Katherine Douglas Public Comment # 2

LATE DIST

From: Pamela Harper <pharper@cappellonoel.com>
Sent: Friday, August 18, 2023 11:03 AM
To: sbcob
Cc: A. Barry Cappello; Leila Noel; Lawrence J. Conlan; Richard Lloyd; Mandy Duong
Subject: Pacific Pipeline Company Appeal/Item 23-00798 on the August 22, 2023 Agenda
Attachments: 2023.08.18 CN Letter to Board of Supervisors re Aug 22 Appeal.pdf

Dear Chair Williams and Honorable Supervisors:

Please see the attached correspondence in connection with the above-referenced matter.

Please confirm receipt.

Thank you kindly.

Respectfully submitted,

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TRIAL LAWYERS

A. Barry Cappello

August 18, 2023

Via E-Mail

Santa Barbara County Board of Supervisors
105 E. Anapamu Street, Suite 407
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Re: Pacific Pipeline Company Appeal of the Planning Commission's April 26, 2023 Denial of Development Plan/Conditional Use Permit Amendment and Coastal Development Permit Pertaining to Line 901-903 Upgrade Project (21 AMD-00000-00009 & 22CDP-00000-00048)

Dear Chair Williams and Honorable Supervisors:

Our firm, together with co-counsel, represent the individual and class representative plaintiffs (collectively "Owners") in *Grey Fox, LLC et al. v. Plains Pipeline, L.P. et al.*, Case No. 2:16-cv-03157), currently pending in the Federal District Court in the Central District of California. On behalf of the certified class of Owners, attached as **Exhibit 1**, we successfully advocated that Santa Barbara County Planning Commission ("Commission") deny Pacific Pipeline Company's ("PPC's") application for a Development Plan/Conditional Use Permit Amendment and Coastal Development Permit Pertaining to Line 901-903 Upgrade Project (21 AMD-00000-00009 & 22CDP-00000-00048) (the "Project"). We attach our prior letters as **Exhibit 2** (September 1, 2022) and **Exhibit 3** (February 24, 2023), and incorporate them herein by reference.

We now ask this Board of Supervisors ("Board") also to deny PPC's Appeal.

The Commission below denied PPC's[1] application because it could not find that prior environmental review findings remained valid to accommodate the Project as revised. (See, Appeal Application, Attachment 1, pp. 4-6.) The Commission specifically highlighted "several factors that have acted in combination to cause degradation of the line including inadequate inspection intervals, a lack of adequate anomaly repairs, internal corrosion and corrosion under insulation (external corrosion). The risks of an oil spill are elevated above what was previously approved and the project would be detrimental to the health, safety, comfort, convenience, and general welfare of the neighborhood and environment." (*Id.*)

[1] The prior owner of Lines 901/903 was Plains All American Pipeline L.P. ("Plains"). Both PPC and Plains are collectively referred to hereinafter as "Owner."

Those valid reasons dictate that this Board also deny this Appeal. Please note:

- The Project tacitly incorporates restarting the pipeline without adequate information on environmental impacts being given to the public, inconsistent with the purposes and provisions of the Coastal Act and the Santa Barbara County ("County") Land Use and Development Code;
- The plan to replace and/or install a second pipeline has now been publicly dumped by PPC;
- The existing EIR is decades out of date, and the Application fails to include any calculation of Greenhouse Gas Emissions ("GHGs"), in violation of the law
- The easements the Owner requires have terminated under their express terms;
- The guarantee is inadequate and does not come close to covering the costs of a future oil spill.

1) The risks of an oil spill are elevated because this Project does not stand alone. It cannot be based on an antiquated EIR/EIS, since new valves invite a restart of the lines, but *without* CEQA review.

The Owner persists in portraying this Project as a simple one, *i.e.*, one which does not imply that the pipelines will restart. That is wrong, for several reasons.

First, these pipelines are designated "non-operational." The County acknowledged as much, when it changed the base line for the still-pending Pipeline Replacement Project in April 2022.[2] (See, Revised Notice of Preparation of a Draft Environmental Impact Report/Environmental Impact Statement ("NOP"), SCH #2019029067, p. 2-3 [attached hereto as **Exhibit 4**].) The County's change of baseline was critically important, as it acknowledged the actual state of the pipelines on the ground.

Moreover, in 2016, the U.S. Department of Transportation – Pipelines and Hazardous Materials Safety Administration ("PHMSA") had noted that "a purged pipeline presents different risks, and different regulatory treatment may be appropriate." (See, CAL FIRE – Office of the State Fire Marshal, Pipeline Safety Division, Informational Bulletin ("OSFM Bulletin #1"), Updated, June 19, 2020, p. 2 [attached hereto as **Exhibit 5**]). Following PHMSA's lead, OFSM created a new category to better define the status of such pipelines: "Out-Of-Service Pipeline Deferments." (OSFM Bulletin #1, p. 2.)

To obtain such a deferment, the Owner only had to submit a written plan explaining that the AB 864 valve upgrade would be impractical, because the lines were purged and the Owner would add new valves as it replaced the line during the still-pending Pipeline Replacement Project. Had the Owner asked, OSFM would have approved such a request: this is *exactly* the reason for which an "Out-Of-Service Pipeline Deferment" was created. Moreover, under the OSFM Bulletin, all "deferred activities must be completed prior to, or as part of, any later return to service." (*Id.* p. 2.) This includes "required repair conditions." (*Ibid.*; see also, OSFM Out-

[2] Available at: https://www.countyofsb.org/880/Plains-Replacement-Pipeline-Project.

of-Service Deferral Program, revised 6/7/2023 ("OSFM Bulletin #2"), attached hereto as **Exhibit 6**.)

Here, however, the Owner apparently did not ask for any deferment. Why? The only reason *not* to seek a deferment is because the Owner wants to restart the lines without further CEQA review. Otherwise, the Owner could never justify to its shareholders why it needed to undertake lengthy construction and put extremely expensive new valves into an already-purged, "non-operational" line, *which cannot legally hold oil.*

Second, the Owner has ignored the strictures of CEQA Guidelines,[3] 14 CCR section 15301, as applicable to a baseline of "non-operational" lines: "The key consideration is whether the project involves negligible or no expansion of use." (Guidelines, Section 15301.) Section 15301(b) further clarifies that "Existing facilities of both investor and publicly-owned utilities *used* to provide . . natural gas . . . or other public utility services."

Here, the lines are *not* being used to provide *any* services whatsoever. The County has acknowledged they are purged. (See, Appeal of Plains Valve Upgrade Project, Attachment 3, p. 14: "After the oil spill in 2015, the Lines were cleaned and flushed of all potentially corrosive materials and filled with Nitrogen gas, which is an inert gas;" see also, NOP at p. 3 [". . .the baseline conditions evaluated in the Draft EIR/EIS were changed to the conditions that existed on the ground at the time the 2019 NOP and NOIs were released, which is, and continues to be, a non-operational pipeline."].) The lines therefore cannot be considered "existing" in the sense that the CEQA Guidelines focus on *use*.

"Project" means the whole of the action, which has the potential for resulting in either a direct or reasonably foreseeable indirect physical change in the environment. (Guidelines, Section 15378(a).) The heart of CEQA is the EIR requirement. (*County of Inyo v. Yorty* (1973) 32 Cal.App.3d 795, 810, 814; Guidelines, Section 15003(a).) The EIR serves not only to protect the environment but also to demonstrate to the public that it is being protected. (*Id.* at 15003(b).) CEQA was intended to be interpreted in such a manner as to afford the fullest possible protection to the environment within the reasonable scope of the statutory language. (*Friends of Mammoth v. Board of Supervisors* (1972) 8 Cal.3d 247, 259; Guidelines, Section 15003(f).) The lead agency must therefore consider the whole of an action, not simply "chop" it into constituent parts, in determining whether it will have a significant impact. (Guidelines, Sections 15003(h), Section 15378(a), (c)-(d); *Poet, LLC v. State Air Resources Board* (2017) 12 Cal.App.5th 52, 73.)

Here, the original Staff Report improbably recited that "pipeline restart is not required as part of the proposed project." (See, Appeal of Plains Valve Upgrade Project, Attachment 3, p. 14.) However, the Staff Report also prominently stated that "retrofitting the pipeline with 16 new valves will significantly reduce the amount of fluid released in the event of a potential line failure." (Project Description, see County website.[4]) The disconnect between these two statements was palpable, and the Commission denied the Application as needing additional

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[3] "Guidelines" herein refers to the administrative regulations governing implementation of the California Environmental Quality Act, found at Title 14, Division 6, Chapter 3 of the California Code of Regulations.

[4] Available at: https://www.countyofsb.org/880/Plains-Valve-Upgrade-Project.

environmental review. **The Commission recognized that restart was implicit in this Project, and that the County and the public needed to be fully informed to evaluate all the environmental impacts**.

This Board should do the same. PHMSA required the pipelines to be shut down, among other things, due to the irrevocable corrosion anomalies which Plains should have noticed and corrected in 2007. (See, U.S. Department of Transportation, PHMSA Failure Investigation Report, Plains Pipeline, LP, Line 901 Crude Oil Release, May 19, 2015 (May 2016) ("Final Investigative Report").[5] Now, PHMSA requires repair of the thinned pipelines; but the Owner has asked for new valves without further repair of the anomalies.

When the Project was initially proposed, the Owner was sitting on the fence, deciding how to reconcile its statements that "restart" was not required, while at the same time refusing to confirm it will *not* perform the Replacement Project. However, the Owner has since unequivocally stated in a public court filing that it does not have the right to either fully replace the existing pipeline, or to install a second pipeline:

> "PPC—the new owner of the Pipelines—now seek entry of a Proposed Order **unequivocally waiving and disclaiming any right (on behalf of itself and successors) to construct and install a second, new pipeline system without negotiating new easements"**
>
> "[I]t is now clear (and PPC agrees) that the existing Easements **do not permit construction and installation of a new pipeline** without new rights of way."

(**Exh.** 7, Excerpts of PPC Motion to Dismiss filed Aug 11, 2023)

In light of the Owner's public statements, the Project must be taken as the first step towards the restart of the existing, corroded pipeline. A full EIR must be ordered to assess the environmental impact of that restart.

2) **The Project fails to evaluate the Greenhouse Gas Emissions. Absent that calculation, the Project is not fully described.**

The Owner applied for the instant Project based on the fact that an earlier EIR/EIS had been prepared, and that the prior EIR/EIS fully reviewed all matters of significance. But the earlier EIR/EIS – prepared over 30 years ago – did *not* fully calculate the potential GHG emissions, only separate emission components. That was because the GHG rules were only adopted in 2010, long after the original EIR/EIS.

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[5] Final Investigative Report, available at: phmsa.dot.gov/sites/phmsa.dot.gov/Files/docs/PHMSA_Failure_Investigation_Report_Plains_Pipeline_LP_Line_901_Public_0.pdf.

Plains *did* calculate the GHG emissions as part of its Replacement Project, however. (See, Replacement Project, Attachment C.3, authored by SCS Engineers, at p. 1: "Santa Barbara County's threshold of significance for GHG emissions is 1,000 metric tonnes (MT) per year. The *Project* would produce a net increase of approximately 21,243 MTs per year of GHGs, not including the potential increase in indirect GHGs.") This is a substantial increase of which the County and the public should be aware; but it is not included in the Owner's application or appeal.

The failure to determine the GHG emissions effectively dooms this Project. As explained by the Court in *IBC Business Owners for Sensible Development v. City of Irvine* (2023) 88 Cal.App.5th 100:

> "The Guidelines pertaining to greenhouse gas emissions were adopted in 2010. (Citation omitted.) They require an agency to determine the significance of greenhouse gas emissions for a project. (Guidelines, § 15064.4, subd. (a).) In doing so, the 'agency shall make a good-faith effort, based to the extent possible on scientific and factual data, to describe, calculate or estimate the amount of greenhouse gas emissions resulting from a project.' (Guidelines, § 15064.4, subd. (a).) . . . [¶] '[i]n determining the significance of a project's greenhouse gas emissions, the lead agency should focus its analysis on the reasonably foreseeable incremental contribution of the project's emissions to the effects of climate change. A project's incremental contribution may be cumulatively considerable even if it appears relatively small compared to statewide, national or global emissions.' (Guidelines, § 15064.4, subd. (b).)"

(*IBC, supra*, 88 Cal.App.5th at 126, 127 (finding insufficient evidence to support a finding of consistency with the 2010 PEIR); see also, *Center for Biological Diversity v. Department of Fish & Wildlife* (2015) 62 Cal.4th 204, 225, 228, 240 (concluding that GHGs analysis was not reasoned or based on substantial evidence, and that the failure was prejudicial because it deprived decision makers and the public of substantial relevant information about the project's likely impacts).)

Here, the lack of any GHG calculation renders this Project incomplete. This Project literally invites oil to be placed in the lines, but does not seek additional review of the GHG emissions. Under the new GHG Guidelines, the Owner *must* provide such a good-faith evaluation, if there is any likelihood that the Project could have an impact, as is the case here. Without such an evaluation, this Board cannot fully consider the environmental impacts of the Project.

3) The Owner relies on easements which have lapsed under their terms and which it admits do not allow it to replace the pipelines.

This Project was defined as needing a "temporary workspace of approximately 4.000 square feet (50-feet by 80-feet), within the *existing* right of way corridor to facilitate equipment movement, staging, access and excavation." (Plains Valve Upgrade Project, Project Description, emphasis added.[6]) This Board should be aware, however, that the scope of the Rights of Way

[6] Available at: https://www.countyofsb.org/880/Plains-Valve-Upgrade-Project.

("ROWs") is being litigated in the *Grey Fox* case, in which the Owner recently conceded that it does not have the right to install, or replace, the existing pipeline with a new, replacement pipeline.

The original ROW corridor, after construction of the lines, was generally reduced to a width of 25 feet. As one of the ROWs states: "This right of way and easement shall have a temporary width as necessary to construct the pipeline but not to exceed one hundred (100) feet which width shall revert to a permanent width of twenty-five feet six months after commencement of construction of the pipeline." (**Exh. 8** - Right of Way Grant, recorded July 23, 1986, page 1.)

Many of the Easements for the original pipeline have also terminated under their express written terms, which limit the life of the easement to between 3-5 years after non-operation. As stated in the above-cited easement: "It is agreed that all rights and privileges herein granted and given Grantee shall automatically end and terminate in the event that Grantee, or its successors and assigns shall fail to install or operate and maintain said pipeline for a period of five (5) consecutive years." (*Id.*, p. 2, emphasis added.)

We are now eight years from 2015, when PHMSA ordered the lines to be shut down, after the spill. Many of the landowners--whose easements have lapsed--believe the new Owner has no business accessing their property. Alternatively, if the Owner's appeal is approved, the landowners require substantial reassurance. The pipelines were not been maintained properly by Plains, and the landowners have a completely justified and reasonable fear that this new Owner will do exactly what Plains did, *i.e.*, place new valves into the pipeline, run oil and other hazardous materials through them, fail to maintain the pipeline, and create the same conditions for a new spill that caused the catastrophic spill in 2015. (See, e.g., Declarations of Roger McMullin, Mark Tautrim, and Matt Satterthwaite, attached as **Exhibits 9-11**.)

These landowners need to know the new Owner will act responsibly. This Board can ensure that, by ordering an EIR that fully evaluates the environmental impact of this Project and the potential consequences of allowing the Owner to operate a corroded pipeline with a history of failure. Failure to do so abdicates the County's responsibility to its citizens to enforce the laws protecting the environment and the public at large. It is not enough to rely on the State Fire Marshal's oversight—you have both the ability, and the responsibility, to require a comprehensive evaluation of this Project, and should do so, by denying this appeal.

4) The proposed guarantee will not fully remediate another oil spill.

In connection with its change of ownership application, the facility guarantor, Exxon Mobil Corporate, has proffered a guarantee of only one hundred million dollars ($100,000,000). That is not enough to remediate another oil spill.

Plains, the prior owner/operator, spent over $1 billion in clean-up costs, compensation and restitution after the 2015 Refugio Oil Spill, a number which is likely to increase further by the time all pending lawsuits have finally been resolved. There can be no guarantee that these lines will not spill in similar fashion at some point in future, and the amount of the proposed guarantee is grossly inadequate, when compared to the likely costs of clean-up from a future spill.

CONCLUSION

For the foregoing reasons, we request that the Board of Supervisors deny this Appeal. The Application did not acknowledge that pipeline restart was included, which the Owner's public filings have made clear is its ultimate goal. The Application also relies on an ancient EIR, and fails to calculate the Greenhouse Gas Emissions associated with the Project. Finally, the easements on this Project have lapsed under their terms, and a full, updated EIR must be ordered to reassure the easement holders that their properties will not become the site of a future spill.

Sincerely,

CAPPELLO & NOËL LLP

A. Barry Cappello

Exhibit 1

ID #	Current Owner	APN
1	La Poloma Ranch, LLC	081-230-029
2	OLIVO2337, LLC	081-230-028
3	Mark W. Tautrim Revocable Trust	081-230-021
3	Mark W. Tautrim Revocable Trust	081-230-024
4	Freeman 2004 Trust	081-210-051
4	Freeman 2004 Trust	081-210-050
5	Vargas Family Trust	081-210-046
6	Maz Properties Inc., Bean Blossom, Grey Fox, Winter Hawk, LLC	081-210-047
6	Maz Properties Inc., Bean Blossom, Grey Fox, Winter Hawk, LLC	081-200-028
6	Maz Properties Inc., Bean Blossom, Grey Fox, Winter Hawk, LLC	081-200-032
6	Maz Properties Inc., Bean Blossom, Grey Fox, Winter Hawk, LLC	081-200-031
6	Maz Properties Inc., Bean Blossom, Grey Fox, Winter Hawk, LLC	081-200-033
7	Maz Properties/Hearst Properties	081-150-006
8	Paul Antolini /The Braille Institute/American Cancer Society	081-150-007
9	Land Trust for Santa Barbara County	081-150-002
10	Richard Simon	081-150-028
11	Brown Family Trust	081-140-019
12	Gaviota Springs Ranch	081-140-025
13	Native Energy Farms, LLC	081-140-023
14	Richard Woodall, Inc.	081-130-068
14	Richard Woodall, Inc.	081-130-053
15	Hvolboll Family	081-210-036
16	Parcel 123 Partnership	083-700-019
17	HR 127 Partnership	083-700-023
18	Brown Clyde Jackson Trustee	083-700-024

19	HPB Rancho Arbolado, LLC	083-500-025
20	Mathis Gaviota Ranch, LP	083-500-029
20	Mathis Gaviota Ranch, LP	083-430-034
20	Mathis Gaviota Ranch, LP	083-330-032
21	Nojoqui Falls Ranch Limited Partnership	083-500-004
22	Thomas Kopitnik (FKA Bryan & Kay Reid)	083-430-033
23	Eleanor Jean Graham Trust	083-430-035
24	Canutt	083-430-024
24	Canutt	083-430-028
25	New Frontiers Holdings Inc.	083-430-031
26	Satterthwaite Family Trust	083-430-030
27	Graef Family Trust (FKA Howard F. Williams)	083-430-022
28	The Jones Organization	083-330-024
29	Live Oak Bazzi Ranch, LP	083-330-012
30	Geraldine & William Mosby, Trustees	083-190-012
31	Lavendar Oak Ranch, LLC	083-190-013
32	Anne Chewning (FKA Debruin, Johannes & Nadine)	083-190-009
33	Joshua & Jacob Acin 2012 Irrevocable Trust	083-190-004
33	Joshua & Jacob Acin 2012 Irrevocable Trust	083-180-011
33	Joshua & Jacob Acin 2012 Irrevocable Trust	083-180-037
33	Joshua & Jacob Acin 2012 Irrevocable Trust	083-180-038
34	Givens, John & Carrie	083-180-013
34	Givens, John & Carrie	083-180-012
35	Baltoro Trust (AKA Chouinard Family Trust)	083-180-016
36	Valley Mobile Park Investments	099-690-001
37	Willemsen Family Trust	099-670-004
37	Willemsen Family Trust	099-670-005

38	**Buellton Ranch LP**	099-400-069
38	**Buellton Ranch LP**	099-400-073
38	**Buellton Ranch LP**	099-251-011
38	**Buellton Ranch LP**	099-251-063
38	**Buellton Ranch LP**	099-252-064
38	**Buellton Ranch LP**	099-252-008
39	**Karen Ross (FKA Brian & Karen Keller)**	099-400-090
40	**ZACA Preserve, LLC**	099-400-017
41	**Powell - Hartman Family Trust**	099-430-001
42	**Stephen & Carissa Luke Family Trust**	099-430-026
43	**Deanerow, LLC**	099-630-003
43	**Deanerow, LLC**	099-630-001
44	**Buellton Sportsmens Association LLC**	099-630-007
44	**Buellton Sportsmens Association LLC**	099-630-008
45	**Maria R. McGee**	099-640-003
46	**Rancho La Purisima**	099-640-006
46	**Rancho La Purisima**	099-640-005
47	**Jeffrey Elings**	099-040-025
48	**Rancheria LLC**	099-040-019
48	**Rancheria LLC**	099-040-009
49	**Fred Chamberlin**	133-151-058
50	**Rancho San Juan, Inc.**	133-110-062
51	**Nolan Ranch, LLC**	133-070-016
51	**Nolan Ranch, LLC**	133-070-015
51	**Nolan Ranch, LLC**	133-110-061
52	**JTMT LLC (JT Ranch)**	133-070-009
52	**JTMT LLC (JT Ranch)**	133-070-010

52	JTMT LLC (JT Ranch)	133-070-004
53	Flood Ranch Co.	133-070-027
53	Flood Ranch Co.	133-040-011
53	Flood Ranch Co.	133-010-024
53	Flood Ranch Co.	129-026-038
54	Lone Oak Springs Ranch, LLC	129-260-037
55	Dan & Marnie Donovan	129-260-030
56	Edwin Woods Jr. Separate Trust	129-260-033
56	Edwin Woods Jr. Separate Trust	129-260-031
57	Barbara Bank Revocable Trust	129-260-007
58	Tepusquet Ranch	129-050-014
59	Acquistapace Ranches LLC	131-130-016
60	H.D. & Carol Perrett	131-090-089
60	H.D. & Carol Perrett	131-190-016
60	H.D. & Carol Perrett	131-190-004
61	Marshall & Rhonda Munger Living Trust	131-090-024
61	Marshall & Rhonda Munger Living Trust	131-141-001
61	Marshall & Rhonda Munger Living Trust	131-090-023
62	Pensco Trust Company	131-090-073
63	Rory Oreilly	131-200-024
64	William Jr. & Sarah Moses	131-090-075
64	William Jr. & Sarah Moses	131-200-025
65	Barbara & Sivert Ross	131-200-013
66	Leno Louis DeLorenzi, Jr.	131-200-014
67	Libbey Trust	131-200-012
68	Timothy & Karissa Bennett	131-200-001
69	Barak & Alyssa Moffitt Revocable Trust	131-200-002

