with laws, regulations, and guidance concerning pipeline safety and the preservation of public health and natural resources, Petitioners are beneficially interested in the State Fire Marshal's decisions on Sable's State Waiver applications.

SEVENTH CAUSE OF ACTION

Declaratory Relief — Standards and Procedures Required under the State PSA

(Code Civ. Proc., § 1060; Gov. Code, § 51011(b), (c))

208. Petitioners hereby incorporate by reference each and every allegation set forth above.

209. As noted, in granting the State Waivers, Respondents apparently did not consider the relevant requirements of the State PSA. Specifically, Respondents apparently ignored the standard set forth in Government Code section 51011(b). And they failed to provide a discussion of factors that were significant to the decisions to grant the waivers, as required by Government Code section 51011(c).

210. On information and belief, Respondents have a pattern and practice of granting State Waivers that effectively exempt compliance with state regulations without complying with, or even considering, the relevant requirements of the State PSA.

211. An actual controversy has arisen and now exists between Petitioners, on the one hand, and OSFM, on the other hand, relative to their respective rights and duties.

212. Petitioners seek a judicial determination regarding the scope of Respondents' obligations under the State PSA when issuing a State Waiver that effectively exempts an operator from compliance with state regulations. Petitioners seek a declaration that, in granting such a State Waiver, Respondents must comply with Government Code section 51011, including by considering a requested waiver under the standard set forth in Section 51011(b), and providing a discussion of factors significant to the decision to grant the waiver.

EIGHTH CAUSE OF ACTION

CEQA — Failure to Prepare a Subsequent EIR

(Code Civ. Proc., § 1085; Pub. Res. Code, § 21166 ; 14 Cal. Code Regs. § 15162)

213. Petitioners hereby incorporate by reference each and every allegation set forth above.

214. Sable's applications for State Waivers required approval by OSFM. OSFM had the discretion whether to grant the requested Waivers, and if so, on what terms. (*See* 49 U.S.C. § 60118(c), (d); Gov. Code, § 51011(b).)

215. Because discretionary approval by OSFM was required, the agency needed to determine whether any of the criteria set forth in Public Resources Code section 21166 and CEQA Guidelines section 15162(a) applied. (*See* CEQA Guidelines § 15162(c).) On information and belief, OSFM failed to even consider these three criteria, in violation of CEQA. However, all three apply here.

216. First, substantial changes are proposed in the project which require major revisions of the 1985 EIR/EIS.

217. The original project was proposed as an oil and gas pipeline system that would be protected, in its entirety, by cathodic protection. The 1985 EIR/EIS relied on this project description when it evaluated the potential impacts of the project, and its analysis assumed that the pipelines' cathodic protection system would be "very effective" at reducing the probability of an oil spill.

218. Now, however, Sable, via the Waivers, is proposing to operate the pipelines without effective cathodic protection, potentially increasing the risk of a spill as much as five times.

219. Additionally, the lack of effective cathodic protection will necessitate more excavations to check for and respond to anomalies, and such excavations are required by the Waivers to be conducted on a regular basis. These excavations, which were not contemplated in the 1985 EIR/EIS, will increase potential impacts to sensitive resources along the 120-mile pipeline route, including rivers, streams and wetlands; environmentally sensitive habitats; rare, endangered, and threatened species; and cultural resources.

220. Thus, operating without effective cathodic protection, and under the conditions imposed by the Waivers, constitutes a substantial change in the project that increases the risk and severity of impacts and requires major revisions to the 1985 EIR/EIS. Accordingly, OSFM must prepare a subsequent EIR. (CEQA Guidelines § 15162(a)(1).)

221. Second, the failure of the pipelines' cathodic protection system and resulting corrosion

constitutes a change in circumstances that requires a subsequent EIR. As discussed, without effective cathodic protection, the pipeline is vulnerable to pervasive, continuous, and progressive corrosion that was not accounted for in the 1985 EIR/EIS. This changed circumstance increases the risk and severity of potential oil spill-related impacts, and thus requires preparation of a subsequent EIR. (CEQA Guidelines § 15162(a)(2).)

222. Third, it was only after the 2015 spill that the Las Flores Pipeline System was discovered to lack effective cathodic protection. This new information, which shows that the risk of an oil spill is substantially more severe than previously determined, could not have been known with the exercise of reasonable due diligence when the 1985 EIR/EIS was certified thirty-one years earlier. As to buried, insulated lines more generally, no formal report existed as to the ineffectiveness of cathodic protection prior to an industry analysis published by NACE in 1992 — seven years after certification of the 1985 EIR/EIS.

223. Accordingly, that cathodic protection is ineffective on the Las Flores Pipeline System constitutes new information that was not known, and could not have been known, when the previous EIR/EIS was certified. Thus, OSFM is required to prepare a subsequent EIR to ensure an adequate analysis of the potential impacts of operating the Las Flores Pipeline System without effective cathodic protection. (CEQA Guidelines, § 15162(a)(3).)