69	**Barak & Alyssa Moffitt Revocable Trust**	131-200-003
70	**Manuel Valdez**	131-190-005
71	**Gerald Domingues**	131-190-013
72	**Robert Chin Pao Chou**	131-190-006
73	**Mary Lou Eleazar Cuellar**	131-190-009
74	**Leo & Marlene Miller Trust**	131-190-008
75	**Timothy & Freddie Larson**	131-190-007
76	**Mike & Denise McNutt**	131-190-010
77	**Tremper Trust**	131-030-048
77	**Tremper Trust**	131-030-049
78	**Bruce & Lynn Attig Family Trust**	131-030-053
79	**Quinones Family Trust**	131-030-043
80	**Hutchings Family Trust**	131-030-003
80	**Hutchings Family Trust**	131-030-019
80	**Hutchings Family Trust**	131-030-021
80	**Hutchings Family Trust**	131-030-039
81	**77 Broad Street LLC**	131-010-026
81	**77 Broad Street LLC**	131-030-018
81	**77 Broad Street LLC**	131-010-066
82	**Rinconada Ranch Association LLC**	131-020-005
83	**Thomas Rickard**	094-381-015
84	**James Rickard**	094-381-010
85	**Dennis Rickard (Deceased)**	094-381-011
86	**Robert Rickard**	094-381-012
87	**John Rickard**	094-381-014
88	**Hassan Baharloo**	094-391-001
89	**El Rancho Espanol de Cuyama No. 1**	094-401-003

90	North Fork Cattle Co.	094-411-014
91	Glen H. Stoller	094-411-016
92	Heirs of Helen S. Reid	096-032-009
93	Brodiaea Inc.	096-141-004
93	Brodiaea Inc.	096-141-002
93	Brodiaea Inc.	096-141-003
93	Brodiaea Inc.	
94	Caliente Ranch Cuyama LLC	
94	Caliente Ranch Cuyama LLC	096-131-001
94	Caliente Ranch Cuyama LLC	096-121-001
94	Caliente Ranch Cuyama LLC	096-121-002
94	Caliente Ranch Cuyama LLC	096-411-008
94	Caliente Ranch Cuyama LLC	096-411-009
94	Caliente Ranch Cuyama LLC	096-421-012
94	Caliente Ranch Cuyama LLC	096-451-012
94	Caliente Ranch Cuyama LLC	149-300-010
94	Caliente Ranch Cuyama LLC	096-411-001
94	Caliente Ranch Cuyama LLC	147-030-012
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-451-006
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-451-023
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-451-013
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-451-019
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-451-015
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-451-016
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-451-020
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-451-004
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-451-005

95	**Russell S. Hubbard, Jr.; Amethyst Properties, Inc.**	096-451-021
95	**Russell S. Hubbard, Jr.; Amethyst Properties, Inc.**	096-431-012
95	**Russell S. Hubbard, Jr.; Amethyst Properties, Inc.**	096-441-059
96	**Diamond Farming CO**	096-441-060
96	**Diamond Farming CO**	096-441-061
97	**Constence Hawkins**	096-191-003
98	**Bolthouse Properties, LLC**	096-441-065
98	**Bolthouse Properties, LLC**	096-441-026
99	**Lapis Land Co.**	096-441-025
99	**Lapis Land Co.**	096-441-012
99	**Lapis Land Co.**	096-441-013
99	**Lapis Land Co.**	096-441-014
99	**Lapis Land Co.**	096-441-015
100	**Trust 4 LLC**	240-260-021
100	**Trust 4 LLC**	240-260-19
100	**Trust 4 LLC**	240-260-10
100	**Trust 4 LLC**	240-260-13
100	**Trust 4 LLC**	240-260-11
100	**Trust 4 LLC**	240-251-02
100	**Trust 4 LLC**	239-232-02
101	**Buena Vista Highland**	240-260-15
102	**Edmund Ansin Trust**	239-232-03
102	**Edmund Ansin Trust**	239-231-21
102	**Edmund Ansin Trust**	239-231-18
102	**Edmund Ansin Trust**	239-231-06
103	**Klipstein, Philip (Heirs)**	239-231-07
104	**Eyherabide Land Co., LLC**	239-231-08

104	Eyherabide Land Co., LLC	239-212-14
104	Eyherabide Land Co., LLC	239-212-05
104	Eyherabide Land Co., LLC	239-212-10
104	Eyherabide Land Co., LLC	239-212-13
105	Beverly & Robert McGregor	239-211-18
106	Ballard Land Holdings, LLC	239-300-31
106	Ballard Land Holdings, LLC	239-300-14
106	Ballard Land Holdings, LLC	239-300-30
107	Abdi & Angelica Escobar	239-310-28
108	James Carlile	239-310-27
109	J.H. Kennedy	239-310-25
110	Alberta Weir Estate Trust	239-310-21
111	Robert Dodge	239-310-41
112	Ross, Louis H.	239-132-17
113	Gless Murcott Ranch, LLC	239-132-35
114	Joseph & Sharon Parker (FKA Trinity Partners)	099-750-001
115	Charles & Jill Rearick Survivor Trust	099-750-015
116	Signa Family Trust	099-750-018
117	Gosney Family Trust	099-750-019
118	David & Jennifer Ezell Living Trust	099-750-020
119	Kenneth Stevens	099-750-021
120	Barrett Wellington	099-750-022
121	B&K Buellton Homes LLC	099-750-023
122	Valley Dairy Road Land Trust	099-760-015
123	Gurdev Singh	099-760-016
124	James M Toscano	099-760-017
125	Ramon Leon	099-760-018

126	**Rosalyn P Degraffinreid**	099-760-019
127	**Robert Joseph Mercado**	099-760-020
128	**Gerald Plier**	099-760-021
129	**Baker Family Trust**	099-760-022
130	**Elroy E & Virginia L Allain Living Trust**	099-800-020
131	**Ayala Roger (FKA Gregory D Tracy)**	099-800-021
132	**Ryan Metzer**	099-800-017
133	**Natalia S. Weed**	099-800-022
134	**Rexford Title, Inc.**	099-800-023
135	**Brian & Robyn Caplan**	099-700-036

Exhibit 2

CAPPELLO
& NOËL LLP
TRIAL LAWYERS

A. BARRY CAPPELLO

September 1, 2022

DELIVERY VIA ELECTRONIC MAIL

Ms. Kimberley McCarthy
Planning and Development
County of Santa Barbara
123 E. Anapamu Street
Santa Barbara, CA 93101
E-mail: kheaton@countyofsb.org

Re: Appeal of the Zoning Administrator's August 22, 2022 Approval of a Development Plan/Conditional Use Permit Amendment and Coastal Development Permit Pertaining to Plains Pipeline, L.P. Line 901-903 Upgrade Project (21AMD-00000-00009 & 22CDP-00000-00048)

Dear Ms. McCarthy:

Cappello & Noël LLP represents Mark W. Tautrim Revocable Trust, Owner of property located at 12750 Calle Real and identified as APN 081-230-021; Hutchings Family Trust located at Santa Maria, CA 93454 and identified as APN 131-030-021; and Mathis Gaviota Ranch, LP located at 9402 Hwy 1 and identified as APN 083-500-029 (Properties). On behalf of the Owners, we are submitting the below and attached appeal of the Zoning Administrator's August 22, 2022 approval of a Development Plan and Conditional Use Permit Amendment (AMD) and Coastal Development Permit (CDP) pertaining to the Plains Line 901-903 Ungraded Project (Project) which includes, in part, installation of a motor operated valve (MOV) and check valve (CHK) on lines 901 and 903 (Lines). Some of that infrastructure will be installed at locations on the Properties.

In sum, the County of Santa Barbara (Agency) made several fatal flaws in the CEQA analysis for the Project, including reliance on an antiquated CEQA document (the original EIR), improper reliance on an Addendum to the original EIR (Addendum), inappropriate application of statutory and categorical exemptions to the Project, and reliance on an improper CEQA baseline and piecemealing. The Project description also falsely represents that is has all necessary easements to implement the Project when it does not and there are flaws in the County's policy consistency analysis.

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Justification for the appeal is as follows:

1. The Addendum Incorrectly Relies on an Outdated Baseline In Evaluating the Impacts of the Project

In evaluating a project's environmental impacts, the agency is required to rely on a baseline that properly reflects the environmental setting – the existing condition. (CEQA Guidelines § 15125(a)(1) ["Generally, the lead agency should describe physical environmental conditions as they exist at the time the notice of preparation is published, or if no notice of preparation is published, at the time environmental analysis is commenced...."] In determining whether a project's impacts are significant, an EIR ordinarily compares those impacts with existing environmental conditions, which are referred to as the "baseline" for the impact analysis. (*Neighbors for Smart Rail v. Exposition Metro Line Constr. Auth.* (2013) 57 Cal.4th 439, 447.)

Here, the Lead Agency appears to rely in its environmental review on a baseline for the permitted project — one with a constructed, operational pipeline. This is improper given the unique facts of this Project. Due to a prior oil spill, the Lines are currently non-operational. Therefore, the "existing condition" or the correct baseline is **no oil in the pipeline**. Furthermore, as discussed below, Assembly Bill (AB) 864 requires the installation of the Project's valve system prior to operation of an oil pipeline. Accordingly, the permitted Lines, which did not include these additional valves, cannot legally transmit oil without these valves. Therefore, the proper baseline for environmental analysis of this Project is non-operational Lines.

This flaw is significant and pollutes the County's entire CEQA analysis. As discussed below, the environmental review must consider the impacts of the "whole of the project" — namely, reopening and replacing the Lines, as well as adding the valves. By relying on an improper baseline, the Agency avoids analyzing the impacts of constructing and operating new oil pipelines.

2. The Project's Failure to Analyze the Reopening and Replacement of the Lines Constitutes Illegal Piecemealing

CEQA requires that the "project" being analyzed include the "whole of the action," not just the particular governmental approval being sought at that time. (CEQA Guidelines § 153078(a), (c)–(d).) "A public agency is not permitted to subdivide a single project into smaller individual subprojects in order to avoid the responsibility of considering the environmental impact of the project as a whole. 'The requirements of CEQA, cannot be avoided by chopping up proposed projects into bite-size pieces which, individually considered, might be found to have no significant effect on the environment or to be only ministerial.'" (*Orinda Assn. v. Bd. of Sups.* (1986) 182 Cal.App.3d 1145,1171, quoting *Topanga Beach Renters Assn. v. Dept. of Gen. Srvcs.* (1976) 58 Cal.App.3d 188, 195–196.) The California Supreme Court set forth a test to determine whether two activities must be analyzed together as a single project, holding that "an EIR must include an analysis of the environmental effects of future expansion or other action if: (1) it is a reasonably foreseeable consequence of the initial project; and (2) the future expansion or action will be significant in that it will likely change the scope or nature of the initial project or its environmental effects." (*Laurel Heights Improvement Assn. v. Regents of University of California* (1988) 47 Cal.3d 376, 396 (Laurel Heights I).)

Here, the Project is construed as involving only the addition of new valves to the currently non-operational pipeline. However, as the Applicant admits in its Addendum, these valves are required under AB 864 in order to operate an existing oil pipeline. Thus, the addition of oil to the line is a reasonably foreseeable result of this project. The Applicant also admits that it will be replace some portions of the Lines. Given this, the "whole of the action" is the reopening and replacement of the Lines — not simply the addition of valves.

This is evidenced by the fact that these valves have no independent value to the otherwise non-operational Lines. In other words, these valves serve no purpose for a pipeline that does not contain oil. Accordingly, the reopening of the Line is (1) a reasonably significant consequence of the Project, and (2) significantly expands the scope of this Project. Therefore, the environmental review for this approval must consider all impacts of the reopening and replacement of the Lines.

3. Project Approval Inappropriately Relied Upon Combination of Addendum with Statutory and Categorical Exemptions

In its August 19, 2022 comment letter to this Project, the Gaviota Coast Conservancy stated that there is no authority that allows the Project to be approved with "dual findings". We agree. An addendum is only to be used if there are no new significant impacts caused by the Project. (CEQA Guidelines §§ 15162, 15164.) Accordingly, if reliance on an addendum were applicable, an exemption would not be required. Similarly, if an exemption properly applies, the environmental analysis under CEQA should stop and no additional analysis should be carried out. The use of two sets of findings will only serve to confuse the public and interfere with CEQA's informational goals. (See *Mountain Lion Coalition v. Fish & Game Com.* (1989) 214 Cal.App.3d 1043, 1051.)

4. Project Improperly Relies on an Addendum and Antiquated CEQA Review

An addendum is only appropriate if none of the conditions in CEQA Guidelines Section 15162 triggering preparation of a subsequent or supplemental EIR have occurred. (CEQA Guidelines § 15164.) Section 15162 of the CEQA Guidelines requires preparation of a subsequent or supplemental EIR if, among other things, new information which was not known at the time of the previous EIR shows that the project will have new significant effects, will increase the severity of significant effects, or introduces new mitigation measures or alternatives that the project proponent declines to adopt.

As stated above, the approval findings for the Project are based on a determination that the Project is less impactful than the original pipeline installation for which an EIR was prepared and "will not create any new significant effects or a substantial increase in the severity of previously identified significant effects on the environment nor present new information of substantial importance pursuant to CEQA Guideline 15162." (Attachment A to Project Action Letter, A-1, August 24, 2022). However, the Agency fails to consider first that the effects of the Refugio Oil Spill has an impact on the environmental setting and thus the impact of the Project. In other words, given current knowledge about the conditions contributing to the Refugio Oil Spill, reliance on the analysis and risk assessment presented in the EIR for the original pipeline is now fundamentally flawed.

Additionally, the circumstances surrounding the Project have drastically changed since construction of the Lines. For example , the Lines are now non-operational and the reuse of these non-operational Lines may result in new hazardous impacts. In particular, we now have a better understanding of the corrosive nature of the soils along the pipeline and the impact the chemicals can have on the protective "blanket" used to maintain the integrity of the pipeline – and that these mechanisms have failed. As such, installing safety valves may improve some element of safety, but they do not solve the underlying fundamental physical problems with the pipeline as originally constructed – and Project review must address the impacts of bringing the existing lines back into operation. The Project cannot be analyzed under the guise of continuous operation when in fact it is a rehabilitation and reuse Project.

Furthermore, given the fact that the Lines are non-operational and being replaced, the Agency should consider potential mitigation measures or alternatives. Reviewing the valves separate from the entire project risks foreclosing potential future mitigation and alternatives. For instance, the Lines could be replaced with different materials or could be re-lined with protective blankets to mitigate against corrosive impacts. In sum, there is significant new information and changed circumstances since the original EIR was certified, such as the existence of the Refugio Oil Spill and the temporary abandonment of the Lines, and the environmental impacts and potential new mitigation measures and alternatives must be analyzed. For these reasons, additional environmental review for this Project beyond an addendum is required under CEQA.

Finally, the Project relies on an antiquated environmental analysis. Notably, neither the EIR nor the Addendum appear to analyze the environmental impacts caused by greenhouse gas emissions. This failure to analyze such impacts renders the relied upon CEQA review inadequate.

5. The Project's Reliance on Statutory and Categorical Exemptions is Flawed

In its August 19, 2022 comment letter to this Project, the Gaviota Coast Conservancy stated that the claimed statutory and categorical CEQA exemptions are improper. We agree. The Project first relies on a statutory exemption claiming that the Project is "less than eight miles in length." (Pub. Res. Code § 21080.23.) As the Gaviota Coast Conservancy rightly notes, however, the proposed Project spans 10.9 miles on Line 901 and a 61.7 mile stretch on Line 903, far exceeding the eight mile limitation.

The Agency also relies on several categorical exemptions. However, the Agency fails to consider that categorical exemptions are not absolute. Although a project might otherwise be eligible for a categorical exemption, the exemption **must be denied** if one of the exceptions to the exemptions applies. For instance, a categorical exemption must be denied if there is a reasonable possibility of a significant effect on the environment due to unusual circumstances. (CEQA Guidelines § 15300.2(c).) Here, as stated above, the unusual fact that the Lines are now non-operational may result in significant hazardous impacts due to corrosion of the outdated and unused Lines. Additionally, categorical exemptions may not be relied upon where the project may damage scenic resources within a designated scenic highway. (CEQA Guidelines § 15300.2(d).) The Project involves development within the Gaviota Coast State Scenic Highway corridor and it is unclear whether Project development will be visible from Highway 101 and to what extent.

6. The Project Fails To Consider Cumulative Impacts

As the Gaviota Coast Conservancy notes in its letter, the Addendum fails to address cumulative impacts arising from other projects in the same area will similar impacts. We agree. Additionally, the Addendum fails to analyze the cumulative impacts of of the project's incremental effects which may be cumulatively considerable. (CEQA Guidelines § 15130.) For instance, as discussed above, the potential impacts over time caused by the Refugio Oil Spill must be adequately analyzed.

7. The Project Fails to Analyze Consistency With the General Plan

The County's General Plan policy consistency analysis is inaccurate and incomplete. Like the CEQA analysis, as discussed above, the General Plan policy consistency analysis does not account for the project as a whole. For example, it ignores the fact that the project will help facilitate the addition of oil to the pipeline. Since the County has failed to analyze many of the environmental impacts associated with the entire project (including greenhouse gas and air quality impacts, hazards from oil spills, hazards from fire and mudslide, and biological and water quality impacts), the County has not accurately analyzed potential inconsistencies with many County General Plan policies.

By way of example, the Air Quality policy consistency analysis in the staff report states that the proposed project is a "short term construction project and includes only activities limited in duration such as the use of off-road and mobile equipment for onsite excavation and grading activities." And "no long term uses associated with the project would create air quality impacts." This analysis ignores potential air quality impacts associated with the addition of oil to the pipe (which is not currently present and can only occur with the addition of the new valves). This analysis also ignores the potential air quality impacts associated with the increased risk of fire resulting from the construction and the added electrical facilities (which are proposed to support the valves). These added impacts are not merely short term. They last the life of the project. Similarly, biological and water quality impacts associated with the risks of potential future spills do not exist in the current condition. They only exist if this project is completed because without this project the pipeline cannot legally transport oil. Therefore, the consistency analysis must consider whether adding oil to this pipeline, in this location, is consistent with County policies. Similarly, as discussed above, all the work proposed (including any replacement of sections of the line) should be considered at the same time, in the same policy consistency analysis.

8. Inconsistency Between Project Description and the Conditions of Approval regarding Right of Way Requirement; New Easements Required for Implementation of the Project

The project description states that "each CHK valve installation would require a temporary workspace of approximately 4,000 square feet (50 feet by 80 feet), within the existing Right of Way corridor to facilitate equipment movement, staging, access and excavation." (Project Action Letter, B1-2) However, the original Right of Way for the pipeline corridor generally had a width of 25 feet. Therefore, the project description is inconsistent with the original Right of Way and new easements will need to be acquired for both the pipeline Right of Way and new construction workspaces outside of that original Right of Way. This is specifically captured in Condition 43 of the Project Action Letter which requires Plains to demonstrate to

Planning and Development that it has obtained the right to construct the Project. At a minimum, Condition 43 should be revised to require that the evidence provided by the Applicant be submitted to Property Owner at the time it is submitted to Planning and Development. More importantly, easements for the original pipeline have lapsed and new and/or expanded easements are required for implementation of the Project, yet the project description represents that easements are available for the Project. This is not an insignificant error, particularly considering ongoing active litigation over this matter.

Thank you in advance for your consideration of the submitted appeal. Please contact me with any questions or if you would like to discuss further.

Very truly yours,

CAPPELLO & NOËL LLP

A. Barry Cappello

cc: Front Counter
Email: front@countyofsb.org

Exhibit 3

CAPPELLO
& NOËL LLP
TRIAL LAWYERS

A. Barry Cappello

February 24, 2023

Via E-Mail and Hand Delivery

Santa Barbara County Planning Commission
c/o David Villalobos,
Planning Commission Secretary
123 E. Anapamu Street
Santa Barbara, CA 93101
dvillalo@co.santa-barbara.ca.us

Re: Appeal of the Zoning Administrator's August 22, 2022 Approval of a Development Plan/Conditional Use Permit Amendment and Coastal Development Permit Pertaining to Plains Pipeline, L.P. Line 901-903 Upgrade Project (21 AMD-00000-00009 & 22CDP-00000-00048)

Honorable Members of the Planning Commission:

Our firm, together with co-counsel, represent the individual and class representative plaintiffs (collectively "Owners") in *Grey Fox, LLC et al. v. Plains Pipeline L.P. et al.*, Case No. 2:16-cv-03157, currently pending in the Federal District Court in the Central District of California. The certified Class in the *Grey Fox* case is comprised of all parcel Owners previously subject to easement contracts ("Easements") that provided Plains Pipeline, L.P. and Plains All American Pipeline, L.P. (collectively, "Plains") with limited, narrow access to the parcels to take certain actions related to Plains' pipeline system, Lines 901 and 903 (collectively, the "Lines").

The *Grey Fox* Class representatives include Grey Fox, LLC, Owner of the Property known as Lot X of El Rancho Tajiguas, where Line 901 ruptured; MAZ Properties, Inc., Owner of the Properties known as Lot J and Lot B of El Rancho Tajiguas; Bean Blossom, LLC, Owner of the Property known as Lot H of El Rancho Tajiguas; Winter Hawk, LLC, Owner of the Property known as Lot C of El Rancho Tajiguas; Mark W. Tautrim Revocable Trust, Owner of the Property located at 12750 Calle Real, Goleta; Live Oak Bazzi Ranch, L.P., Owner of the Bazzi Property; JTMT LLC, Owner of the Property known as JT Ranch at 9660 Foxen Canyon Road, Santa Maria; and Mike and Denise McNutt, Owners of the Property known as 50 Pine Canyon Road, Santa Maria (the "Properties"). The Class includes approximately 150 Owners.

On behalf of the Owners, we submit the below presentation in support of the Owners' appeal of the Zoning Administrator's August 22, 2022 approval of a Development Plan and Conditional Use Permit Amendment (AMD) and Coastal Development Permit (CDP) pertaining to Plains Line 901-903 Upgraded Project ("Project") which includes, in part, installation of a motor operated valve (MOV) and check valve (CHK) on Lines 901 and 903. Some of that infrastructure is proposed to be installed at locations on the Properties.

The grounds for this appeal are as follows:

- The instant regulatory agency (the "County") requires a permit Applicant to be either the Owner or the Agent of the Owner. Here, however, the Applicant has publicly acknowledged that it no longer owns and/or controls the Project. This alone requires Project disapproval at this time.
- The Easements have lapsed or terminated under their written terms. The purported owner/operator, if it appears, must therefore correct the application.
- Plains has a concurrent application for an abandon-and-replace Project, which precludes this valve upgrading Project and/or requires far more CEQA evaluation, given the dramatic prior failure and corrosion of the Lines.
- The "existing condition" of the Lines is that they are non-operational, *i.e.*, they have been shut down since May 2015 and do not transport oil or any other hazardous material. This is not a "temporary" condition, and the County fails to acknowledge this creates additional CEQA issues.
- An Addendum to the 35-year-old Supplemental Environmental Report ("SEIR") fails because it does not consider other new significant environmental information.
- The County cannot employ a "dual exemption" approach, which is inconsistent with standard CEQA practice.
- The County cannot employ the Exemption for pipelines less than eight miles when the Lines in total stretch over 130 miles.
- The use of Categorical Exemptions fails in the face of other significant environmental information.

1) The current "Applicant" is Plains, which no longer owns the Lines. The County therefore cannot approve the Project.

On or about October 13, 2022, Mobil Pacific Pipeline Company ("Mobil Pacific"), a subsidiary of ExxonMobil Corporation ("Exxon"), reportedly agreed to purchase Lines 901 and 903 from Plains and place those assets in its wholly owned subsidiary, Pacific Pipeline Company ("PCC"). Shortly thereafter, PCC reportedly entered into an agreement to transfer ownership of the Lines to Sable Offshore Corporation ("Sable"), an anticipated business combination between Sable and Flame Acquisition Corp. ("Flame"). According to news reports, unless Sable/Flame begins operation of the pipeline by January 1, 2024, that sale is cancelled, and the property would revert to Exxon.

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Plains has publicly advised that, as a result of the sale, Exxon or its successor in interest will assume responsibility for the *Grey Fox* Class's prospective claims, which would include the instant valve upgrade Project, as well as the challenges to the validity of the Easements set forth in the Class case, and the separate Pipeline Replacement Project (originally sought by Plains in 2017, see below in section 3). However, neither Plains, Mobil Pacific, Exxon, PCC, nor Sable/Flame has produced substantive documents adequately reflecting these transfers of liabilities and responsibilities.

As it stands now, Plains' application should be disallowed. Plains has publicly disavowed ownership of the Lines to be "upgraded," and left all parties in the dark on what its (or any other owner/applicant's) intentions are. Indeed, the County is still apparently reviewing the application for change of ownership, and has no way of knowing which entity is seeking approval, which entity would be performing the work, and which entity would be held responsible for doing the work properly. This is particularly important when one feature of the alleged agreement is a reversion. Nor can the County approve the Project when it has no information on the purported potential new applicant's prior track record. The Owners are informed and believe that Sable/Flame, to whom the Project may again be transferred, has no track record whatsoever. No action should be taken until the County can ascertain who is the owner and what is involved.

2) The Easements have lapsed under their written terms, but the County mistakenly presents them as being available.

The County's website states that "each CHK valve installation would require a temporary workspace of approximately 4,000 square feet (50-feet by 80-feet), within the existing right of way corridor to facilitate equipment movement, staging, access and excavation." (Plains Valve Upgrade Project, Project Description.[1]) The County's CEQA analysis also states that "Existing easements for access to, and maintenance of, the existing pipeline system were established by the pipeline's Development Plan and Conditional Use Permit, and *continue to be in place*." (See, e.g., Attachment C2 – Notice of Exemption.pdf p. C2-2, emphasis added.) Those statements ignore the facts of the easements.

The original Right of Way ("ROW") corridor, after construction of the Lines, was generally reduced to a width of 25 feet. As one of the ROWs states, "This right of way and easement shall have a temporary width as necessary to construct the pipeline but not to exceed one hundred (100) feet which width shall revert to a permanent width of twenty-five feet six months after commencement of construction on the pipeline." (Right of Way Grant, recorded July 23, 1986, page 1.) We are now in the permanent width timeline, only; the temporary corridor ceased to exist after the construction of the pipeline.

Additionally, many of the Easements for the original pipeline have lapsed under their written terms, which limited the life of the easement to between 3-5 years after non-operation. As stated in the above-cited easement: "It is agreed that all rights and privileges herein granted and given Grantee shall *automatically* end and terminate in the event that Grantee, or its successors and assigns shall fail to install or operate and maintain said pipeline for a period of five (5) consecutive years." (*Id.*, p. 2, emphasis added.) It is now more than 7 years since May

[1] Available at: countyofsb.org/880/Plains-Valve-Upgrade-Project.

2015, when the Lines were ordered to be shut down (see below at section 3). The Easements all have therefore automatically terminated under their terms. It has been seven years since the Lines were operated. And prior to that (as described in more detail below (*see* ¶ 3 *infra*)), Plains had failed to maintain the Lines, which led to the oil spill and Plains' criminal conviction for *knowingly* discharging oil. The validity of the Easements is being litigated in the federal *Grey Fox* case, and here, neither party can claim a right.

It follows that new Easements must be acquired for both the pipeline ROW and new construction workspaces. But this is not clarified in the CEQA analysis, which improperly presents the easement issue as settled long ago.

3) The County has ignored that Plains is simultaneously seeking to *replace* the very lines it wants to "upgrade," which constitutes improper piecemealing of this Project.

On May 19, 2015 – close to eight years ago – Line 901 ruptured. It spewed a large volume of oil – over 140,000 gallons – onto the surrounding land and down into the ocean at Refugio State Beach, and the Pipeline and Hazardous Materials Safety Administration (PHMSA) required that Plains keep its pipeline shut down.[2] The initial investigation showed that Plains had corrosion problems in Line 903 as well as Line 901, and Line 903 was also ordered to remain shut down on May 30, 2015. ***These Lines have been non-operational since that time***, an event which the County frankly acknowledges. (See, *e.g.*, Attachment C1: Addendum to EIR.pdf, p. C1-4 ["To-date, the Line 901 and 903 pipeline system from the Las Flores Pump Station to the Pentland Pump station remain non-operational."].)

The Final Investigation Report[3] revealed that Plains had been negligent in operating its Lines over decades; and ultimately it was found guilty of a felony for its failure to maintain the Lines.[4] In fact, Plains faced *irrevocable corrosion anomalies* which it should have noticed and corrected in 2007 and/or 2012, at the very least. It was therefore not a surprise that Plains decided to replace the Lines.

On or about August 14, 2017, Plains submitted a request for a Conditional Use Permit (CUP) and a Development Plan to abandon the idled Lines in place and entirely replace them under the Project Description for Line 901R and Line 903R ("Pipeline Replacement Project").[5] ***Plains has not withdrawn this separate application, yet the County has ignored its existence and its impact on the instant Project.***

CEQA Guideline § 15003 states that certain polices are implicit in CEQA. Subsection (f) explicitly states: "CEQA was intended to be interpreted in such a manner as to afford the fullest possible protection to the environment within the reasonable scope of the statutory language."

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[2] PHMSA Corrective Action Order (COA) May 21, 2015, attached hereto as Exhibit 2.
[3] U.S. Department of Transportation, PHMSA Failure Investigation Report, Plains Pipeline, LP, Line 901 Crude Oil Release, May 19, 2015 (May 2016) (Final Investigative Report). Attached hereto as Exhibit 1 (without its attachments) and available at: phmsa.dot.gov/sites/phmsa.dot.gov/files/docs/PHMSA_Failure_Investigation_Report_Plains_Pipeline_LP_Line_901_Public_0.pdf.
[4] See, *State of California v. Plains All American Pipeline, L.P.*, Santa Barbara Superior Court, Case No. 1495091, September 7, 2018.
[5] https://www.countyofsb.org/880/Plains-Replacement-Pipeline-Project.

(*Friends of Mammoth v. Board of Supervisors* (1972) 8 Cal.3d 247, 259.) Here, the County must analyze the "whole of the action," not chop it up into bite-sized pieces which individually may have no significant adverse impact. (CEQA Guidelines § 15378(a), (c)-(d); *POET, LLC v. State Air Resources Bd.* (2017) 12 Cal.App.5th 52, 73.) The CEQA analysis must therefore consider not only the instant (isolated) valve Project, but also what impact the pending Pipeline Replacement Project has on the Project. (*Laurel Heights Improvement Assn. v. Regents of University of California* (1988) 47 Cal.3d 377, 396 (setting forth test to determine whether another project will reasonably affect the initial project or will significantly change the environmental effects).)

Consider: what is the purpose of "upgrading" valves into non-operational Lines which *do not carry oil*, when the long-stated plan since 2017 was to completely abandon and *replace* those idled Lines? Indeed, the separate Pipeline Replacement Project effectively *admits* that the Lines are damaged beyond repair, which should preclude "upgrading" them. If Plains (or some other owner/operator) plans to reopen the idled Lines, as this Project implicitly assumes, the County must be informed and must fully evaluate all of the environmental impacts.

4) The County refused to recognize that the "existing condition" of the Lines is non-operational, *i.e.*, not being used to transport oil.

The County's CEQA analysis also wrongly construes the appropriate baseline. In evaluating a Project's environmental impacts, the County must rely on a baseline that properly reflects the environmental setting – the existing condition, not a hypothetical condition. (CEQA Guidelines § 15125(a)(1), (a)(3); *Communities for a Better Environment v. South Coast Air Quality Management District* (2010) 48 Cal.4th 310, 320-321.) But the County's reports also state that the valves are required to "reduce the volume of a *potential release*." (See, e.g., 8-22-22 Plains Valve Upgrade Directors Memo Continuance 21AMD-00000-00009 FUL DOC.pdf, p. 12 [Attachment B1: Updated Conditions of Approval, p. 1], emphasis added.) If this was indeed Plains' reason for the Project, then the County assumes that Plains intends to re-open the same Lines. In fact, the Project makes no sense if the Applicant does not intend to re-open the Lines.

Assuming re-use is involved, County cannot rely on the 30-year-old Supplemental Environment Impact Report ("SEIR") and the categorization of the valve upgrade project as being performed on "existing" pipelines. The correct baseline for this environmental analysis is **non-operational Lines** which are not being *used* to provide services. (See, e.g., CEQA Guidelines § 15301 (explaining that the "key consideration is whether the project involves negligible or no expansion of *use*; and § 15301(b) (defining "existing facilities" as ones being *used* to provide services).) If the County believes that Plains wants to re-open the old Lines, then the old Lines themselves, *as well as what would be required to make them safe and operational*, also must be evaluated. But Plains has not requested analysis of any of those issues, opting instead for a Pipeline Replacement Project.

The County appears to rely on the fact that "the originally approved conditions for the project include an allowance for temporary pipeline shut off and restart." (Final Staff Report, p. 15.) Frankly, this is absurd. The instant shut down is not "temporary." "Temporary" is typically defined as "not lasting or needed for very long."[6] These Lines have been shut down for

[6] See: https://dictionary.cambridge.org/us/dictionary/english/temporary. Last accessed, February 23, 2023.

almost eight years, as the County processes the Pipeline Replacement Project. Simply because the old Lines had "extensive CEQA review, are fully permitted to operate, and have an operational history, the adjustment of the baseline to account for the operations of the pipeline is appropriate." (Final Staff Report, p. 13.) In fact, the Lines are *not* fully permitted to operate: the Applicant (whoever that is) will need to obtain substantial further review from the Fire Marshall and/or PHMSA after it remediates and corrects the substantial corrosion anomalies before anything can be placed in the Lines. The County here simply ducks the issue, frankly admitting that "restart of the pipeline is not included in the scope of this project." (*Id.* p. 13.)

Here, however, it was Plains' criminal misconduct that caused the oil spill, the resulting shut down, and the Pipeline Replacement Project, all of which the County has ignored. The Final Investigative Report issued in 2016 concluded that Plains had:

- Failed to protect against external corrosion that thinned the pipe wall to a level where it ruptured suddenly (*i.e.*, the condition of the pipeline's coating and insulation system led to the external corrosion, and the cathodic protection system was not effective in preventing corrosion from occurring beneath the pipeline's coating/insulation system);[7]
- Failed to detect and mitigate the corrosion (*i.e.*, the in-line inspection [ILI] tool and subsequent analysis of ILI data did not characterize the extent and depth of the external corrosion accurately);[8]
- Failed timely to detect and response to the rupture (*i.e.*, the supervisory control and data acquisition (SCADA) system did not have safety-related alarms established at values sufficient to alert the control room staff to the release at this location, the control room staff did not detect the abnormal conditions as they occurred which delayed the shutdown, the pipeline controller restarted the pipeline after the release occurred, the pipeline's leak detection system was flawed, and the control room staff training lacked formalized and succinct requirements); and
- The consequences of the spill were aggravated by a response plan that did not identify the culvert near the release site as a spill pathway to the Pacific Ocean. (See, generally, Final Investigative Report, Executive Summary, pp. 3-4, and Investigation Findings and Conclusions, pp. 14-17.)

As understood in the industry, a pipeline is in operation when there is hazardous liquid running through it. (See, *e.g.*, PHMSA May 21, 2015 CAO at pp. 3 (ruling against the "continued operation of the pipeline"), 4 ("Plains must not operate the Affected Pipeline until authorized to do so by the Director."), 6 ("Prior to resuming operation of the Affected Pipeline, Plains must develop and submit a written Restart Plan to the Director for prior approval."); PHMSA CAO Amendment No. 1 at p. 3 (ruling against "continued operation of Line 901 and 903) (June 3, 2015, attached hereto as Exhibit 3); PHMSA Nov. 12, 2015 CAO Amendment No.

[7] Historical records reveal that Plains supplied a cathodic protection level sufficient to protect non-insulated, coated steel pipe, but insufficient to protect the Lines, which were insulated.

[8] In fact, Plains knew of the risk of corrosion under insulation on Line 901 dating back to 2007. Reasonable maintenance efforts would have prevented, or at least caught and repaired, the failure anomaly years prior to the spill.

2, at pp. 2 ("...Line 903 had ceased operation on May 28, 2015."), 3 (denying operation), 5 ("....Plains must not operate Line 903 between Gaviota and Pentland stations until authorized to do so by the Director") (Attached hereto as Exhibit 4); API Damage Prevention Toolbox, Pipeline Depth of Cover Rev.1., p. 9 of 18 ("not in operation (deactivated, inactive, out of service)"); California Department of Conservation, Geologic Energy Management Division, Facilities, Tank, and Pipeline Status Chart (Describing an "idle (inactive)" pipeline as "not in operation").)

The County apparently agrees with PHMSA: "To-date, the Line 901 and 903 pipeline system from the Las Flores Pump Station to the Pentland Pump Station remain non-operational." (Attachment C1: Addendum to EIR.pdf, p. C1-4.) However, the County then counters its own assumptions: "The project is necessary to meet the requirements of Assembly Bill 864 (2015) which requires pipeline operators to install Best Available Technology ("BAT") on existing pipelines in the Coastal Zone to *reduce the volume of a potential release. . . retrofitting the pipeline with 16 new valves would significantly reduce the amount of fluid released in the event of a potential line failure.*" (*Id.*, p. C1-4, emphasis added.) This statement essentially – and wrongly – assumes that new valves are necessary on old, shut down Lines, because *oil could potentially be placed in those Lines*. But Plains has never asked for a re-opening and re-use of the Lines to be evaluated under CEQA, only for its Pipeline Replacement Project. As a result, the County also has never analyzed under CEQA what it so patently assumes to be the purpose of the Lines and the Project. And that is contrary to the "whole of the action" which should be considered. (CEQA Guidelines § 15378(a), (c)-(d).)

Here, Plains purged the Lines and filled them with inert nitrogen gas after the rupture. The presence of inert nitrogen gas does not suggest that the Lines are working; rather, it indicates that Plains has isolated them. The Lines are not in compliance with Title 14, California Code of Regulations ("CCR") § 1774, because they have not been tested, operated, and maintained under the appropriate standards. They would require further inspection and analysis before returning to operation, a necessity which Plains (or whoever claims to own/control the Lines) has not requested, and which wrongly is being ignored by the County.

5) An Addendum to the 35-year-old SEIR cannot fulfill CEQA's mandate given the other new significant environmental information.

The County's determination that an Addendum is the appropriate environmental document for Project approval fails for several major reasons. First, the use of an addendum is predicated on the lack of "new information of substantial importance, which was not known and could not have been known" at the time the previous SEIR was certified. (CEQA Guidelines § 15162(a)(3); see also, § 15164(a).) That is certainly not the case here. The new environmental information since the SEIR was certified includes the Gaviota Coastal Plan being adopted, and Highway 101 in proximity to the Project being designated a State Scenic Highway. The grading, valve replacement and pipeline replacement/repair activities are proposed in the viewshed of a designated State Scenic Highway and a scenic lookout – the Arroyo Honda Vista Point. These viewshed impacts could be significant and cannot be addressed in the Addendum.

Additionally, two marine conservation areas ("MCAs") – the Naples State MCA and the Kashtayit State MCA – were not in existence at the time of the original SEIR. The Refugio Oil Spill impacted one or both of these areas in 2015. The potential impacts to marine protected

areas were not considered in the 1987 SEIR, but are now relevant for evaluation in a new EIR, of which the valve upgrading could be a part.

Even more significantly, Plains' criminal misconduct caused the Refugio Oil Spill and the related (but ignored) Pipeline Replacement Project, separately pending with the County. And the fact of that spill is critical: the instant valve "upgrade" Project ***assumes that Plains will re-use the non-operational Lines***. But this Project does not seek to analyze the known corrosive nature of the soils along the Lines and the impact the chemicals can have on the protective "blanket" used to maintain the integrity of the pipeline, all of which have *failed.* Installing new valves will not solve the underlying fundamental physical problems with the pipeline as originally constructed, and *the Project analysis does not address the potential impacts of re-starting the Lines which are replete with corrosion anomalies.*

6) The County cannot employ a "dual exemption" approach.

The use of "dual exemptions" is inconsistent with the standard practice of the CEQA Guidelines because a statutory exemption is considered an absolute determination. (*North Coast Rivers Alliance v. Westlands Water Dist.* (2014) 227 Cal.App.4th 832, 850.)

The Association of Environmental Professionals, CEQA Portal, Topic Paper (updated as of February 2, 2020) ("Portal") lists the type of Projects that could comprise a statutory exemption. (Portal p. 2-3.[9]) It includes, among others, ministerial Projects, emergency Projects, and disapproved Projects. (*Id.* at 2-3.) It also states that: "If a project matches the description of any of the statutory exemptions, no further action is required to determine its exemption status." (Portal, p. 6.) Under this guidance, it is improper to issue a dual exemption, *i.e.*, finding both a statutory exemption and a categorical exemption. The guidance confirms that statutory exemptions and categorical exemptions are mutually exclusive.[10]

7) The County cannot invoke the Exemption for pipelines less than eight miles.

Public Resources Code ("PRC") § 21080.23 sets forth the factors a Project must meet to qualify for the eight-mile rule exemption. Notably, *all* of those factors must be met or the exemption is disallowed. (PRC § 21080.23(a).) Here, the Project fails at least three of those factual tests.

First, the Project is not less than eight miles in length. (PRC § 21080.23(a)(1)(A).) As noted above, CEQA defines a "project" as the whole of an action, meaning the entire pipeline, not just the valves along that pipeline. The instant Project spans 10.9 miles on Line 901 and a 61.7 mile stretch on Line 903, of the total approximately 130 miles. CEQA Section 15003(f) is particularly relevant to the measurement of Project length. This policy statement runs directly counter to what the County did here, *i.e.*, it added up the valve replacement sections separately in order to fall within the eight-mile exemption limit. Notwithstanding that chopping, however, the County apparently conceded that the entire Pipeline should be considered when it set all of Plains' individual valve update applications for one hearing.

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[9] Available at: https://ceqaportal.org/tp/CEQA%20Exemptions%20Paper%202020%20Update.pdf

[10] Here, because the instant Project is neither ministerial, emergency, nor disapproved, it does not qualify for a statutory exemption.

Second, PRC § 21080.23(a)(1)(B) provides that, notwithstanding subparagraph (a)(1)(A) above, actual construction and excavation activities cannot be undertaken over a length of more than one half-mile at any one time. This test directly implies that the full length of the Project must be considered, not just the isolated component parts.

Third, PRC § 21080.23(a)(5) provides that Project activities are to be undertaken within an existing right of way and the right of way must be restored to its condition prior to the Project. Here, however, as explained in subsection 2 above, the Project is being undertaken in areas beyond the original 25-foot right of way, and the proposed activities require that new easements be acquired.

Moreover, even if the Project met the above tests, it would still have to receive the underlying private property owner's permission for access to the property. (PRC § 21080.23(b)(3).) As stated above, the easements over private property have lapsed, and the owner's permission is far from certain.

8) The County's use of Categorical Exemptions must be rejected due to the Project's proximity to a State Scenic Highway and Marine Conservation Areas.

The County's use of categorical exemptions based on Section 15301(b) (Existing Facilities)[11], Section 15303(d) (New Construction or Conversion of Small Structures) and Section 15311 (Accessory Structures) are all predicated on the location of the pipeline and valves in an area that does not include any environmental resources of critical concern because the project area was previously disturbed and is not located in an area that was "designated, precisely mapped, and officially adopted pursuant to law by a federal, state or local agency." (CEQA Guidelines § 15300.2(a).) But this is not accurate: the Project site is currently located in an area with designated and precisely mapped sensitive environmental resources of a scenic and marine resource nature.

As noted above, the Gaviota Coastal Plan has been adopted, and Highway 101 in proximity to the proposed Project has been designated a State Scenic Highway. The grading, valve replacement and pipeline replacement/repair activities are proposed in the viewshed of a designated scenic lookout – the Arroyo Honda Vista Point. These viewshed impacts could be significant. Moreover, the Naples State MCA and the Kashtayit State MCA are also in the vicinity of the proposed Project. Taken individually or collectively, these designated sensitive environmental resource areas exclude the use of the three categorical exemption classes used by the County because CEQA Guidelines Section 15300.2(a) precludes their use.

The County's analysis simply fails to recognize that: (1) the Project area is next to a designated State Scenic Highway and involves grading in plain sight of the traveling public; and (2) nearby state MCAs are also mapped, yet not considered in the analysis that concludes the location of the proposed Project is not proximate to areas of special concern.

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[11] As indicated earlier in subsection 4, "existing facilities" requires that the Lines be "used," *i.e.*, in operation. That is not the case here.

CONCLUSION

We request that the Planning Commission disapprove this Application. The original Applicant and the resulting lack of substantive information about any other Owner/Agents dictates the disapproval of this Project. In addition, the availability of the relevant Easements is presently being litigated, and the Owners contend they have lapsed under their written terms. Plains previously, in 2017, filed a concurrent application for an abandon-and-replace Project which not only has been ignored but which also precludes this Project as it effectively admits that the Lines are irreparably damaged and need replacement. The insertion of new valves into non-operational Lines fails to acknowledge that the Project proposes a purely hypothetical possibility. Moreover, the proposed Addendum does not consider other significant environmental matters; and the dual exemption, eight-mile exemption, and categorical exemptions all fail.