224. OSFM failed to comply with CEQA when it approved the State Waivers without preparing a subsequent EIR.

225. On April 11, 2025, Petitioners served a Notice of Commencement of Action on Respondents pursuant to Public Resources Code section 21167.5. The Notice is attached hereto as **Exhibit I**.

226. Petitioners have performed all conditions precedent to filing this action and have exhausted all available remedies to the extent required by law. Petitioners do not have a plain, speedy, or adequate remedy at law other than mandamus relief, and they depend on the Court granting the relief requested herein to require OSFM to satisfy its obligations under CEQA. (*See* Code Civ. Proc., § 1086.)

227. In their capacity as members of the public interested in ensuring agency compliance with laws, regulations, and guidance concerning pipeline safety and the preservation of public health and

natural resources, Petitioners had a beneficial right to performance of OSFM's duties. (*See* Cal. Const. arts. I, §§ 1, 3(a); Code Civ. Proc., § 1085.)

PRAYER FOR RELIEF

WHEREFORE, Petitioners pray as follows:

1. That the Court immediately, and on an *ex parte* basis, issue a temporary stay of OSFM's approval of the State Waivers, pending completion of judicial review, pursuant to Code Civ. Proc., § 1094.5(g) and Rule 3.1202(c) of the California Rules of Court;
2. That the Court issue temporary, preliminary, and permanent injunctive relief preventing restart of the Las Flores Pipeline System under the State Waivers;
3. That the Court issue a peremptory writ of mandate directing CalFIRE, by and through OSFM, to set aside and vacate its approval of the State Waiver for CA-324;
4. That the Court issue a peremptory writ of mandate directing CalFIRE, by and through OSFM, to set aside and vacate its approval of the State Waiver for CA-325;
5. That the Court issue a peremptory writ of mandate directing Respondents, should they reconsider Sable's State Waiver applications, to:
   a. prepare a subsequent EIR that considers the potential impacts of operating the Las Flores Pipeline System without effective cathodic protection, without complying with 49 C.F.R. § 195.452(h)(4)(iii)(H), and under the conditions of the proposed State Waivers;
   b. conduct any other procedures that the Court deems necessary and/or appropriate under CEQA;
   c. provide the public with notice and an opportunity for a hearing before granting a State Waiver for either CA-324 or CA-325, as required by the Federal PSA;
   d. in granting a State Waiver for either CA-324 or CA-325, provide a statement of reasons, as required by the Federal PSA; and
   e. in granting a State Waiver for either CA-324 or CA-325, provide a discussion of factors significant to its decision, as required by the State PSA;
6. That the Court issue the specific additional declaratory relief prayed for in Petitioners'

Third and Seventh Causes of Action;

7. That Petitioners be awarded attorneys' fees and costs pursuant to Sections 1021.5 and 1032(b) of the Code of Civil Procedure, and any other applicable law; and

8. For such other and further relief as the Court deems just and proper.

Dated: April 15, 2025

Respectfully submitted,

ENVIRONMENTAL DEFENSE CENTER

By: _____

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TARA C. RENGIFO
Attorneys for Petitioners and Plaintiffs

VERIFICATION

I, the undersigned, declare:

I am the Executive Director of Environmental Defense Center, a Petitioner in this action, and am authorized to make this verification for an on its behalf. I have read the foregoing Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief ("Petition") and know its contents. The facts alleged in the above Petition are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct. This declaration was executed on April 11, 2025, in Santa Barbara, California.

Alex Katz
Executive Director
Environmental Defense Center

VERIFICATION

I, the undersigned, declare:

I am the President of Get Oil Out!, a Petitioner in this action, and am authorized to make this verification for an on its behalf. I have read the foregoing Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief ("Petition") and know its contents. The facts alleged in the above Petition are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct. This declaration was executed on April 10, 2025 in Santa Barbara, California.

Michael T. Lyons
President
Get Oil Out!

VERIFICATION

I, the undersigned, declare:

I am the Executive Director of Santa Barbara County Action Network, a Petitioner in this action, and am authorized to make this verification for an on its behalf. I have read the foregoing Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief ("Petition") and know its contents. The facts alleged in the above Petition are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct. This declaration was executed on 4-11-25, in Santa Maria, California.

Ken Hough
Executive Director
Santa Barbara County Action Network

VERIFICATION

I, the undersigned, declare:

I, Maureen Ellenberger, am the Santa Barbara/Ventura Chapter Chair of Sierra Club, a Petitioner in this action, and I have been authorized to make this verification on behalf of Sierra Club. I have read the foregoing Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief ("Petition") and know its contents. The facts alleged in the above Petition are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct. This declaration was executed on 4/09/25, in Santa Barbara, California.

Maureen Ellenberger
Santa Barbara/Ventura Chapter Chair
Sierra Club

VERIFICATION

I, the undersigned, declare:

I am the Executive Director of Santa Barbara Channelkeeper, a Petitioner in this action, and am authorized to make this verification for an on its behalf. I have read the foregoing Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief ("Petition") and know its contents. The facts alleged in the above Petition are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct. This declaration was executed on April 10, 2015, in Santa Barbara, California.

Walter Edward Morton
Executive Director
Santa Barbara Channelkeeper