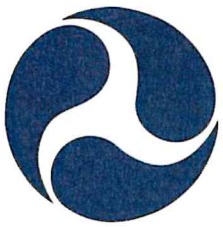
Sincerely,

CAPPELLO & NOËL LLP

A. Barry Cappello

Enclosures

Exhibit 1



U.S. Department
of Transportation

Pipeline and Hazardous Materials Safety Administration

Failure Investigation Report

Plains Pipeline, LP, Line 901
Crude Oil Release, May 19, 2015
Santa Barbara County, California

May 2016

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Executive Summary

At approximately 10:55 a.m. Pacific Daylight Time (PDT) on May 19, 2015, the Plains Pipeline, LP (Plains), Line 901 pipeline in Santa Barbara County, CA, ruptured, resulting in the release of approximately 2,934 barrels (bbl) of heavy crude oil.[i] An estimated 500 bbl of crude oil entered the Pacific Ocean. Line 901 is a 24-inch diameter buried, insulated pipeline which extends approximately 10.7 miles in length and transports heated crude oil from Exxon Mobil's storage tanks in Las Flores Canyon westward to Plains' Gaviota Pumping Station. On May 21, 2015, the Pipeline and Hazardous Materials Safety Administration (PHMSA), a regulatory agency within the U.S. Department of Transportation, issued a Corrective Action Order (CAO) that required the operator to shut down Line 901. Concurrent with the issuance and implementation of the CAO, PHMSA conducted an investigation to identify causal factors that contributed to the occurrence and size of the crude oil release. As the failure investigation progressed, the CAO was amended to address additional safety concerns that were identified. On June 18, 2015, Line 901 was purged and filled with inert nitrogen to enhance safety during the investigation and development of a remedial action plan.[ii] No fatalities or injuries occurred as a result of this rupture and release. The spill resulted in substantial damage to natural habitats and wildlife.

PHMSA's findings indicate that the proximate or direct cause of the Line 901 failure was external corrosion that thinned the pipe wall to a level where it ruptured suddenly and released heavy crude oil. PHMSA's investigation identified numerous contributory causes of the rupture, including:

1) Ineffective protection against external corrosion of the pipeline
    - The condition of the pipeline's coating and insulation system fostered an environment that led to the external corrosion.
    - The pipeline's cathodic protection (CP) system was not effective in preventing corrosion from occurring beneath the pipeline's coating/insulation system.
2) Failure by Plains to detect and mitigate the corrosion
    - The in-line inspection (ILI) tool and subsequent analysis of ILI data did not characterize the extent and depth of the external corrosion accurately.
3) Lack of timely detection of and response to the rupture
    - The pipeline supervisory control and data acquisition (SCADA) system did not have safety-related alarms established at values sufficient to alert the control room staff to the release at this location.
    - Control room staff did not detect the abnormal conditions in regards to the release as they occurred. This resulted in a delayed shutdown of the pipeline.
    - The pipeline controller restarted the Line 901 pipeline after the release occurred.
    - The pipeline's leak detection system lacked instrumentation and associated calculations to monitor line pack (the total volume of liquid present in a pipeline section) along all portions of the pipeline when it was operating or shut down.
    - Control room staff training lacked formalized and succinct requirements, including emergency shutdown and leak detection system functions such as

alarms.

The consequences of the spill were additionally aggravated by an oil spill response plan that did not identify the culvert near the release site as a spill pathway to the Pacific Ocean.

This report contains factual information and analysis regarding the events leading up to the release, information collected during PHMSA's failure investigation to date, and the technical analysis of that information known at the time of the completion of this report. PHMSA used this information to mandate remedial measures on Line 901, Line 903, and associated stations and tankage. PHMSA will also use the information to determine whether violations of the federal pipeline safety regulations occurred.

Final Report Methodology

PHMSA conducted relevant interviews, gathered and reviewed numerous historical documents and available records, and performed a thorough review of the Plains Control Room in Midland, TX. An ILI subject matter expert (SME) was hired to review the raw magnetic flux leakage (MFL) data and final vendor reports from the MFL surveys, and evaluated Plains actions as a result of their review of the vendor reports. PHMSA issued a CAO which in part instructed Plains to have the failed pipe examined by a PHMSA-approved metallurgical laboratory and to have a root cause failure analysis (RCFA) performed by a third party independent consultant.

The factual evidence reviewed includes: the Plains Integrity Management Plan (IMP), CP records, ILI reports, anomaly dig information, SCADA event and alarm logs, pressure and flow trends, procedures and reports obtained from the pipeline operator and PHMSA SMEs.

The arrangement of this report provides a general description of the pipeline system, the events that occurred on the day of the release, and acts or omissions of the operator that led to this failure and release of crude oil. Specific evidence is supplied and pertinent statements from each report are excerpted where appropriate.

Facility Background

Plains transports crude oil produced in federal and state waters off the coast of Santa Barbara, CA to inland refineries. Plains' pipeline is composed of two major pipeline sections: (1) Line 901, and (2) Line 903. Lines 901 and 903 were constructed in the late 1980s, hydrostatically tested in 1990, and went into crude oil service in 1992 and 1991, respectively. The pipelines are coated with coal tar urethane and covered with foam insulation which in turn is covered by a tape wrap over the insulation. Shrink wrap sleeves, which provide a barrier between the steel pipeline and soil for corrosion prevention, are present at all of the pipeline joints on Line 901 and multiple locations on Line 903. The pipelines carry high viscosity crude oil at a temperature of approximately 135 degrees Fahrenheit to facilitate transport. Lines 901 and 903 are controlled from the Plains Control Room's (PCR) California console in Midland, TX.

(1) Line 901 is a 24-inch diameter pipeline that extends approximately 10.7 miles in length from the Las Flores Pump Station to the Gaviota Pump Station; and (2) Line 903 is a 30-inch diameter pipeline that extends approximately 128 miles in length from the Gaviota Pump Station to the Emidio Pump Station, with intermediate stations at Sisquoc Mile Post (MP) 38.5 and Pentland (MP 114.57). There is a delivery point into Line 901 from Venoco's Line 96 located approximately 2 miles downstream of the Las Flores Station. All of Line 901 crude oil throughput enters Line 903. Line 901 was manufactured of low carbon steel by Nippon Steel

in Japan in 1986. Line 901's pipe specifications are API 5L, Grade X-65 pipe, 0.344-inch wall thickness, with a high frequency-electric resistance welded (HF-ERW) long seam. The line was hydrotested to 1,686 pounds per square inch gauge (psig) on November 25, 1990.

Figure 1. Map of Plains' Western Division Pipelines. The arrow points to the approximate release site on Line 901.

At Sisquoc Station, crude oil can be pumped to one of two locations: a nearby refinery via a 12-inch diameter pipeline operated by Phillips 66, or continue down Line 903 to Pentland Station. There are additional crude oil lines coming in and out of Pentland Station with numerous tanks at that station used to blend different crude oils for delivery further downstream. At Emidio Station crude oil is delivered to above-ground storage tanks for future delivery to Los Angeles refineries in a separate pipeline system.

Prior to the May 19, 2015 release, there had been four small releases meeting PHMSA reportable criteria at pump stations on Lines 901 and 903. No releases were reported to PHMSA on the pipelines outside of pump stations prior to 2015. The operator reported maximum operating pressure (MOP) of Line 901 is 1,341 psig.

At the time of the spill, Plains All American Pipeline (PAAPL) operated Line 901 and Line 903 under a Federal Energy Regulatory Commission (FERC) certificate of economic regulatory jurisdiction that was issued in 1987. Plains Pipeline, LP, is a subsidiary of PAAPL. Based on the FERC filing, Lines 901 and 903 were classified as interstate pipelines, pursuant to 49 U.S.C. § 60101(7), as facilities used to transport hazardous liquid in interstate or foreign commerce, and as such, were regulated by PHMSA as interstate pipelines. Plains cancelled the FERC certificates for Lines 901 and 903 on February 12, 2016 and April 29, 2016,

respectively, stating that the transportation service was no longer available in interstate commerce. Line 903 from Gaviota to Sisquoc to Pentland Stations was purged with nitrogen in accordance with Amendment No. 2 to the CAO, and remains shut down between these stations. The Pentland to Emidio segment of Line 903 is active and operating intermittently at low pressures. This section of pipe between Pentland and Emidio is not directly connected to the Gaviota to Pentland segment and is used to transport crude product from breakout tanks in Pentland Station.

Events Immediately Prior to and During the Crude Oil Release

On the morning of May 19, 2015, Lines 901 and 903 were transporting crude oil with a flow rate setpoint of 1,240 bbl per hour (BPH) leaving the Las Flores Station, and the discharge pressure was approximately 575 psig. Pumps were operating at the Las Flores Station on Line 901 and Sisquoc Station on Line 903. A Plains instrumentation and electrical technician was dispatched that morning to disconnect and remove a motor from a non-operational pump at the Sisquoc Station. While the technician was performing his work, the operational pump (Pump 401) at the Sisquoc Station was shut down unintentionally (i.e., "uncommanded"). When Pump 401 on Line 903 stopped operating, the pressure in Line 901 increased. The pressure rose to a maximum of 696 psig at the Las Flores Station discharge. The controller shut down the pump at Las Flores Station and the pressure remained at 677 psig. Approximately four minutes later, the pump at Las Flores Station was restarted. At approximately 10:55 a.m. PDT, the flow rate at Las Flores Station climbed from zero to 2,042 BPH. Concurrently, the line pressure rose to a high of 721 psig, then dropped to 199 psig, and then slightly increased to approximately 210 psig until the Las Flores pump was shut down a second and final time. Generally, a sudden increase in flow rate accompanied by a decrease in pressure is indicative of a release. PHMSA has determined that Pump 401 going offline in an "uncommanded" manner on the morning of May 19, 2015, was an abnormal event, but that this in itself should not have caused Line 901 to rupture.

PHMSA performed a detailed review of the SCADA event and alarm logs, and pressure and flow records. The review indicated that there was information reported by the SCADA system that indicated a release had occurred by approximately 10:58 a.m., and an alarm was generated on low pressure. The alarm was not set at an appropriate value. The alarm also did not have a major priority/severity or safety-related alarm status. The controller did not recognize the information he received as indicative of an abnormal operation. Evidence indicates that the controller was focused on the events at Sisquoc Station (i.e., restarting the Sisquoc pump that had gone down once uncommanded, and a second time on high case temperature along with other duties).[iii]

Due to the Sisquoc Station maintenance activity resulting in an unplanned pump shutdown, the controller anticipated alarms would be activated from the pipeline leak monitoring (PLM) system. According to interviews and a review of the alarm log, the PLM inhibit was requested by the controller to the step-up shift supervisor between 11:15 and 11:22 a.m.[iv] The step-up shift supervisor then inhibited (shut off) the PLM system alarms.[v] Also, during this time, the controller started an investigation of the SCADA data in an attempt to understand the operational abnormalities that were occurring. After attempting to restart the Sisquoc pump twice, the controller shut down the pipeline. PHMSA requested the operator review the flow imbalance calculations and provide a time when the PLM system would have generated an alarm if not inhibited, and it was determined that alarms would have been generated

approximately two minutes before the controller shut down the pipeline.[vi]

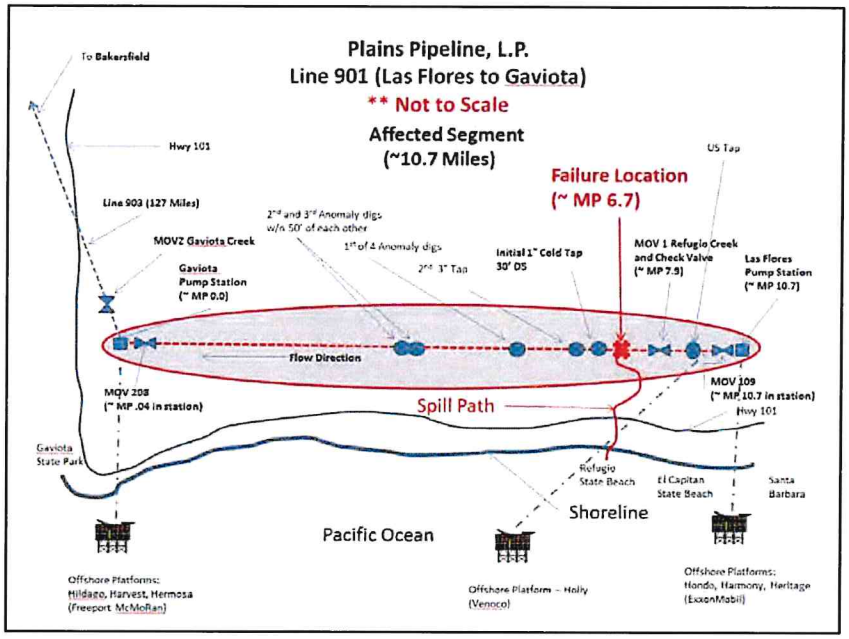

Figure 2. Schematic of Plains Pipeline, LP, Line 901 and spill path.

Plains' Field Response and National Response Center Notifications

The following is a timeline of Plains and emergency responder activities conducted immediately prior to locating the leak site:[vii]

- At 11:42 a.m. a call reporting a petroleum smell was received at Santa Barbara Fire Department (SBFD) Station 18. Engine 18 left the station to investigate the odor complaint near Refugio State Beach.
- At approximately 12:15 p.m., prior to a scheduled tabletop spill drill required by federal regulations 49 C.F.R. §194, the pre-drill meeting was completed and adjourned. A representative from the Santa Barbara Office of Emergency Management (SB-OEM) received a call from the SBFD reporting that there was oil on Refugio Beach. The SB-OEM representative and the Plains representatives left the spill drill and drove separately to Highway 101 at Refugio Beach.
- The Santa Barbara Dispatch notified the National Response Center (NRC #1116950) at 12:43 p.m. PDT of an unknown sheen in the ocean at Highway 101 and Refugio Beach.[viii]
- At approximately 12:55 p.m., the two Plains representatives arrived at the south side of Highway 101 where the SBFD personnel were. They noted oil in the ocean but could not determine the source of the oil. One of the Plains representatives told the assembled group that he did not think the oil was coming from Line 901 because the pipeline is located on the other side of Highway 101, and there would be oil flowing across Highway 101 if Line 901 was leaking.

- The Plains representatives drove to the company's pipeline right-of-way (ROW). At approximately 1:27 p.m., the Plains representatives located the leak site on the Plains ROW. They called the controller to report the leak and to tell the controller to leave Line 901 shut down and to close the Refugio gate valve. The Plains representatives used their cell phones to contact other Plains personnel, the landowner where the leak occurred, Plains' oil spill response contractors, and others. The Plains representatives noted that crude oil from the release site had entered a culvert that crosses under the Highway 101 and railroad tracks and discharges to Refugio Beach. The Plains representatives, along with Fire Department personnel, attempted to stop the flow of oil into the culvert. However, the culvert was too large to stop the flow with shovels, and sand bags were not readily available, so their immediate efforts were unsuccessful. At approximately 3:00 p.m., additional equipment and personnel arrived, the culvert was dammed and oil was prevented from entering the culvert.
- At 2:56 p.m., a representative from Plains called the NRC to report (NRC #1116972) the release of crude oil at 2:56 p.m. PDT. This report indicated that the release was at Latitude: 34° 27' 43" N; and Longitude: 120° 05' 24" W. This NRC report was made 89 minutes after the release site was found by Plains field personnel.[ix]

Figure 3. Spill location relative to Refugio Beach in Santa Barbara County, CA. Photo: John L. Wiley http://flickr.com/jw4pix

Federal pipeline safety regulations, (49 C.F.R. § 195.52), require that the NRC be notified at the earliest practicable moment following discovery of a release of a hazardous liquid, including "[a]ny failure that resulted in pollution of any stream, river, lake, reservoir, or other similar body of water that violated applicable water quality stands, caused a discoloration of the surface of the water or adjoining shoreline, or deposited a sludge or emulsion beneath the surface of the water or upon adjoining shorelines." On January 30, 2013, PHMSA issued an

Advisory Bulletin clarifying that this was to be interpreted as within one hour of discovery. Plains reported the rupture to the NRC approximately 89 minutes after discovery, thus notifying the NRC 29 minutes late.

The estimated costs reported by the operator as of December 23, 2015, were $142,931,884. This figure includes all costs the operator spent as a result of this release through the date reported, including commodity lost, the operator's property damage and repairs, operator's emergency response, environmental remediation, and estimated other costs spent including government agency costs and media relations expenses.[x]

PHMSA's Corrective Action Order

On May 21, 2015, PHMSA issued a CAO, CPF No. 5-2015-5011H, to Plains. The CAO required Plains to purge Line 901; review the pipeline's construction, operating, maintenance, and integrity management history; expedite the review of data from the May 5, 2015, ILI tool run; conduct metallurgical evaluation of the failed pipe; repair any integrity-threatening anomalies identified by the ILI survey; and conduct a root cause failure analysis. The CAO requires Plains to purge Line 901 and to keep Line 901 shut down until PHMSA approves the restart of the pipeline. Plains' Line 901 was purged and filled with an inert nitrogen gas on June 18, 2015.

On June 3, 2015, PHMSA issued Amendment No. 1 to the CAO. The amendment was issued to address preliminary findings from the early stages of PHMSA's investigation, and the possibility that the conditions on Line 901 also existed on Plains Line 903. The amendment to the CAO required Plains to conduct additional non-destructive testing of ILI anomalies on Lines 901 and 903; review the construction, operating, maintenance, integrity management, and ILI history of Line 903; and reduce the operating pressure of Line 903 to 80% of the highest pressure sustained for a continuous 8-hour period during the month before the May 19 failure. This pressure reduction was intended to enhance safety until all facets of the line's integrity could be evaluated.

On November 12, 2015, PHMSA issued Amendment No. 2 to the CAO. The amendment required Plains to empty and purge Line 903 between Gaviota and Pentland Stations and fill it with an inert gas. Line 903 was purged between Gaviota and Pentland Stations and filled with inert nitrogen. The complex purging operations began in December 2015, and were completed on April 18, 2016. Both Line 901 and the purged sections of Line 903 will remain shut down until all actions required by PHMSA's CAO and subsequent amendments have been completed. PHMSA may continue to issue additional amendments to the CAO as necessary.

Pipeline Alignment

Las Flores Station to Gaviota Station Line 901 Elevation Description

To fully understand the Line 901 release, it is vital to understand the elevation profile of Line 901 and Line 903 from the Las Flores Canyon to Pentland Station. Line 901 starts at the Las Flores Station at an elevation of approximately 180 feet. There are two large hills downstream of the originating pump station. The first hill has a peak elevation of approximately 740 feet and the second hill has an elevation of approximately 600 feet. The release occurred downstream of the second hill at an elevation of approximately 80 feet. Immediately downstream of the release point, the pipeline rises slightly and then runs relatively level approaching the Gaviota station. This fact is important because as soon as the pump at Las

Flores Pump Station was turned off the second time, the only crude oil that could be released was the height of oil in the pipeline above the release site and not the amount located between the two aforementioned hills.

Gaviota to Pentland Station Line 903 Elevation Description

Line 903 receives all of the crude oil delivered by Line 901. The line elevation at Gaviota is approximately 150 feet. The elevation at Sisquoc is approximately 880 feet. Downstream of Sisquoc, Line 903 rises to 2,420 feet and then to a height of approximately 2,750 feet and ultimately to an elevation of close to 3,000 feet before dropping into Pentland Station at an elevation of approximately 690 feet. Line 903 exhibits many of the same construction and operation conditions as Line 901 and was addressed by the amendments to the CAO. Pump 401 at Sisquoc Station has adequate capacity to push the oil up and over the downstream hills and into Pentland Station but only if it has full suction pressure and full flow coming into the pump. Because of the release, the pump could not push the oil over the downstream hills, and so the oil in the pump became hot and the pump shut down to prevent overheating.

Post-Incident Investigation Results

Metallurgical Evaluation of Failed Pipe

The failed pipe segment has been analyzed by third-party metallurgical experts, Det Norske Veritas (U.S.A.), Inc.'s (DNV-GL) in Dublin, OH. The failed pipe assessment and testing was witnessed by PHMSA, the California Department of Fish and Wildlife, and the U.S. Department of Justice.

Figure 4. The failed pipe and surrounding insulation and coating.

Figure 5. Pipe External Surface at the Line 901 failure site after cleaning.

DNV-GL's draft report was completed and disseminated to Plains and PHMSA on August 6, 2015. The draft report was reviewed by PHMSA engineers, and a number of comments and clarification requests were made. DNV-GL reviewed the comments and revised the report. The Final Report was issued on September 18, 2015.

The Final Report provides a summary of findings, including the following excerpt:

"The results of the metallurgical analysis indicate that the leak occurred at an area of external corrosion that ultimately failed in ductile overload under the imposed operating pressure. The morphology of the external corrosion observed on the pipe section is consistent with corrosion under insulation facilitated by wet-dry cycling."[xi]

In-Line Inspection Survey Review

Plains conducted ILI surveys on Line 901 (10.7 miles in length) to assess the integrity of the pipeline in accordance with PHMSA regulations in 2007, 2012, and 2015. According to 49 C.F.R. § 195.452(j)(3), the pipeline is required to be surveyed at intervals commensurate with the pipeline's risk of integrity threats, but at least every 5 years. Plains changed Line 901 from a 5-year assessment cycle to a 3-year assessment cycle after the 2012 ILI survey.

The data collected during these surveys must be fully evaluated within 180 days of the ILI, and an operator must take action upon discovery of any "immediate repair conditions" as defined in 49 C.F.R. § 195.452(h) unless the operator can demonstrate that the 180-day period is impracticable.

The most recent ILI survey for Line 901 was completed on May 6, 2015. The 2015 ILI survey data for the first 2 miles of Line 901, as measured from the Las Flores Station, was found to be incomplete and not useable for ILI analysis. For the rest of the ILI survey, the correlation digs, which are used to gauge survey data accuracy in the ILI vendor's preliminary report, had not been finished at the time of the May 19, 2015 failure.

PHMSA's independent third-party ILI SME also performed an analysis of the data from past ILI surveys of Line 901. Preliminary data from the results of each of the ILI surveys are summarized below and show a growing number of corrosion anomalies on Line 901.

Number of Anomalies

Metal loss	June 19, 2007	July 3, 2012	May 6, 2015
Greater than 80%	0	0	2
60-79%	2	5	12
40-59%	12	54	80

The May 6, 2015 ILI survey data and subsequent analysis by the ILI vendor predicted external corrosion at the failure site with an area of 5.38 inches by 5.45 inches, and a maximum depth of 47% of the original pipe wall thickness. After the failure, the DNV-GL metallurgical investigators physically measured external corrosion at the failure site to have a maximum depth of 89%.[xii] The dimensions of the corrosion feature were 12.1 inches axially by 7.4 inches in circumference. The maximum depth, as measured using laser scan data, was 0.318 inches or 89% of the measured wall thickness (0.359 inches).

The ILI summary report prepared by PHMSA's SME also examined the "as-called" (ILI-predicted) versus as-found (field measured) lengths, widths and area for the excavated anomalies on Line 901. The report demonstrates that the lengths and widths of the anomalies were under-called (underestimated) in many cases, however many were also over-called. Plains submitted little documentation concerning their analysis of how the field measured anomalies compared to the ILI vendor analysis. Furthermore, Plains did not provide documentation showing that discrepancies between the originally reported anomaly sizes predicted by the ILI vendor and Plain's actual field-measured sizing of the corrosion anomalies were subsequently discussed with the ILI vendor, as required by Plains' IMP.[xiii]

Cathodic Protection Findings

According to 49 C.F.R. § 195.563, CP is required under the federal Pipeline Safety Regulations to prevent external corrosion of buried pipelines. Historical CP records for line 901 have been reviewed and reveal protection levels that typically are sufficient to protect non-insulated, coated steel pipe. Line 901 and Line 903, however, are insulated. An increasing frequency and extent of corrosion anomalies were noted on both Lines 901 and 903 in ILI survey results, anomaly excavations, and repairs. PHMSA inspectors noted moisture entrained in the insulation at four excavations performed by Plains on Line 901 after the May 19 spill and prior to the PHMSA-mandated purging of the pipelines.

Spill Volume Estimate from Plains' Third-Party Consultant

Plains initially estimated the volume of spilled crude oil to be approximately 2,400 bbl, of which 500 bbl was estimated to have reached the ocean. On August 4, 2015, Plains reported to the Unified Command that the 2,400 bbl release estimate was still accurate. However, after Plains completed the PHMSA-mandated purge, the company's calculations indicated that up to 3,400 bbl had possibly been released from the pipeline. Plains notified the Unified Command

that RPS Knowledge Reservoir (RPS), a third-party investigator hired by Plains, was still trying to reconcile the difference.

On November 24, 2015, Plains informed PHMSA that RPS had completed their analysis regarding the release volume and produced a report of findings. RPS used the OLGA simulation software tool to model the behavioral dynamics of the pipeline prior to, during, and immediately after the May 19, 2015 leak. The report concluded that the discharge leak volume was 2,934 bbl. The RPS report was dated November 11, 2015. Plains has reported 1,100 bbl of crude oil have been recovered.

Investigation Findings and Conclusions

Line 901 pipeline ruptured at approximately 56% of the MOP. Although the operational events that occurred on the morning of the release were abnormal, this should not have caused the release if the pipeline's integrity had been maintained to federal standards.

Proximate or Direct Cause

PHMSA determined that the proximate or direct cause of the release was progressive external corrosion of the insulated, 24-inch diameter steel pipeline. The corrosion occurred under the pipeline's coating system, which consisted of a urethane coal tar coating applied directly to the bare pipe, covered by foam thermal insulation with an overlying Polyken tape wrap. Water has been noted in the foam insulation at a number of digs, indicating that the integrity of the coating system had been compromised. The external corrosion was facilitated by the environment's wet/dry cycling, as determined by the PHMSA-approved, third-party metallurgical laboratory. The release was a single event caused at an area where external corrosion had thinned the pipeline wall. There is no evidence that the pipeline leaked before the rupture. There was a telltale "fish mouth" (a split due to over-pressurization) at the release site indicating the line failed in a single event.

PHMSA's investigation identified numerous contributory causes of the rupture. The contributory causes can be grouped into three categories: 1) ineffective protection against external corrosion of the pipeline; 2) failure by Plains to detect and mitigate the corrosion;, and 3) lack of timely detection of the rupture. Below is a summary of the key contributory causes:

Contributory Causes

1) Ineffective protection against external corrosion of the pipeline

   - Plains' CP system was ineffective in protecting thermally insulated underground pipeline systems from external corrosion. Industry practices recognize that an impressed current system like the one utilized on Line 901 cannot protect an insulated steel pipeline should the coating (tape wrap over insulation) become compromised. The external coating in the area of the rupture had allowed moisture to enter the insulation adjacent to the steel pipe.[xiv] Corrosion under insulation (CUI) cannot be prevented on insulated lines where the coating system has been compromised.[xv]

2) Failure by Plains to detect and mitigate external corrosion

   - Plains did not identify CUI as a risk-driving threat in their federally-mandated integrity management program (IMP).

- Plains' did not fully implement their IMP.
    - Plains did not perform suitable analysis of the field measurements of the excavated corrosion anomalies that occurred after ILI surveys were completed in 2007 and 2012.
    - The data reported by the ILI vendor were inconsistent (and did not meet the published accuracy of the ILI tools of +/- 10%, 80% of the time for depth) when compared to the results of the field-measured corrosion anomalies.
    - Plains' as-found field measurements of corrosion anomalies were inconsistent with the as-called vendor-provided ILI data and analytical reports. ILI surveys conducted in 2007 and 2012 revealed inconsistencies in the character of the anomalies. In both of these cases, Plains did not consult the ILI vendor to help resolve the inconsistency.
    - Plains failed to follow written procedures directing the IMP group to perform appropriate statistical analysis after the anomaly dig reports were received from the field, and to discuss any inconsistencies with the ILI vendor.[xvi]
        - Plains' Pipeline Integrity group created a unity plot for depth after the 2012 ILI survey and anomaly digs. There is no documentation detailing what was done with the information from the unity plot.
    - Plains incorrectly added the over-called anomalies in the close-out reports.
        - The close-out reports should have only reported the anomalies that were within the reported accuracy of the ILI tool. The reported tool accuracy is +/- 10 %, 80 % of the time. Adding the overcalled anomalies outside of the tool accuracy skews the data.

- Plains' Pipeline Integrity group was historically focused on pitting corrosion under "shrink sleeves" at the pipeline girth welds (circumferential welds to join pipe segments).
    - The release location was within 6 feet of a corrosion anomaly that was exposed and repaired after the 2012 ILI survey. There was evidence of corrosion and degraded coating systems between the 2012 repair site and the 2015 rupture site.
    - The anomaly that ruptured was called out by the ILI tool at 45% depth in 2012. Plains' IMP specified adding 10% to all anomalies (55% depth in this case) then "growing them" to predicted failure using an anticipated corrosion growth rate. This analysis would provide a predicted failure time. Plains did not excavate the anomaly that failed.

3) Lack of timely detection of and response to the rupture

- The controller did not have information communicated from the SCADA system in such a manner to be successful in detecting abnormal operations. The pipeline SCADA system did not have safety-related alarms on low pressure configured at the

correct value or priority to alert the control room staff of the rupture. When this alarm was provided to the controller, the discharge pressure at Las Flores was 199 psig but, within a minute, pressure elevated above 210 psig, the alarm status cleared, and the discharge pressure remained above 200 psig (approximately 210-211 psig) until the pipeline was purged. The pipeline was still leaking when the discharge pressure at Las Flores was above 200 psig, and continued to do so without additional alarm indications. When the pipeline was down, isolated but still leaking, the minimum pipeline discharge pressure at Las Flores remained at 210-211 psig. The low discharge pressure alarm setpoint value was not set properly as it should have been above 211 psig. This type of alarm should be identified as a high priority safety related alarm. While the controllers and shift supervisors can access historical trend data or continue to monitor a given pressure or flow, when the pipeline was ultimately shut down at 11:30 a.m., neither the controller nor step-up shift supervisor detected any drop of pressure at the specific failure location that would indicate that oil was being released.

- Neither the pipeline controller nor step-up shift supervisor detected the initial abnormal conditions as the release occurred. There was an indication of decreased pressure and increased flow between 10:53 and 10:58 a.m., which is consistent with a pipeline release. This resulted in a delayed shutdown of the pipeline. Adequate alarm setpoint values with correct priorities are essential to controller and shift supervisor recognition of abnormal operations, especially when many pipeline systems are operated from the same console.

- The pipeline controller restarted Line 901 after the release occurred.
- The pipeline leak detection system lacked instrumentation and associated calculations to monitor line pack.
    - The function of the PLM system was a simple line balance calculation based on flow meter values without line pack considerations. The PLM relies on comparing "meter in – meter out" calculations over time. This type of leak detection system without the use of safety-related, high-priority, low-pressure alarms does not provide the controller or shift supervisors with adequate information when the pipeline is down.
    - When the pipeline is not running, even if only due to scheduling and not required maintenance activities, flows will be close to zero and the imbalance calculation will provide little if any value as currently configured. Leak detection on a down pipeline requires a robust system of planned and accurate high-priority alarm types and alarm setpoint values in order for response to occur on critical low pressures.
    - The leak detection system for Lines 901 and 903 consists of two leak detection segments. Additional instrumentation such as pressure and temperature transmitters located at Refugio Gate and Cuyama valve settings (both transmitter types on each side of the valves) would allow additional information about the operating status of the pipeline to be presented and pack calculations pursued.
    - Plains utilizes the SimSuite application for other pipelines in the control

center. This application does allow for pack calculations to be utilized in the leak detection system. According to information obtained during meetings with Plains hydraulic specialists, Lines 901 and 903 were pipeline systems with a low to medium priority defined for future modeling efforts compared to other assets in the Plains operations. The approach utilized by Plains for prioritizing which systems should be modeled first did not appear to take into account all appropriate consequence-based asset impacts (such as culverts providing a pathway to the ocean) associated with these two systems. Existing instrumentation and the need for added instrumentation would factor into this prioritization decision.

- Control room staff training lacked formalized and succinct requirements, including emergency shutdown and leak detection system functions such as alarms.
    - Interviews determined that the step-up shift supervisor and shift supervisor training lacked formalized and succinct requirements, including that for leak detection system functions such as "inhibit" options. The interviews determined that different shift supervisors performed PLM inhibit functions without contacting the console supervisor first as required by procedure.
    - Step-up and shift supervisor responsibilities include emergency shutdown of any pipeline. However, training does not cover a means by which to accomplish this for all relevant pipelines. A general emergency shutdown provision has not been programed for supervisory use on all systems.
- The oil spill response plan required by 49 C.F.R. §194 did not account for a culvert near the release site that traversed the Pacific Coast Highway and Amtrak railroad tracks. This culvert provided a quick flow path between the pipeline ROW and the Pacific Ocean, thereby allowing crude oil to flow easily towards Refugio State Beach and the ocean. The response plan did not have a response strategy that considered the presence of the culverts.

PHMSA Post-Incident Action Chronology

Following the May 19, 2015 Plains Pipeline, LP, Line 901 rupture in Santa Barbara County, CA, PHMSA took the following actions:

- On May 19, 2015, PHMSA deployed inspectors to investigate the Plains Pipeline LP Line 901 pipeline failure in Santa Barbara County, CA. PHMSA also provided information updates to the Unified Command (UC), US Coast Guard, the Federal on Scene Coordinator (FOSC), State Fish and Wildlife, and other agencies on site.
- On May 21, 2015:
    - PHMSA issued a Corrective Action Order (CAO), CPF No. 5-2015-5011H, to Plains Pipeline LP ordering it to suspend operations and to specific safety actions to further protect the public, property, and the environment from potential hazards associated with the recent failure. PHMSA staff reviewed the CAO with the operator and briefed the California State Attorney on the CAO and provided an overview of PHMSA's regulations.
    - PHMSA sent an inspector to Plains' control room in Midland, Texas to collect operational data and interview the control room operators on duty at the time of the incident and their supervisors. The inspector gathered any pertinent logs and information, including electronic copies of relevant data from the Supervisory Control and Data Acquisition (SCADA) system.
    - PHMSA staff worked with the operator to review their plan to expose the pipe and to cold tap it to ensure there was no pressure or crude left in the line at a low spot immediately downstream of the release point. The plan was signed off by the UC at approximately 5 pm PDT.
- On May 22, 2015:
    - PHMSA staff met with representatives from the Assistant U.S. Attorney, DOT Inspector General, EPA Criminal Investigation Division, California Attorney General, and others to brief them on PHMSA's process for securing and transporting the failed pipe to a metallurgical lab for evaluation.
    - PHMSA staff remained on the scene as the operator exposed, tapped, removed any remaining product, and excavated the pipeline downstream of the release site.
- On May 25, 2015:
    - PHMSA issued an approval letter for Plains to excavate, remove and secure the failed joint of pipe under the supervision of two DNV metallurgists (third party contractor) but requested that the coating and insulation not be touched until the failed pipe has been removed because the DNV personnel were interested in in gathering available samples there as well.
    - A PHMSA inspector returned to Midland, TX to interview the controller and the Operations Control Center supervisor and to obtain any handwritten logs created by the controller on the morning of the release.
- On May 28, 2015:
    - A PHMSA investigator was on site when affected pipeline was removed, crated, and transported to secure location for metallurgical evaluation. PHMSA retained a third-party ILI expert to examine the 2012 and 2015 ILI runs. DNV personnel took soil and insulation samples.
- On June 3, 2015, PHMSA amended the CAO to address preliminary findings from the early stages of the investigation (Amendment No. 1). The amended CAO mandated

additional safety requirements on Line 901 and expanded the scope of the CAO to include the 128-mile long Line 903, which is located downstream of Line 901. The amendment reduced the operating pressure of the Lone 903 by 80% of the highest 8 hour continuous pressure between April 19, 2015 and May 19, 2015. On May 30, 2015, Plains voluntarily shutdown Line 903.

- On June 18, 2015, PHMSA staff monitored the Line 901 purge to ensure safety during the purging process. Plains completed the purge and injected inert gas in Line 901.
- On September 18, 2015, PHMSA received the DNV Final Mechanical and Metallurgical Report. PHMSA staff reviewed the document and provided comments.
- On November 12, 2015, PHMSA issued Amendment No. 2 to the CAO, which ordered Plains to purge and shutdown Line 903 from Gaviota to Pentland.
- On December 1, 2015, PHMSA staff monitored Plains moving Freeport McMoRan crude oil from their offshore platforms into Line 903 from Gaviota Station to Sisquoc Station. Movement of the Freeport McMoRan oil was completed on December 10, 2015.
- On December 4, 2015, PHMSA staff received the DNV Root Cause Failure Analysis Report. PHMSA reviewed and commented on the report.
- On December 14, 2015, PHMSA staff monitored the purge process on Line 903 from Gaviota Station to Sisquoc Station. The purge was completed on December 18, 2015 and the line was filled with inert gas.
- On February 17, 2016, PHMSA issued a Preliminary Factual Final Report.
- On April 2, 2016, PHMSA staff monitored the Line 903 Sisquoc to Pentland portion purge that was completed on April 18, 2016. Line 901 and 903 are shutdown, except for the Pentland to Emidio section of Line 903, which is not connected to 903 any longer.

APPENDICES

A. Investigation Summary Detail
B. Supervisory Control and Data Acquisition (SCADA) Log Excerpts
C. Pipeline Leak Monitoring Details
D. Excerpts and Discussion of Plains Integrity Management Plan (IMP) Requirements
E. Corrosion Control and Pipeline Conditions
F. Industry Standards and General Requirements for In-Line Inspection
G. In-Line Inspection Report
H. PHMSA's Independent Analysis of In-Line Inspection Data
I. Maps and Photographs
J. National Response Center Report #1
K. National Response Center Report #2
L. Form PHMSA F 7000.1: Accident Report for Hazardous Liquid Pipeline Systems
M. Det Norske Veritas (U.S.A.), Inc. (DNV GL): Line 901 Release (5/19/15) Mechanical and Metallurgical Testing
N. Det Norske Veritas (U.S.A.), Inc. (DNV GL): Line 901 Release (5/19/15) Technical Root Cause Analysis
O. NACE International: Effectiveness of Cathodic Protection on Thermally Insulated Underground Metallic Structures

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[i] According to the *FRACTURE CONTROL TECHNOLOGY FOR NATURAL GAS PIPELINES CIRCA 2001* (the PRCI report superseding NG-18 Report 208): "The distinction between leak and rupture for the pipeline community is based on the size and configuration of the breach, not how it develops." Based on these calculations and visual observations, the length of the feature is consistent with a leak, arresting within the corrosion feature, and did not propagate outside of the feature into nominal wall-thickness pipe. According to the instructions for completing PHMSA Accident Form 7000-1, this type of accident would be classified as a rupture since PHMSA defines a "rupture" as a "loss of containment that immediate impairs the operation of the pipeline".

[ii] The remedial action plan requires: a) investigation and remediation of anomalies on Line 901 (including anomalies requiring repair per 49 C.F.R. § 195.452(h) and similar anomalies); b) analysis of field measurements taken from anomaly investigations; c) re-grade of previous in-line inspection (ILI) data from 2012 and 2015 ILI surveys using an expanded set of interaction criteria; d) additional integrity assessments using a circumferential magnetic flux leakage (MFL-C) ILI tool and integration of MFL-C ILI data with previous ILI survey results; e) investigation and remediation of anomalies that are identified in the MFL-C tool run (if any); f) based on information collected from remedial work plan and root cause analysis report released by Det Norske Veritas (U.S.A.), Inc., improving the integrity management program; and g) integrity studies to reduce spill volumes, including an emergency flow restriction device evaluation and a surge study. Completion of the remedial work plan is required prior to the PHMSA Western Region Director approving a restart plan and return to service for Line 901.

[iii] High case temperature refers to the oil temperature inside the pump cavity. The case holds the pump impeller

where oil passes through. This was a centrifugal pump that continues spinning whether there is product in the pump or not. When the rupture occurred, there was not enough pressure or flow rate to allow the pump to continue pumping the oil over the hills and into Pentland Station. Therefore, the oil that was in the pump remained in place and as the pump continued to spin, and temperature was reported to the SCADA system. If the pump reaches the high temperature setpoint, the pump shuts itself off to protect itself from burning up.

[iv] The PCR utilizes two shift supervisors to cover the entire set of 22 consoles. The California Console is handled by shift supervisor B. The shift supervisor B position at the time of the failure was filled by a step-up shift supervisor. A step-up shift supervisor is a controller who is currently qualified on a specific console in the PCR and has received some informal training by working on shift with other shift supervisors. Step-up shift supervisors are used to cover the shift supervisor positions when additional personnel are needed due to illness, vacation, training, etc. Plains has indicated that two step-up shift supervisors are not allowed to be on duty at the same time so one shift supervisor is paired with a step-up shift supervisor when additional personnel is needed.

[v] PLM is the SCADA vendor software tool that serves as the leak detection system for PCR.

[vi] *See* Appendix B.

[vii] SCADA Data/Plains Control Room time is local to the Central Time Zone. A two-hour time difference separates Central Time from Pacific Time, with Central Time falling two hours ahead. The release occurred in the Pacific Time Zone which is two (2) hours earlier. All times in this report have been adjusted to Pacific Time.

[viii] *See* Appendix J.

[ix] *See* Appendix K.

[x] *See* Appendix L.

[xi] *See* Appendix M.

[xii] PHMSA has access to this data through a view-only web portal.

[xiii] *See* Appendix G.

[xiv] The inability of an impressed cathodic protection system to protect insulated pipelines was most recently reaffirmed in the National Association of Corrosion Engineers (NACE) Publication 10A392 (2006 Edition) – "Effectiveness of Cathodic Protection (CP) on Thermally Insulated Underground Metallic Structures."

[xv] *See* NACE Report at Appendix O, Background section stating that "[o] n most thermally insulated oil and gas transmission pipelines installed prior to 1980 to 1981, a shop mold-formed thermal insulation was placed directly over the bare steel pipe, with an outer jacket applied to moisture-proof the system. At the field joint, preformed insulation half shells were applied over the joint area to fit between the ends of the shop-applied insulation. After the insulation was fitted, a heat shrink sleeve or a tape wrap was applied over the insulation. When the integrity of the outer moisture barrier was compromised, the space, gap, or void between the edges of the preformed half shells and the shop-applied insulation allowed oxygenated water to diffuse to the bare steel beneath. Damage to the outer moisture barrier has also occurred remote from the joint, allowing oxygenated ground water ingress.

"Thermally insulated pipelines have experienced relatively aggressive corrosion, with some failures occurring within three years of service, although acceptable industry standards of CP had been applied and maintained shortly after line construction. The most predominant failures have been those occurring at joints; however, moisture has migrated along the pipeline steel surface to create electrochemical corrosion cells remote from the field joint, culminating in extensive replacements of substantial lengths of line. An article titled 'Corrosion of Underground Insulated Pipelines' supports this committee's conclusions that sufficient CP current from an external source may not reach the insulated metallic surface in sufficient quantity to establish adequate corrosion control."

[xvi] *See* Appendix D.

Exhibit 2

U.S. Department
of Transportation

**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue SE
Washington, DC 20590

MAY 2 1 2015

VIA CERTIFIED MAIL AND FAX TO: 713-646-4378

Troy Valenzuela
Vice President EHS
Plains Pipeline, LP
333 Clay Street, Suite 1600
Houston, TX 77002

Re: CPF No. 5-2015-5011H

Dear Mr. Valenzuela:

Enclosed is a Corrective Action Order issued in the above-referenced case. It requires Plains Pipeline, LP to take certain corrective actions with respect to Line 901 of your pipeline system that failed on May 19, 2015, near Santa Barbara, CA. Service is being made by certified mail and facsimile. Service of the Corrective Action Order by electronic transmission is deemed complete upon transmission and acknowledgement of receipt, or as otherwise provided under 49 C.F.R. § 190.5. The terms and conditions of this Order are effective upon completion of service.

Thank you for your cooperation in this matter.

Sincerely,

for Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Ms. Linda Daugherty, Deputy Associate Administrator for Field Operations, OPS
Mr. Chris Hoidal, Director, Western Region, OPS

U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590

In the Matter of	)	
Plains Pipeline, LP,	)	**CPF No. 5-2015-5011H**
Respondent.	)	

CORRECTIVE ACTION ORDER

Purpose and Background:

This Corrective Action Order (Order) is being issued, under the authority of 49 U.S.C. § 60112, to require Plains Pipeline, LP (Plains or Respondent), to take the necessary corrective action to protect the public, property, and the environment from potential hazards associated with the recent failure on your pipeline in Santa Barbara County, California.

On May 19, 2015, a reportable accident occurred on Plains' Line 901 pipeline, resulting in the release of approximately 1700 to 2500 barrels of heavy crude oil (Failure). Line 901 is a 24-inch diameter pipeline approximately 10.6 miles in length that transports crude oil from Exxon Mobil's breakout storage tanks in Las Flores Canyon to Plains' Gaviota Pump Station. The cause of the Failure has not yet been determined. Pursuant to 49 U.S.C. § 60117, the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), initiated an investigation of the accident. The preliminary findings of the ongoing investigation are as follows:

Preliminary Findings:

- Plains Pipeline, LP (Plains), is a publicly traded master limited partnership that operates approximately 17,800 miles of crude oil and natural gas liquids pipelines and gathering systems throughout the United States, including California and Texas.[1]

- The failed pipeline is a 24-inch diameter line that transports crude oil and runs from Exxon Mobil's breakout storage tanks in Las Flores Canyon to Plains' Gaviota Pump Station, a distance of approximately 10.6 miles (Affected Pipeline). The Failure occurred near milepost 4 near Goleta, California (Failure Site).

[1] https://www.plainsallamerican.com/what-we-do/transportation (last accessed May 20, 2015)

- The Affected Pipeline was constructed from 1987-1990, and consists of .344 wall thickness, X-65 high frequency electric resistance welded (ERW) pipe manufactured by Nippon Steel.

- The Affected Pipeline has a Maximum Operating Pressure (MOP) of 1025 psig and the normal operating pressure is 650 psig. Plains initially reported that the line pressure was approximately 700 psig immediately prior to failure.

- The initial hydrostatic test on the Affected Pipeline was conducted in October 1990, to a pressure of 1719 psig held for 8 hours.

- The Affected Pipeline is insulated and operates at up to 120 degrees Fahrenheit. There are shrink wrap sleeves at some of the pipeline's girth welds.

- The Affected Pipeline was recently smart-pigged on May 5, 2015. Complete in-line inspection (ILI) data was collected but the operator has not yet received a formal report from the ILI vendor regarding the analysis of the data and identification of any anomalies requiring further investigation according to the Federal pipeline safety regulations.

- Previous ILIs were performed in June 2007 and July 2012. In 2007 and 2012, there were 13 and 41 excavations of ILI-identified anomalies on the pipeline, respectively. These anomalies were mostly due to external corrosion, frequently located near the pipeline's girth welds.

- The Failure was discovered by the operator on May 19, 2015 around 1:30 p.m. PST, and reported to the National Response Center (NRC Report No. 1116972) at 2:56 p.m. PST. The operator reported an estimated spill of more than 500 BBLs of crude oil in their NRC report, but stated there was limited information available at that time.

- Prior to the discovery of the Failure, the controller of Line 901 noticed anomalies in the operating pressure, shut down and isolated the line around 11:30 am PST, and called field personnel to investigate.

- Another NRC report (No. 1116950) was received by the National Response Center at 12:43 p.m. from the Santa Barbara Dispatch reporting an unknown oil sheen at Refugio Beach.

- The release occurred on the north side of the Pacific Coast Highway. The released product traveled southward through a nearby water drainage culvert approximately ¼ mile to Refugio State Beach, where the product entered the Pacific Ocean. It is estimated that product has spread several miles down the coast.

- The estimated release amount was reported to have increased to 1700 to 2500 BBLs by the Unified Command center on the afternoon of May 20th.

- Refugio State Beach and camp grounds have been closed due to the oil spill. There were no reports of injuries.

- Several areas of environmental sensitivity are located near the Failure Site, including Bell Canyon, Tecolote Canyon, the City of Gaviota, and Coal Oil Point Reserve.

- Various state and federal agencies responded to the scene, including the U.S. Coast Guard, U.S. Environmental Protection Agency, California County Office of Emergency Services, and local fire department(s). Private oil spill response organizations under contract with Plains and Exxon Mobil personnel are also responding. Clean-up operations are underway.

- The cause of the Failure is unknown and the investigation is ongoing.

Determination of Necessity for Corrective Action Order and Right to Hearing:

Section 60112 of Title 49, United States Code, provides for the issuance of a Corrective Action Order, after reasonable notice and the opportunity for a hearing, requiring corrective action, which may include the suspended or restricted use of a pipeline facility, physical inspection, testing, repair, replacement, or other action, as appropriate. The basis for making the determination that a pipeline facility is or would be hazardous, requiring corrective action, is set forth both in the above-referenced statute and 49 C.F.R. § 190.233, a copy of which is enclosed.

Section 60112 and the regulations promulgated thereunder provide for the issuance of a Corrective Action Order, without prior notice and opportunity for hearing, upon a finding that failure to issue the Order expeditiously would result in the likelihood of serious harm to life, property, or the environment. In such cases, an opportunity for a hearing and expedited review will be provided as soon as practicable after the issuance of the Order.

After evaluating the foregoing preliminary findings of fact, I find that continued operation of the pipeline without corrective measures is or would be hazardous to life, property, or the environment. Additionally, having considered the uncertainties as to the cause of the Failure, the location of the Failure, the material being transported, and the proximity of the pipeline to the Pacific Ocean and environmentally sensitive areas, I find that a failure to issue this Order expeditiously to require immediate corrective action would result in the likelihood of serious harm to life, property, or the environment.

Accordingly, this Corrective Action Order mandating immediate corrective action is issued without prior notice and opportunity for a hearing. The terms and conditions of this Order are effective upon receipt.

Within 10 days of receipt of this Order, Respondent may contest its issuance and obtain expedited review either by answering in writing or requesting a hearing under 49 C.F.R. § 190.211, to be held as soon as practicable under the terms of such regulation, by notifying the Associate Administrator for Pipeline Safety in writing, with a copy to the Director, Western Region, OPS (Director). If Respondent requests a hearing, it will be held telephonically or in-person in Denver, Colorado, or Washington, D.C.

After receiving and analyzing additional data in the course of this investigation, PHMSA may identify other corrective measures that need to be taken on the Affected Pipeline or Plains' Line 903. In that event, PHMSA will notify Respondent of any additional measures that are required and an amended Order will be issued, if necessary. To the extent consistent with safety, Respondent will be afforded notice and an opportunity for a hearing prior to the imposition of any additional corrective measures.

Required Corrective Actions:

Pursuant to 49 U.S.C. § 60112, I hereby order Plains to immediately take the following corrective actions for the Affected Pipeline:

1. ***Shutdown.*** Plains must not operate the Affected Pipeline until authorized to do so by the Director.
2. ***Empty and Purge the Affected Pipeline.*** Plains must empty and purge the Affected Pipeline and fill with an inert gas until Items 3 through 8 of this Order are completed. This purging must be done as soon as practicable after repairing the Failure Site, but no longer than 10 days after receipt of this Order.
    a. Plains must notify the Director and local and State responders prior to conducting the purging operations.
    b. Plains must conduct the purging operations during daylight hours and monitor the pipeline right of way continually to quickly identify and contain any releases should they occur.
3. ***Review of Affected Pipeline.*** Within 45 days of receipt of this Order, Plains must review the Affected Pipeline for conditions similar to those of the Failure. Plains must address any findings that require remedial measures to be implemented prior to restart. This review must include:
    a. All construction, operating and maintenance (O&M) and integrity management records, such as hydrostatic tests, root cause failure analysis of prior failures, aerial and ground patrols, corrosion protection, One Call tickets, excavations and exposed pipe records, and pipe replacements;
    b. Identification of all areas of the Affected Pipeline that have insulated pipe and girth welds with "shrink wrap" sleeves;
    c. All ILI results from the past 10 calendar years, including a followup review of the ILI vendors' raw data and analysis from pre-2015 ILI surveys and a first time review of the data from the ILI survey conducted on May 5, 2015. Determine whether any anomalies were present in the failed pipe joint and any other pipe removed near the Failure Site. Determine whether any anomalies with similar characteristics are present elsewhere on the Affected Pipeline. Plains must submit documentation of this ILI review to the Director within 45 days of receipt of this Order as follows:
        i. List all ILI tool runs, tool types, and the calendar years of the tool runs conducted on Line 901.
        ii. Provide all ILI data from the past 10 years to the Director for review by a 3rd party ILI data analyst.

iii. Explain the process that was used to review the past ILI results, and the process that will be used during the reevaluation.

iv. List and describe (type, size, wall loss, etc.) the specific locations of all ILI features from the ILI surveys conducted prior to the May 5, 2015 survey. Include the disposition of those requiring investigation per 49 CFR Part 195.452(h) or Plains's remediation criteria.

v. List and describe (type, size, wall loss, etc.) the specific location of all ILI features identified by the May 5, 2015 ILI survey that are present in the failed joint and other pipe removed near the Failure Site.

vi. List and describe (type, size, wall loss, etc.) the specific location of all ILI features identified by the May 5, 2015 ILI survey that require investigation per 49 CFR Part 195.452(h) elsewhere on the Affected Pipeline. If an ILI feature or anomaly is identified to be associated with the Failure Site, all features with similar characteristics elsewhere on the Affected Pipeline must be investigated and remediated.

4. ***Records Verification***. As recommended in PHMSA Advisory Bulletin 2012-06, Plains must verify the records for the Affected Pipeline to confirm the Maximum Operating Pressure (MOP). Plains must submit documentation of this records verification to the Director within 45 days of receipt of this Order.

5. ***Mechanical and Metallurgical Testing***. Within 45 days of receipt of this Order, complete mechanical and metallurgical testing and failure analysis of the failed pipe, including an analysis of soil samples and any foreign materials. Complete the testing and analysis as follows:

   a. Document the chain-of-custody when handling and transporting the failed pipe section and other evidence from the Failure Site. The removal and protection of the failed pipe section shall be done in the presence a PHMSA representative, and all failure surfaces shall be protected from damage or contamination during removal and subsequent storage prior to testing.

   b. Within 10 days of receipt of this Order, develop and submit the testing protocol and the proposed testing laboratory to the Director for prior approval.

   c. Prior to beginning the mechanical and metallurgical testing, provide the Director with the scheduled date, time, and location of the testing to allow for an OPS representative to witness the testing.

   d. Ensure the testing laboratory distributes all reports, whether draft or final, in their entirety to the Director at the same time they are made available to Plains.

6. ***Root Cause Failure Analysis.*** Within 60 days following receipt of this Order, complete a root cause failure analysis (RCFA) and submit a final report of this RCFA to the Director. The RCFA must be facilitated by an independent third-party acceptable to the Director and must document the decision-making process and all factors contributing to the Failure. The final report must include findings and any lessons learned and whether the findings and any lessons learned are applicable to other locations within Plains' pipeline system.

7. ***Remedial Work Plan.*** Within 90 days following receipt of this Order, provide a plan to the Director for his approval to investigate and remediate all actionable anomalies per 49 CFR

Part 195.452(h) and anomalies similar to those that may have led to the release at the Failure site.

8. ***Restart Plan***. Prior to resuming operation of the Affected Pipeline, Plains must develop and submit a written Restart Plan to the Director for prior approval.

   a. The Restart Plan may only be requested after completion of Items 2 through 7 of this Order.

   b. The Restart Plan must also include documentation of the completion of all mandated actions, and a management of change plan to ensure that all procedural modifications are incorporated into Plains' operations and maintenance procedures manual.

   c. The Restart Plan must provide for adequate patrolling of the Affected Pipeline during the restart process and must include incremental pressure increases during start-up, with each increment to be held for at least 2 hours.

   d. The Restart Plan must include sufficient surveillance of the pipeline during each pressure increment to ensure that no leaks are present when operation of the line resumes.

   e. The Restart Plan must specify a day-light restart and include advance communications with local emergency response officials.

   f. Once approved by the Director, the Restart Plan will be incorporated by reference into this Order.

9. ***Return to Service.*** After the Director approves the Restart Plan, Plains may return the Affected Pipeline to service but the operating pressure must not exceed eighty percent (80%) of the actual operating pressure in effect immediately prior to the Failure on May 19, 2015.

10. ***Removal of Pressure Restriction.***

    a. The Director may allow the removal or modification of the pressure restriction upon a written request from Plains demonstrating that restoring the pipeline to its pre-failure operating pressure is justified based on a reliable engineering analysis showing that the pressure increase is safe considering all known defects, anomalies, and operating parameters of the pipeline.

    b. The Director may allow the temporary removal or modification of the pressure restrictions upon a written request from Plains demonstrating that temporary mitigative and preventive measures are implemented prior to and during the temporary removal or modification of the pressure restriction. The Director's determination will be based on the failure cause and provision of evidence that preventive and mitigative actions taken by the operator provide for the safe operation of the Affected Segment during the temporary removal or modification of the pressure restriction.

11. ***Emergency Response Plan and Training Review***. Plains must review and assess the effectiveness of its emergency response plan and Bakersfield Spill Response Plan – Sequence 0107 with regards to the Failure. Include in the assessment a detailed review of the on-scene response and support activities (including timeline), coordination with all parties (including regulatory requests and proceeding with work), site security (including all phases of the response), procedures for improvements, lessons learned, and communication with the National Response Center, emergency responders, third party contractors, public officials, and internal resources. Include a review and assessment of the effectiveness of its emergency training program. Plains must amend its emergency response plan and

emergency training, if necessary, to reflect the results of this review. Documentation of this *Emergency Response Plan and Training Review* must be provided to the Director. Revisions to the Bakersfield Spill Response Plan must be submitted to the Director, Emergency Support and Security Division, for review and approval in accordance with 49 C.F.R. Part 194.

12. ***CAO Documentation Report (CDR)***. Plains must create and revise, as necessary, a Corrective Action Order Documentation Report (CDR). When Plains has concluded all the items in this Order, the company will submit the final CDR in its entirety to the Director. This will allow the Director to complete a thorough review of all actions taken by Plains according to this Order prior to approving the closure of this Order. The intent is for the CDR to summarize all activities and documentation associated with this Order in one document.
    a. The Director may approve the CDR incrementally without approving the entire CDR.
    b. Once approved by the Director, the CDR will be incorporated by reference into this Order.
    c. The CDR must include but not be limited to:
        i. Table of Contents;
        ii. Summary of the Failure and all response activities;
        iii. Summary of pipe data/properties and all prior assessments of the Affected Pipeline;
        iv. Summary of all tests, inspections, assessments, evaluations, and analysis required by this Order;
        v. Summary of the Mechanical and Metallurgical Testing, as required by this Order;
        vi. Summary of the RCFA with all root causes, as required by this Order;
        vii. Lessons learned while completing this Order;
        viii. A path forward describing specific actions Plains will take on its entire pipeline system as a result of the lessons learned from work on this Order

Other Requirements:

1. ***Reporting.*** Submit monthly reports to the Director that: (1) include all available data and results of the testing and evaluations required by this Order; and (2) describe the progress of the repairs or other remedial actions being undertaken. The first report is due on June 21. The Director may change the interval for the submission of these reports.

2. ***Documentation of Costs.*** It is requested but not required that Plains maintain documentation of the costs associated with implementation of this Order. Include in each monthly report the to-date total costs associated with: (1) preparation and revision of procedures, studies and analyses; (2) physical changes to pipeline infrastructure, including repairs, replacements and other modifications; and (3) environmental remediation, if applicable.

3. ***Approvals.*** With respect to each submission requiring the approval of the Director, the Director may: (a) approve the submission in whole or in part; (b) approve the submission

on specified conditions; (c) modify the submission to cure any deficiencies; (d) disapprove the submission in whole or in part and direct Plains to modify the submission; or (e) any combination of the above. In the event of approval, approval upon conditions, or modification by the Director, Plains must proceed to take all actions required by the submission, as approved or modified by the Director. If the Director disapproves all or any portion of a submission, Plains must correct all deficiencies within the time specified by the Director and resubmit it for approval.

4. ***Extensions of Time.*** The Director may grant an extension of time for compliance with any of the terms of this Order upon a written request timely submitted and demonstrating good cause for an extension.

The actions required by this Corrective Action Order are in addition to and do not waive any requirements that apply to Respondent's pipeline system under 49 C.F.R. Part 195, under any other order issued to Respondent under authority of 49 U.S.C. § 60101, *et seq.*, or under any other provision of Federal or State law. **After receiving and analyzing additional data in the course of this investigation, PHMSA may identify other corrective measures that need to be taken on the Affected Pipeline or Plains' Line 903.**

Respondent may appeal any decision of the Director to the Associate Administrator for Pipeline Safety. Decisions of the Associate Administrator shall be final.

Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b).

Failure to comply with this Order may result in the assessment of civil penalties and in referral to the Attorney General for appropriate relief in United States District Court pursuant to 49 U.S.C. § 60120.

In your correspondence on this matter, please refer to CPF No. 5-2015-5011H and for each document you submit, please provide a copy in electronic format whenever possible.

The terms and conditions of this Corrective Action Order are effective upon receipt.

MAY 2 1 2015

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued

Exhibit 3

U.S. Department
of Transportation

**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue SE
Washington, DC 20590

JUN 0 3 2015

VIA CERTIFIED MAIL AND FAX TO: 713-646-4378

Mr. Troy Valenzuela
Vice President EHS
Plains Pipeline, LP
333 Clay Street, Suite 1600
Houston, TX 77002

Re: CPF No. 5-2015-5011H

Dear Mr. Valenzuela:

Enclosed is Amendment No. 1 to the Corrective Action Order issued in the above-referenced case on May 21, 2015. It requires Plains Pipeline, LP to take additional corrective actions with respect to Line 901 and Line 903 of its pipeline system. Service is being made by certified mail and facsimile. Service of the Amendment to the Corrective Action Order by electronic transmission is deemed complete upon transmission and acknowledgement of receipt, or as otherwise provided under 49 C.F.R. § 190.5. The terms and conditions of this Order are effective upon completion of service.

Thank you for your continued cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Ms. Linda Daugherty, Deputy Associate Administrator for Field Operations, OPS
Mr. Chris Hoidal, Director, Western Region, OPS

U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590

In the Matter of	)	
Plains Pipeline, LP,	)	**CPF No. 5-2015-5011H**
Respondent.	)	

AMENDMENT NO. 1 TO THE CORRECTIVE ACTION ORDER

Purpose and Background:

On May 21, 2015, the Associate Administrator issued a Corrective Action Order (CAO) under the authority of 49 U.S.C. § 60112, to require Plains Pipeline, LP (Plains or Respondent), to take certain corrective actions to protect the public, property, and the environment from potential hazards associated with Line 901 (Affected Pipeline) in Santa Barbara County, California. The CAO was issued in response to a May 19, 2015, failure on the Affected Pipeline that caused the release of approximately 1700 to 2500 barrels of heavy crude oil (Failure). The cause of the Failure has not yet been determined. Pursuant to 49 U.S.C. § 60117, the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), initiated an investigation of the accident.

Additional Preliminary Findings:

- The results of Plains' May 5, 2015 In-Line Inspection (ILI) survey revealed four areas on the Affected Pipeline with pipe anomalies requiring immediate investigation and remediation in accordance with 49 CFR § 195.452(h) or Plains' own criteria for investigation under its integrity management plan. Examination and measurements of three of these areas indicated extensive external corrosion, primarily on the bottom quadrant of the pipe. The deepest metal loss at each area, as measured by Plains non-destructive testing contractors, ranged between 54 and 74% of the original pipe wall thickness. The anomalies were not limited to being near the girth welds, but also occurred at other locations along the length of the pipe. The fourth area to be investigated has not yet been completed.

- The Affected Pipeline is experiencing active external corrosion, as follows:

- Plains has reported to PHMSA that the May 5th ILI survey revealed metal loss of approximately 45% of the original wall thickness in the area of the pipe that failed on May 19.
- PHMSA inspectors noted general external corrosion of the pipe body during field examination of the failed pipe segment.
- The rupture characteristics at the Failure site indicate a longitudinally oriented opening approximately 6 inches in length and located in the bottom quadrant of the pipe. Third-party metallurgists in the field estimated that corrosion at the Failure site had degraded the wall thickness to an estimated 1/16 of an inch (.0625"). This thinning of the pipe wall is greater than the 45% metal loss which was indicated by the recent ILI survey.
- PHMSA inspectors observed three repairs to the Affected Pipeline in the area near the Failure site that had been made due to external corrosion. These repairs were made after the 2012 ILI survey.

- Plains uses an impressed current cathodic protection (CP) system to protect the Affected Pipeline from external corrosion. After the Failure, PHMSA inspectors witnessed Plains measuring CP levels near the Failure site and at the three anomaly digs that were completed after May 22. The CP levels appeared to be adequate according to 49 CFR § 195.571. External corrosion with CP at this level would not be expected.

- Plains' Line 903 is a 30-inch diameter pipeline which transports crude oil 128 miles from the Gaviota Pump Station in Santa Barbara County to the Emidio Pump Station in Kern County, California.

- Plains has informed PHMSA that Line 903 has insulation and shrink wrap sleeves on the girth welds, similar to the Affected Pipeline.

- Line 903 was completely surveyed by ILI during 2013 and 2014. These ILI results revealed:
  - The 38-mile segment of Line 903 between Gaviota Station and Sisquoc Station was inspected on April 29, 2013, and the report was provided to Plains in June 2013. The ILI vendor reported that this segment had 99 metal loss anomalies requiring investigation.
  - The 75-mile segment of Line 903 between Sisquoc Station and Pentland Station was inspected on June 12, 2013. The report was provided to Plains in August 2013, and a corrected report was provided in September 2013. This segment had no anomalies requiring investigation. However, the ILI vendor reported there were a number of metal loss anomalies that may indicate general corrosion.
  - The 15-mile segment of Line 903 between Pentland Station and Emidio Station was inspected on February 19, 2014, and the report was provided to Plains in May 2014. This segment had no anomalies requiring immediate investigation. However, based on the ILI vendor report, this segment had two girth weld anomalies requiring investigation.
  - The data collected by the ILI surveys for the different segments of Line 903 appear to be inconsistent, requiring immediate review and analysis.

- Plains voluntarily shut down Line 903 on May 19, restarted the line on May 29, and shut the line back down on May 30. Line 903 is currently shut down.

Determination of Necessity for Amendment to the Corrective Action Order and Right to Hearing:

Section 60112 of Title 49, United States Code, provides for the issuance of a Corrective Action Order, after reasonable notice and the opportunity for a hearing, requiring corrective action, which may include the suspended or restricted use of a pipeline facility, physical inspection, testing, repair, replacement, or other action, as appropriate. The basis for making the determination that a pipeline facility is or would be hazardous, requiring corrective action, is set forth both in the above-referenced statute and 49 C.F.R. § 190.233, a copy of which is enclosed.

Section 60112 and the regulations promulgated thereunder provide for the issuance of a Corrective Action Order, without prior notice and opportunity for hearing, upon a finding that failure to issue the Order expeditiously would result in the likelihood of serious harm to life, property, or the environment. In such cases, an opportunity for a hearing and expedited review will be provided as soon as practicable after the issuance of the Order.

After evaluating the preliminary findings in the CAO and the foregoing additional preliminary findings of fact, I find that continued operation of Line 901 and Line 903 without corrective measures is or would be hazardous to life, property, or the environment. Additionally, having considered the uncertainties as to the cause of the Failure, the location of the Failure, the similarities between the characteristics of the Affected Pipeline and Line 903, the material being transported, and the proximity of the pipelines to the Pacific Ocean and environmentally sensitive areas, I find that a failure to issue this Order expeditiously to require immediate corrective action would result in the likelihood of serious harm to life, property, or the environment.

Accordingly, this Amendment to the Corrective Action Order mandating immediate corrective action is issued without prior notice and opportunity for a hearing. The terms and conditions of this Order are effective upon receipt.

The actions required by this Amendment No. 1 to the Corrective Action Order are in addition to the requirements that apply to Respondent's Affected Pipeline under the CAO issued on May 21, 2015.

Within 10 days of receipt of this Amendment, Respondent may contest its issuance and obtain expedited review either by answering in writing or requesting a hearing under 49 C.F.R. § 190.211, to be held as soon as practicable under the terms of such regulation, by notifying the Associate Administrator for Pipeline Safety in writing, with a copy to the Director, Western Region, OPS (Director). If Respondent requests a hearing, it will be held telephonically or in-person in Lakewood, Colorado, or Washington, D.C.

After receiving and analyzing additional data in the course of this investigation, PHMSA may identify other corrective measures that need to be taken on the Affected Pipeline or Plains' Line 903. In that event, PHMSA will notify Respondent of any additional measures that are required

and another Amendment Order will be issued, if necessary. To the extent consistent with safety, Respondent will be afforded notice and an opportunity for a hearing prior to the imposition of any additional corrective measures.

Required Corrective Actions:

Pursuant to 49 U.S.C. § 60112, I hereby order Plains to immediately take the following corrective actions:

With respect to the Affected Pipeline (Line 901):

1. *Paragraph 3(c)(vi) of the Required Corrective Actions of the CAO is amended, in its entirety, as follows:* List and describe (type, size, wall loss, etc.) the specific location of all ILI features identified by the May 5, 2015 ILI survey elsewhere on the Affected Pipeline that require investigation according to 49 CFR § 195.452(h) or the criteria for investigation under Plains' own integrity management plan, whichever is more stringent. All ILI features and anomalies that satisfy the criteria in either 49 CFR § 195.452(h) or the criteria for investigation under Plains' integrity management plan must be investigated and remediated. Provide the Director with a report detailing the results of the investigations and remediations that have been completed, and a proposed schedule for the remaining investigations.
2. ***Non-destructive testing.*** Plains must use a third-party, American Society of Non-Destructive Testing (ASNT) Level III certified, non-destructive testing field contractor to complete a non-destructive testing analysis at the specific location of each ILI feature or anomaly that requires investigation according to 49 CFR § 195.452(h) or the criteria for investigation under Plains' own integrity management plan, whichever is more stringent. If the ILI feature or anomaly is identified as being located at a girth weld with shrink sleeves, the contractor must perform a magnetic particle inspection, or other appropriate technology, of the weld area to check for stress corrosion cracking (SCC). Provide the Director with five business days' notice of the excavation of each pipe section requiring investigation. A summary of the investigations, test results, and remediations must be included in the monthly report required by Item 12 of the CAO, and the test records must be made available for inspection by PHMSA.

With respect to Line 903:

3. ***Pressure Restriction.*** The operating pressure of Line 903 must not exceed eighty percent (80%) of the highest pressure sustained for a continuous 8 hour period between April 19, 2015, and May 19, 2015. This pressure restriction must remain in effect until the Director provides written approval to resume normal operation of Line 903.
4. ***Review of Line 903.*** Within 60 days of receipt of this Amendment, Plains must review Line 903 and address any findings that require remedial measures. This review must include:

    a. All construction, operating and maintenance (O&M) and integrity management records, such as hydrostatic tests, root cause failure analysis of prior failures, aerial and ground patrols, corrosion protection, One Call tickets, excavations and exposed pipe records, and pipe replacements;

b. Identification of all areas of Line 903 that have insulated pipe and girth welds with shrink wrap sleeves;

c. List and describe (type, size, wall loss, etc.) the specific location of all ILI features identified by the most recent ILI survey that require investigation according to 49 CFR § 195.452(h) or the criteria for investigation under Plains' own integrity management plan, whichever is more stringent. All ILI features and anomalies that satisfy the criteria in either § 195.452(h) or the criteria for investigation under Plains' integrity management plan must be investigated and remediated. Provide the Director with a report detailing the results of the investigations and remediations that have been completed, and a proposed schedule for the remaining anomalies.

5. ***ILI Data for Line 903.*** Plains must provide the following documentation of previous ILI surveys on Line 903 to the Director within 15 days of receipt of this Amendment:

   i. List all ILI tool runs, tool types, and the calendar years of the tool runs conducted on Line 903 over the past 10 calendar years.

   ii. Provide all ILI data from surveys of Line 903 over the past 10 calendar years to the Director for review by PHMSA's 3rd party ILI data analyst.

6. ***Non-destructive testing.*** Plains must use a third-party, American Society of Non-Destructive Testing (ASNT) Level III certified, non-destructive testing field contractor to complete a non-destructive testing analysis at the specific location of each ILI feature or anomaly on Line 903 identified in Item 4(c) above. If the ILI feature or anomaly is identified to be at a girth weld with shrink sleeves, the contractor must perform a magnetic particle inspection, or other appropriate technology, of the weld area to check for stress corrosion cracking (SCC). Provide the Director with five business days' notice of the excavation of each pipe section requiring investigation. A summary of the investigations, test results, and remediations must be included in the monthly report required by Item 12 of the CAO, and the test records must be made available for inspection by PHMSA.

With respect to both the Affected Pipeline and Line 903:

7. ***Enhanced preventive and mitigative measures.*** Plains must take additional preventive and mitigative measures on the Affected Pipeline and Line 903 while each pipeline is subject to a pressure restriction under the CAO or this Amendment. These measures must include, but are not limited to:

   a. Patrol inspections of surface conditions of the pipeline right-of-way at intervals not exceeding one week;

   b. Daily inspections of pump stations to identify leaks and abnormal conditions;

   c. Establishment of pump pressure set points and use of pressure limiting devices to match the required pressure reduction;

   d. Training of Plains field personnel regarding awareness of abnormal operating conditions that may result from the pressure reduction on the pipeline.

   e. Plains must maintain all documentation related to the pressure restriction and preventive and mitigative measures, including all inspections, training documents, and management of change (MOC) records.

8. ***CAO Documentation Report:*** The Corrective Action Order Documentation Report required under Item 12 of the CAO must include a summary of all inspections, assessments, evaluations, and analysis required by this Amendment No. 1 to the CAO.

The actions required by this Amendment No. 1 to the Corrective Action Order are in addition to and do not waive any requirements that apply to Respondent's pipeline system under the CAO, 49 C.F.R. Part 195, under any other order issued to Respondent under authority of 49 U.S.C. § 60101, *et seq.*, or under any other provision of Federal or State law.

Respondent may appeal any decision of the Director to the Associate Administrator for Pipeline Safety. Decisions of the Associate Administrator shall be final.

Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b).

Failure to comply with this Order may result in the assessment of civil penalties and in referral to the Attorney General for appropriate relief in United States District Court pursuant to 49 U.S.C. § 60120.

In your correspondence on this matter, please refer to CPF No. 5-2015-5011H and for each document you submit, please provide a copy in electronic format whenever possible.

The terms and conditions of this Amendment No. 1 to the Corrective Action Order are effective upon receipt.

June 3, 2015

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued

Exhibit 4

U.S. Department of Transportation
Pipeline and Hazardous Materials
Safety Administration

1200 New Jersey Ave, S.E.
Washington, D.C. 20590

NOV 12 2015

VIA CERTIFIED MAIL AND FAX TO: 713-646-4378

Mr. Troy Valenzuela
Vice President EHS
Plains Pipeline, LP
333 Clay Street, Suite 1600
Houston, TX 77002

Re: CPF No. 5-2015-5011H

Dear Mr. Valenzuela:

Enclosed is Amendment No. 2 to the Corrective Action Order issued in the above-referenced case on May 21, 2015. It requires Plains Pipeline, LP, to take additional corrective actions with respect to Line 903 of its pipeline system. Service is being made by certified mail and facsimile. Service of the Amendment to the Corrective Action Order by electronic transmission is deemed complete upon transmission and acknowledgement of receipt, or as otherwise provided under 49 C.F.R. § 190.5. The terms and conditions of this Order are effective upon completion of service.

Thank you for your continued cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Ms. Linda Daugherty, Deputy Associate Administrator for Field Operations, OPS
Director, Western Region, OPS

U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590

In the Matter of	)	
Plains Pipeline, LP,	)	**CPF No. 5-2015-5011H**
Respondent.	)	

AMENDMENT NO. 2 TO THE CORRECTIVE ACTION ORDER

Purpose and Background:

On May 21, 2015, the Associate Administrator issued a Corrective Action Order (CAO) under the authority of 49 U.S.C. Section 60112 to require Plains Pipeline, L.P. (Plains or Respondent), to take certain corrective actions to protect the public, property, and the environment from potential hazards associated with Line 901 (Affected Pipeline) in Santa Barbara County, California. The CAO was issued in response to a May 19, 2015 failure on the Affected Pipeline that caused a release of approximately 2500 barrels of heavy crude oil (Failure). On June 3, 2015, the Associate Administrator issued Amendment No. 1 to the CAO, which requires Plains to take certain additional corrective actions on Line 901 and Line 903. Pursuant to 49 U.S.C. § 60117, the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), initiated an investigation of the accident.

Additional Findings:

- Line 903 is a 30-inch diameter pipeline approximately 129.5 miles in length and is composed of three segments: Gaviota Station to Sisquoc Station (38.5 miles long); Sisquoc Pump Station to Pentland Station (76.1 miles long); and Pentland Station to Emidio Station (14.9 miles long). Line 903 crosses Santa Barbara County, San Luis Obispo County, and Kern County, California. Amendment No. 1 requires that the operating pressure of Line 903 not exceed eighty percent (80%) of the highest pressure sustained for a continuous 8-hour period between April 19, 2015, and May 19, 2015. The Pentland to Emidio segment is currently operating intermittently at low pressures in accordance with requirements of Amendment No. 1. The remaining portions of Line 903 are currently idled but are still full of crude oil.

- PHMSA's independent review of in-line inspection (ILI) tool surveys for Line 901 and 903 over the past 10 years found that anomalies were "under-called" in areas of general corrosion. Direct field examination and measurements of the anomalies revealed that the actual length and width of the anomalies were greater than the measurements predicted by the ILI tool. Specifically, on Line 901, direct measurement of the metal loss anomaly at the failure site and other anomalies excavated in 2015 showed that these anomalies were generally more significant than the ILI results indicated they would be.

- Common practice in the pipeline industry is to provide the ILI vendor with field data from direct investigation of anomalies to validate the ILI tool's detection capabilities and limitations, the accuracy with which it can locate and size anomalies, and the confidence associated with the tool's measurements. After excavating, investigating, characterizing, and measuring anomalies from the results of various ILI surveys, Plains did not share its actual field findings with the ILI vendor so that it could enhance its interpretation of the ILI data.

- PHMSA's independent review of ILI surveys from the past 10 years show that Line 903, particularly the Gaviota to Sisquoc segment, has similar corrosion characteristics as Line 901 and a number of the anomalies had characteristics consistent with the failure site. Specifically, Line 903 has both localized and larger or "general" areas of external corrosion.

- Freeport-McMoRan Oil & Gas (Freeport) operates a 37-mile pipeline system from its Hidalgo, Hermosa and Harvest offshore platforms in the Point Arguello Offshore Field that feeds into Plains' Line 903 at Gaviota Station. Freeport shut down this pipeline system on May 30, 2015, because Line 903 had ceased operation on May 28, 2015.

- Line 903 between Gaviota and Pentland Station is currently filled with raw, unprocessed crude oil from Freeport's offshore platforms. This unprocessed crude may contain water, natural gas, and other impurities that contribute to internal corrosion. According to Freeport, the biocide and rust inhibitor in this crude oil will begin to lose effectiveness around November 2015, adding to the risk of accelerated internal corrosion on Line 903.

- Due to the number of corrosion-caused anomalies identified on Line 903 in past ILI surveys, particularly on the Gaviota to Sisquoc segment, it does not appear that Plains has an effective corrosion control program and the pipe can be expected to have degraded (lost metal due to corrosion) since the last ILI survey. Furthermore, leaving crude oil in Line 903 is likely to result in an increased potential for internal corrosion as the inhibitor loses its effectiveness. The crude oil in Line 903 needs to be removed from the pipeline and the line purged with an inert gas in order to prevent further degradation of the pipeline, and eliminate the potential harm it poses from an unintended release.

- Stress corrosion cracking (SCC) or environmentally-assisted cracking can be induced on a pipeline from the combined influence of tensile stress and a corrosive medium. As noted in PHMSA's Advisory Bulletin ADB-03-05 (issued October 7, 2003), SCC is

commonly associated with disbonded coatings. Disbonded coatings may prevent the cathodic protection current used for corrosion control from reaching the pipe surface and allow an SCC-susceptible environment to form between the pipe and coating. Tape coatings and shrink wrap sleeves are both coatings susceptible to disbondment and may lead to corrosion and possibly environmentally assisted cracking or SCC. Line 903 has shrink wrap sleeves on the girth welds, which could contribute to SCC.

Determination of Necessity for Amendment to the Corrective Action Order and Right to Hearing:

Section 60112 of Title 49, United States Code, provides for the issuance of a Corrective Action Order, after reasonable notice and the opportunity for a hearing, requiring corrective action, which may include the suspended or restricted use of a pipeline facility, physical inspection, testing, repair, replacement, or other action, as appropriate. The basis for making the determination that a pipeline facility is or would be hazardous, requiring corrective action, is set forth both in the above-referenced statute and 49 C.F.R. § 190.233, a copy of which is enclosed.

Section 60112 and the regulations promulgated thereunder provide for the issuance of a Corrective Action Order, without prior notice and opportunity for hearing, upon a finding that failure to issue the Order expeditiously would result in the likelihood of serious harm to life, property, or the environment. In such cases, an opportunity for a hearing and expedited review will be provided as soon as practicable after the issuance of the Order.

After evaluating the preliminary findings in the CAO and Amendment No. 1 and the foregoing additional preliminary findings of fact, I find that continued operation of Line 901 and Line 903 without corrective measures is or would be hazardous to life, property, or the environment. Additionally, having considered the uncertainties as to the cause of the Failure, the location of the Failure, the similarities between the characteristics of the Affected Pipeline and Line 903, the material being transported, and the proximity of the pipelines to the Pacific Ocean and environmentally sensitive areas, I find that a failure to issue this Order expeditiously to require immediate corrective action would result in the likelihood of serious harm to life, property, or the environment.

Accordingly, this Amendment to the Corrective Action Order mandating immediate corrective action is issued without prior notice and opportunity for a hearing. The terms and conditions of this Order are effective upon receipt.

The actions required by this Amendment No. 2 to the Corrective Action Order are in addition to the requirements that apply to Respondent's Affected Pipeline under the CAO issued on May 21, 2015, and Amendment No. 1 issued on June 3, 2015.

Within 10 days of receipt of this Amendment, Respondent may contest its issuance and obtain expedited review either by answering in writing or requesting a hearing under 49 C.F.R. § 190.211, to be held as soon as practicable under the terms of such regulation, by notifying the Associate Administrator for Pipeline Safety in writing, with a copy to the Director, Western

Region, OPS (Director). If Respondent requests a hearing, it will be held telephonically or in-person in Lakewood, Colorado, or Washington, D.C.

After receiving and analyzing additional data in the course of this investigation, PHMSA may identify other corrective measures that need to be taken on the Affected Pipeline or Plains' Line 903. In that event, PHMSA will notify Respondent of any additional measures that are required and another Amendment Order will be issued, if necessary. To the extent consistent with safety, Respondent will be afforded notice and an opportunity for a hearing prior to the imposition of any additional corrective measures.

Required Corrective Actions:

Pursuant to 49 U.S.C. § 60112, I hereby order Plains to immediately take the following corrective actions with respect to Line 903:

1. **Empty and Purge Line 903:** Plains must empty and purge Line 903 between Gaviota and Pentland Stations and fill it with an inert gas.
    a. Plains must submit a purge plan to the Director for review and approval within 15 days after receipt of this Order and prior to initiating purge activities.
    b. The purge plan must include the following:
        i. Identification and remediation of any anomalies with characteristics similar to the Line 901 failure location. During the investigation of each anomaly location, Plains must collect all appropriate data regarding the anomaly depth, length, width, and physical characteristics, including sampling of any corrosion by-products of any anomaly excavated.
        ii. Plains must provide the vendor who performed previous ILI tool runs and analysis from 2012 to the present with the field measured data and request that the ILI vendor use the field data to re-evaluate the ILI results in order to identify any additional anomalies that must be remediated per § 195.452(h) or that have characteristics similar to the Line 901 failure location. Plains must provide a list of additional identified anomalies to the Director prior to commencing the purge.
        iii. A step-by-step plan of how the purge will be executed, including operating pressures and implementation schedule.
        iv. A list of enhanced preventive and mitigative measures that Plains will implement to monitor the pipeline during the purge activity, including, but not limited to, increased patrols of the pipeline right-of-way with attention to nearby drainages, culverts, and highly populated areas, pressure monitoring, and emergency response personnel's ability to respond in a reasonable timeframe.
        v. Purging operations must commence during early daylight hours.
        vi. Training of personnel on the local operation of Line 903 during the purge, including coordination of the Midland Control Room and training of personnel on emergency response procedures.

c. Plains must notify the Director and local and state responders 5 business days prior to commencing the purging operations.

2. **Shutdown:** After purging Line 903, Plains must not operate Line 903 between Gaviota and Pentland stations until authorized to do so by the Director. The Pentland to Emidio segment of Line 903 may continue to operate under the 80% pressure restriction requirement of Amendment No. 1.

3. Plains must provide the Director with 5 business days' notice prior to commencing any investigation and remediation of anomalies (i.e., digs and repairs) and ILI tool runs.

4. Plains must use a third-party American Society of Non-Destructive Testing (ASNT) Level III certified contractor to complete a non-destructive testing analysis at the specific location of each ILI feature or anomaly that requires investigation and remediation under the requirements of the CAO, Amendment No. 1, and this Amendment No. 2. If the ILI feature or anomaly is at a girth weld with shrink sleeves, the contractor must perform a magnetic particle inspection of the weld area or use other appropriate technology to check for stress corrosion cracking (SCC).

5. The Corrective Action Order Documentation Report required by Item 12 of the CAO must include a summary of all inspections, assessments, evaluations, and analysis required by this Amendment No. 2 to the CAO.

The actions required by this Amendment No. 2 to the Corrective Action Order are in addition to and do not waive any requirements that apply to Respondent's pipeline system under the CAO, 49 C.F.R. Part 195, under any other order issued to Respondent under authority of 49 U.S.C. § 60101, *et seq.*, or under any other provision of Federal or State law.

Respondent may appeal any decision of the Director to the Associate Administrator for Pipeline Safety. Decisions of the Associate Administrator shall be final.

Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b).

Failure to comply with this Order may result in the assessment of civil penalties and in referral to the Attorney General for appropriate relief in United States District Court pursuant to 49 U.S.C. § 60120.

In your correspondence on this matter, please refer to CPF No. 5-2015-5011H and for each document you submit, please provide a copy in electronic format whenever possible.

The terms and conditions of this Amendment No. 2 to the Corrective Action Order are effective upon receipt.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

NOV 12 2015
Date Issued

Exhibit 4

REVISED NOTICE OF PREPARATION
SCH #2019029067

TO: State Clearinghouse
Governor's Office of Planning and Research
1400 Tenth Street
Sacramento, CA 95812

FROM: Jacquelynn Ybarra, Planner
Santa Barbara County
Planning & Development
123 East Anapamu Street
Santa Barbara, CA 93101

SUBJECT: Revised Notice of Preparation of a Draft Environmental Impact Report / Environmental Impact Assessment

PROJECT NAME: Plains Replacement Pipeline Project

PROJECT LOCATION: Gaviota Coast inland to the Sisquoc Pump Station, through San Luis Obispo County in Cuyama to the Plains Pentland Pump Station in Kern County

PROJECT CASE NOs: 17DVP-00000-00010, 17CUP-00000-00027, 17DRP-00000-00002 and 17CDP- 00000-00060

PROJECT APPLICANT: Plains Pipeline, L.P. (Plains)

Santa Barbara County (SB County) has revised the attached Notice of Preparation (NOP) to reflect changes to the draft Environmental Impact Report (EIR) for the proposed Plains Replacement Pipeline Project (Project), including: 1) a change from preparing an EIR to preparing a joint Environmental Impact Report/Environmental Impact Assessment (EIR/EIS) in conjunction with the Bureau of Land Management (BLM); 2) a change in the baseline conditions used for the draft EIR/EIS from the baseline conditions described in the original EIR Notice of Preparation (NOP) dated February 14, 2019; and 3) inclusion of minor revisions to the proposed Project description based on Applicant-proposed changes submitted to SB County in April 2020.

For convenience to the reader, revisions to the NOP are indicated by striking text for deletion (~~example~~) and underlined text for additions (example). A summary of the changes is described below.

Joint EIR/EIS

SB County and the BLM are currently processing applications for the proposed Project that require preparation of an EIR under the California Environmental Quality Act (CEQA) and an EIS under the National Environmental Policy Act (NEPA).

As the CEQA and NEPA Lead Agencies, SB County and the BLM originally sought to prepare stand-alone environmental documents (an EIR and an EIS, respectively) to use when considering approval of the proposed Project. Preparation of separate NEPA and CEQA documents had originally been decided due to preparation time limits and document length limitations of NEPA EISs prescribed under the 2017

Executive Order 13807, as implemented by the United States Department of the Interior under Secretarial Order 3355.

Santa Barbara County circulated an NOP of a Draft EIR on February 14, 2019 to provide information about the Project and obtain agency views on the scope and content of the document's environmental information. The NOP was circulated for 30 days, and two subsequent scoping meetings were held on February 27, 2019 and February 28, 2019 in Santa Barbara and Arroyo Grande, California, respectively. The NOP and comments received in response were used to direct the scope of the analysis and the technical studies in the EIR.

The BLM published a Notice of Intent (NOI) of a Draft EIS in the Federal Register (Volume 84, No. 86) on May 3, 2019. The NOI formally opened the public comment period under NEPA and initiated a 30-day public scoping period for the EIS, provided information about the Project, and served as an invitation to provide comments on the scope and content of the EIS. The scoping input was used to formulate the issues addressed in the planning process of the EIS.

In 2021, the previous 2017 federal orders were rescinded by the Biden Administration under Executive Order 13990 and Secretarial Order 3398. Because of this, SB County and the BLM decided to prepare a joint EIR/EIS for the Project for clearer communication to the public based upon the White House Council on Environmental Quality (CEQ), and the California Governor's Office of Planning and Research (OPRs) joint guidance on how to best integrate federal and state environmental reviews. Existing efforts on the Draft EIR and Draft EIS were combined in February of 2022 to prepare a joint document.

Responsible Agencies, Trustee Agencies, Cooperating Agencies, and other public agencies that have a role in approving or implementing the proposed Project may also need to consider the EIR/EIS when issuing approvals.

Baseline Revisions

At the time the 2019 NOP was released, the baseline for the proposed Project was determined to be the average of the last three (3) full years of pipeline operations prior to the May 19, 2015 Refugio oil spill (2012 – 2014). Determination of the operational baseline was based on SB County's understanding at the time that no additional permits or approvals from SB County decision makers were needed in order to restart the existing Line 901 and 903 pipeline system.

Since releasing the draft NOP, and in preparing the Draft EIR/EIS, SB County confirmed with the California State Fire Marshal and the Pipeline and Hazardous Materials Safety Administration (PHMSA) that restarting the existing Line 901 and 903 pipeline system would require a State Waiver from the Fire Marshal and a Special Permit from PHMSA, as Plains cannot meet the current cathodic protection requirements outlined in PHMSA's Corrective Action Orders (CAOs) due to deficiencies in the existing pipeline coating. Further, if Plains were to pursue restart of the existing lines, they would be required to retrofit Line 901-903 using best available technologies pursuant to State Assembly Bill AB 864 prior to restart approval from the State Fire Marshal and PHMSA. This required retrofit work has not yet been completed at the time of release of this Revised NOP.

Retrofits to the existing line (e.g installation of additional valves) would require discretionary action from SB County, via an amendment to the approved Development Plan No. 85-DP-66cz. The work requested under this amendment application (case number 21AMD-00000-00009 amending 85-DP-66cz) is considered outside of regular maintenance and repair activities. Because discretionary actions to permit

restart activities are needed from the California State Fire Marshal, PHMSA, and SB County, the baseline conditions evaluated in the Draft EIR/EIS were changed to the conditions that existed on the ground at the time the 2019 NOP and NOIs were released, which is, and continues to be, a non-operational pipeline.

Project Description Changes

Minor revisions to the project description were made based on the following Applicant-proposed changes submitted to SB County in April 2020: 1) the addition of an extra pump station in the Cuyama Valley region of San Luis Obispo County identified as West Cuyama; 2) a change in the number of pipeline control valves from 40 to 52; 3) a reduction of the proposed expansion of the Sisquoc Pump Station; and 4) a change in the Applicant point-of-contact information. In addition, the zoning information for pipeline locations crossing parcels within Kern County have been corrected in the Revised NOP.

Conclusion

The NOP has been revised to include additional information for the preparation of a joint EIR/EIS, including additional scope of analysis for issue areas under NEPA, baseline description changes, and project description changes. The information set forth in the attached Revised NOP are being included in the Draft EIR/EIS. Revisions to the NOP are indicated by striking text for deletion (~~example~~) and underlined text for additions (example). The current project information and application materials remain maintained on SB County's website at:

http://sbcountyplanning.org/energy/projects/PlainsPipeline.asp.

Questions regarding this Revised NOP should be directed to Jacquelynn Ybarra, County of Santa Barbara Planning and Development Department, Energy, Minerals and Compliance Division, 123 E. Anapamu Street, Santa Barbara, CA 93101, via email at jybarra@countyofsb.org or telephone at (805) 568-5066.

Sincerely,

April 26, 2022

Jacquelynn Ybarra, Planner III
County of Santa Barbara
Planning and Development
E: jybarra@countyofsb.org
P: 805-568-5066

cc: Clerk of the Board (please post for 30 days)

Encl: Revised Notice of Preparation SCH #2019029067

REVISED NOTICE OF PREPARTION

SCH #2019029067

PROJECT OVERVIEW AND SCOPE OF ANALYSIS

A. APPLICANT

Mr. Steve Greig
~~Ms. Heather Tuggle~~
Plains Pipeline, L.P. (Plains)
333 Clay Street #1600
Houston, TX 77002

B. LOCATION

Plains Pipeline, L.P. is proposing to replace the existing, and currently shut-in, 123.4-mile Line 901 and 901 pipeline system. The existing Plains Line 901, a 10.9-mile, insulated twenty-four inch diameter steel pipeline currently extends from the Plains Las Flores Pump Station (within ExxonMobil's Las Flores Canyon facility) north of Highway 101 along the Gaviota Coast into the Gaviota Pump Station. Line 903, a 113.5-mile, insulated thirty-inch diameter, steel pipeline, exits the Gaviota Pump Station, crosses under Highway 101 into Gaviota State Park and parallels Highway 101 as it heads inland. Line 903 crosses underneath Highway 101 just north of its intersection with State Route 154, south of Los Alamos, and continues north through the southern portion of the State Designated Cat Canon Oil Field and underneath the Sisquoc River to the Sisquoc Pump Station. Once Line 903 reached the Sisquoc Pump Station it heads eastward along the SB County and SLO County boundary to the Pentland Delivery Point in Kern County. Although the existing pipeline alignment currently traverses through the City of Buellton, the proposed pipeline would be relocated outside the existing alignment just outside Buellton City limits. Additionally, the proposed alignment would deviate from the existing alignment for a small portion along the Gaviota Coast to avoid sensitive resources.

The proposed pipeline would traverse approximately 260 different parcels (155 in SB County) which range in size from just less than 1-acre to over 3,400-acres and are zoned AG-I (Agriculture), AG-II (Agriculture), REC (Recreation), M-CR (Coastal Related Industry), M-CD (Coastal Dependent Industry), RMZ (Resource Management) within Santa Barbara (SB) County, AG (Agriculture) and RL (Rural Lands) within San Luis Obispo (SLO) County, and A (Exclusive Agriculture), A FPS (Exclusive Agriculture, Floodplain Secondary Combining), A-1 (Limited Agriculture), and E (20) RS (Estate (minimum 20 acre) Residential Suburban Combining) within Kern County. The existing and proposed replacement pipelines also cross California Department of Fish and Wildlife's Carrizo Plains Ecological Reserve as well as Federal lands, including Los Padres National Forest, the Carrizo Plain National Monument and the Bitter Creek Wildlife Refuge. No change in existing land use designation and/or zone district is proposed as part of the Project. Figure 1 shows the proposed alignment within SB, SLO and Kern Counties, as well as State and Federal lands.

Figure 1. Project Vicinity Map

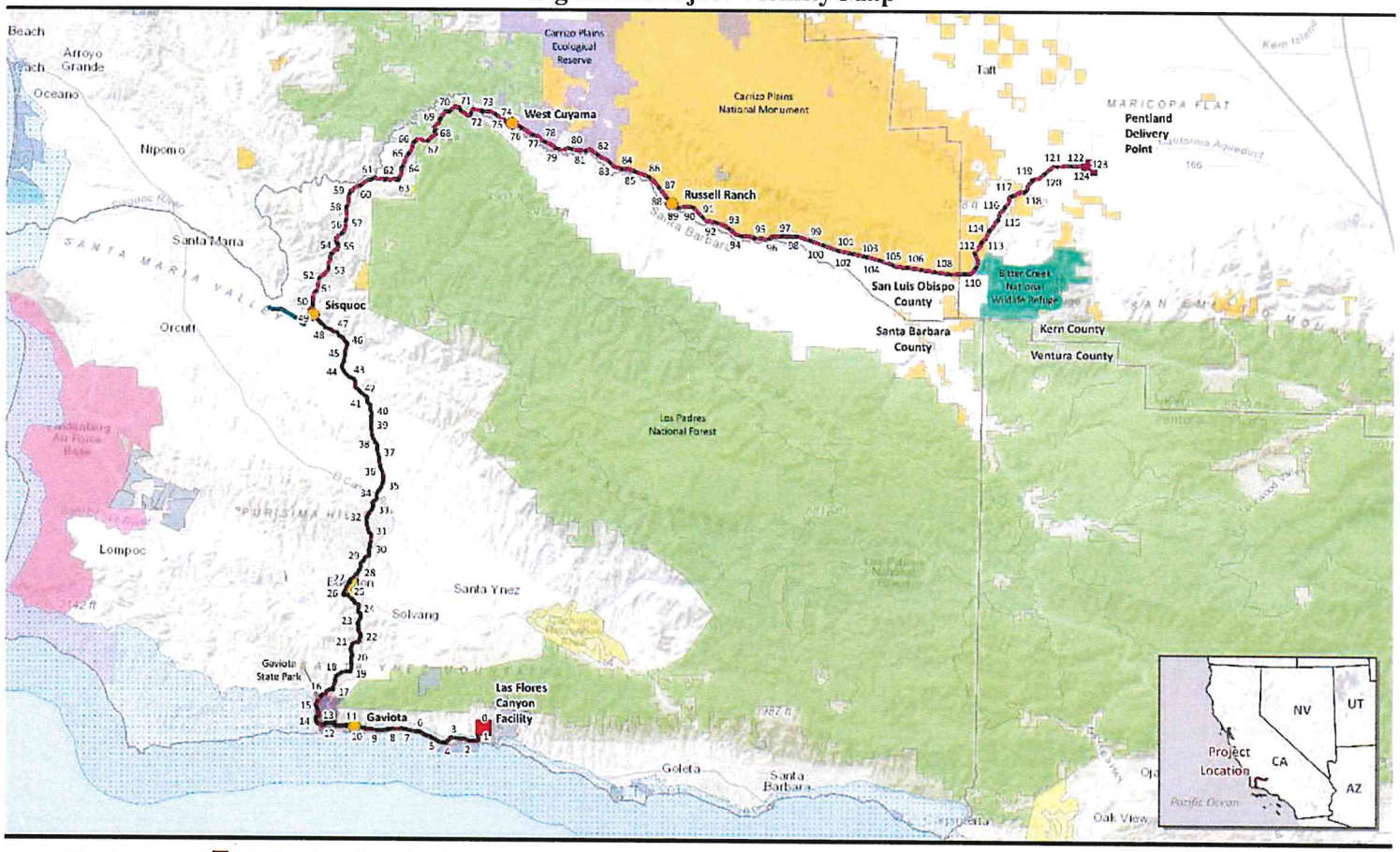
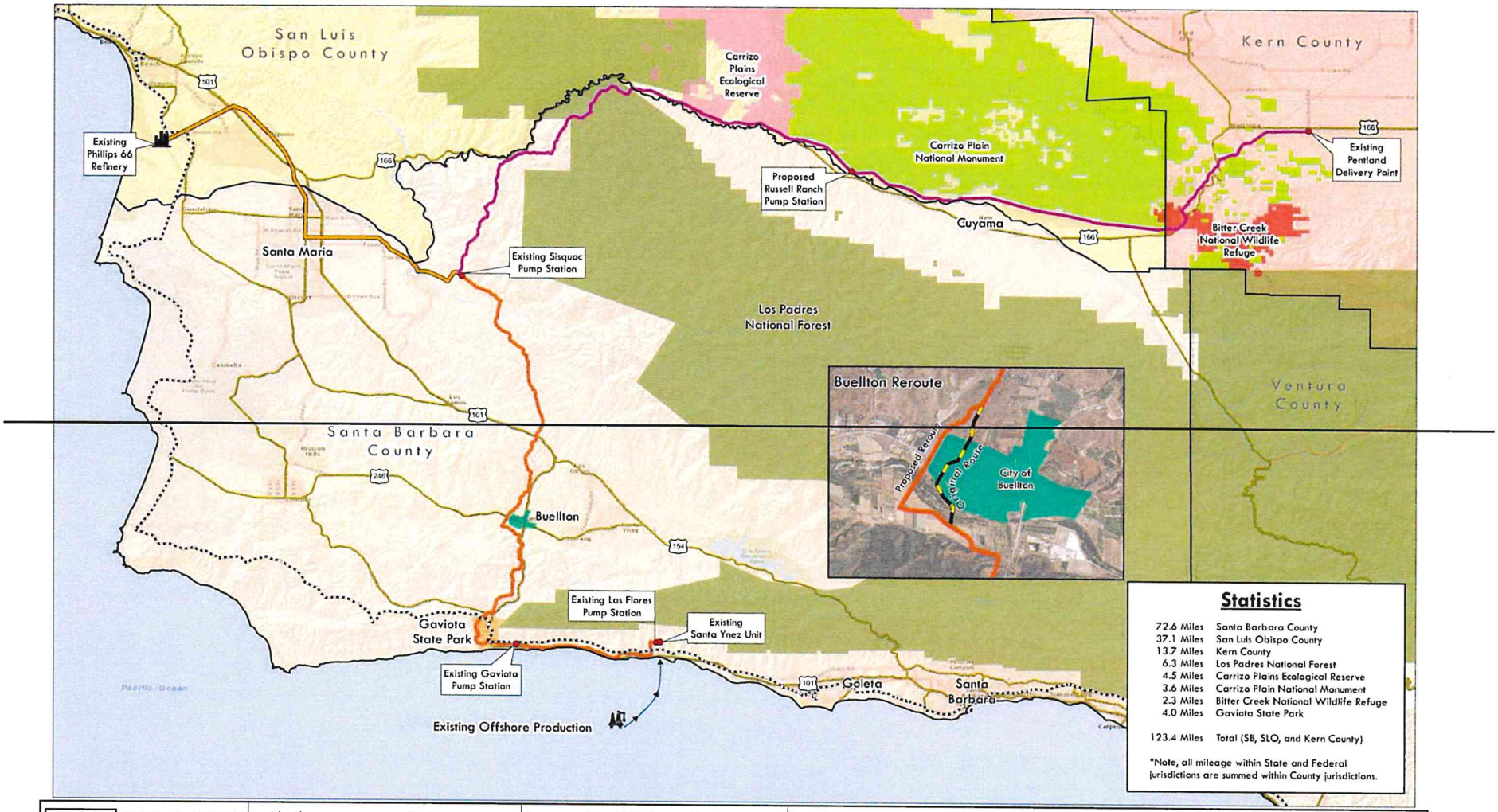


Figure 2-1
Project Overview

Plains Replacement Pipeline Project
Santa Barbara, San Luis Obispo, and Kern Counties, CA


San Luis Obispo County
Kern County
Santa Barbara County
Ventura County
Carrizo Plains Ecological Reserve
Carrizo Plain National Monument
Existing Phillips 66 Refinery
Proposed Russell Ranch Pump Station
Existing Pentland Delivery Point
Cuyama
Bitter Creek National Wildlife Refuge
Santa Maria
Existing Sisquoc Pump Station
Los Padres National Forest
Buellton Reroute
Proposed Reroute
Original Route
City of Buellton
Buellton
Existing Las Flores Pump Station
Existing Santa Ynez Unit
Gaviota State Park
Existing Gaviota Pump Station
Goleta
Santa Barbara
Existing Offshore Production
Pacific Ocean
Statistics
72.6 Miles Santa Barbara County
37.1 Miles San Luis Obispo County
13.7 Miles Kern County
6.3 Miles Los Padres National Forest
4.5 Miles Carrizo Plains Ecological Reserve
3.6 Miles Carrizo Plain National Monument
2.3 Miles Bitter Creek National Wildlife Refuge
4.0 Miles Gaviota State Park
123.4 Miles Total (SB, SLO, and Kern County)
*Note, all mileage within State and Federal jurisdictions are summed within County jurisdictions.
PLAINS PIPELINE, L.P.
SCS ENGINEERS
North
Scale
0 2.5 5 10 Miles
Prepared by SCS Tracer Environmental
Revision 1, August 15, 2017
Source: GCS, NAD 83
Santa Barbara County, California
Legend
Line 901R - Las Flores to Sisquoc
Line 903R - Sisquoc to Pentland
City of Buellton
Gaviota State Park
Carrizo Plains Ecological Reserve
Bitter Creek National Wildlife Refuge
Forest Service Administrative Boundary
BLM National Monument
Existing Phillips 66 Pipeline
Coastal Zone Boundary
County Boundary

C. REQUEST/DESCRIPTION

Overview of the Project

Plains is proposing to replace the existing Line 901 and 903 pipeline system with a smaller diameter and smaller capacity un-insulated steel pipeline, herein after referred to as Lines 901R and 903R. As part of the proposed Project Plains would install, operate and maintain Lines 901R and 903R, 52 ~~forty~~ pipeline control valves, update equipment at three existing pump stations (Las Flores, Gaviota, and Sisquoc), add oil storage tank and heaters to the Sisquoc Pump Station ~~expand and upgrade the existing Sisquoc Pump Station~~, construct ~~a~~ two new pump stations in the Cuyama Valley region of SLO County (West Cuyama and Russell Ranch); and update and install various pipeline-related ancillary equipment including but not limited to: pipeline location markers, cathodic protection, fiber optic lines, supervisory control and data acquisition (SCADA) systems, remote communication equipment, emergency battery systems, diesel powered back-up generators, and/or solar panels. Although removal of the existing pipeline is not proposed at this time, portions of the line may be removed where technically feasible and required by agreement with landowners and/or Project Conditions. Therefore, impacts associated with pipeline removal would also be addressed and analyzed.

Background and Historic Operation

On February 18, 1986 SB County approved the Celeron/All American Pipeline Project under a Final Development Plan (85-DPF-066cz), which was subsequently revised in 1988 (88-DPF-033). The proposed Celeron/All American Pipeline Project was for the construction of a 1,200~mile pipeline that would transport Outer Continental Shelf and other locally produced crude oils from the Santa Barbara and Santa Maria Basins through Emidio Station in Kern County California, to McCamey Texas. The 122-mile Celeron segment would extend from Las Flores to Emidio Station and the 1,084-mile All American segment would extend from Emidio Station in California, to McCamey Texas; both pipelines would transport heated crude oil. Pipeline construction occurred from 1988 to 1991, and Line 903 became operational in 1991, and Line 901 became operational a few years later in 1994. Line 901 and 903 system was an interstate pipeline and operated under federal jurisdiction.

On May 19, 2015, Line 901 ruptured approximately 100 yards north of Highway 101, and oil traveled through a drainage culvert to the Pacific Ocean approximately ¼ mile west of Refugio State Park. An estimated 124,000 gallons or 2,960 barrels of crude oil were released. On May 20, the Director of Planning and Development gave verbal and email authorization to Plains to conduct emergency response operations pursuant to the County's Coastal Zoning Ordinance. Site clean-up and monitoring activities continued into 2016 and were overseen by the Unified Command led by the United States Coast Guard (USCG) and the United States Environmental Protection Agency (EPA), in consultation with the California Department of Fish and Wildlife (CDFW), County Office of Emergency Management (OEM) and Plains. The Unified Command was dissolved in early 2017.

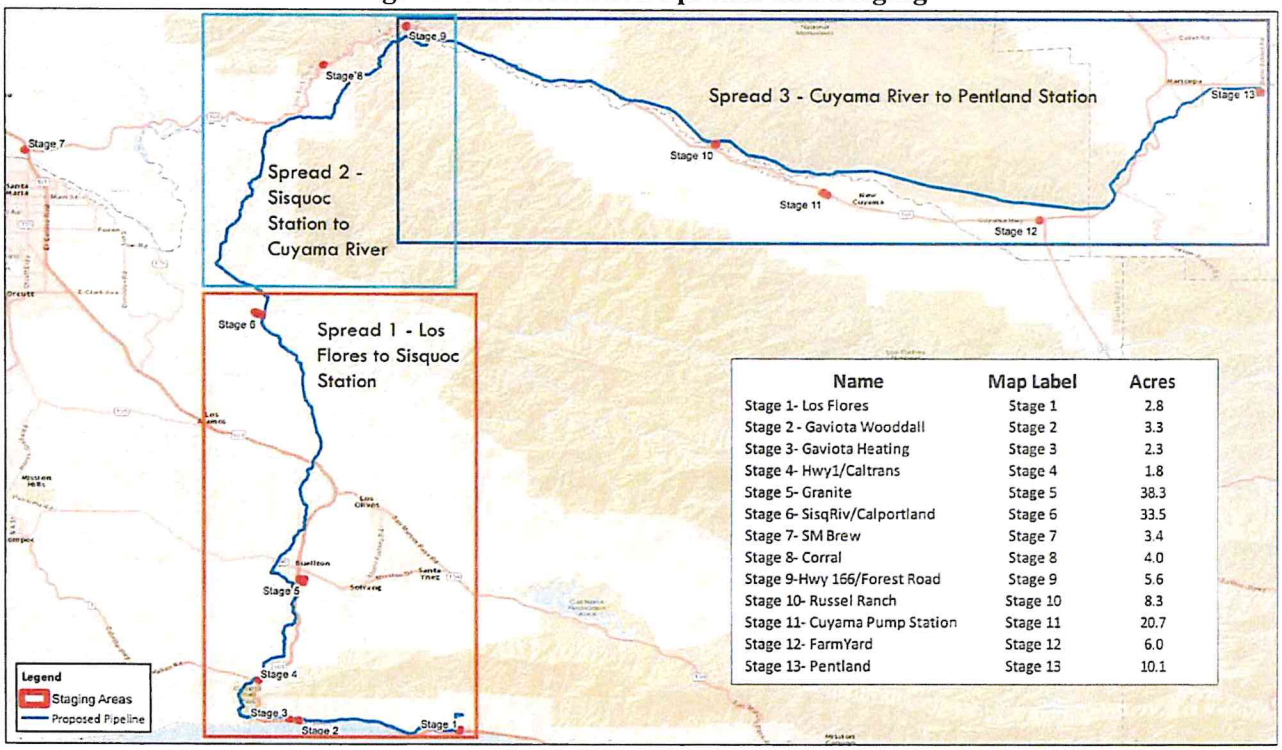
Since the May 19, 2015 rupture and release of crude oil, Plains' 901 and 903 pipeline system has been shut-in. As part of their review and investigation, the Pipeline Hazardous Materials Safety Administration (PHMSA) issued a Corrective Action Order (CAO) requiring the purging of Line 901, a review of the pipeline's integrity and repair of any integrity-threatening anomalies identified by subsequent inspections and a root cause failure analysis. The CAO required Line 901 to remain shut down until PHMSA approves the restart of the pipeline. Two amendments were issued shortly thereafter. The first amendment to the CAO was issued on June 3, 2015 and addressed preliminary findings from PHMSA's investigation and required additional testing on Line 901 and 903, further review of processes, management and oversight

of Line 903 and reduction of Line 903's operating pressures. The second amendment was issued on November 12, 2015 and required the purging of Line 903 between the Gaviota and Pentland Pump Stations and the filling of both Line 901 and 903 with inert gas. Purge operations began on November 30, 2015 and were completed on April 18, 2016. To-date, the Line 901 and 903 pipeline system from the Las Flores Pump Station to the Pentland Pump Station remain non-operational. Plains continues to work with PHMSA to address the CAO requirements. In furtherance of this effort, Plains submitted an application for an amendment (21AMD-00000-0009) to their existing Development Plan (85-DP-66cz) for the Line 901 and 903 system that would allow for the installation of numerous new valves to meet the State Fire Marshal's requirements under AB 864.

Pipeline Construction

To construct the replacement pipeline and abandon or remove designated pipeline sections within the proposed 12-18 month timeline, Plains is proposing to utilize three construction spreads concurrently (see Figure 2).

Figure 2. Construction Spreads and Staging



Name	Map Label	Acres
Stage 1- Los Flores	Stage 1	2.8
Stage 2 - Gaviota Wooddall	Stage 2	3.3
Stage 3- Gaviota Heating	Stage 3	2.3
Stage 4- Hwy1/Caltrans	Stage 4	1.8
Stage 5- Granite	Stage 5	38.3
Stage 6- SisqRiv/Calportland	Stage 6	33.5
Stage 7- SM Brew	Stage 7	3.4
Stage 8- Corral	Stage 8	4.0
Stage 9-Hwy 166/Forest Road	Stage 9	5.6
Stage 10- Russel Ranch	Stage 10	8.3
Stage 11- Cuyama Pump Station	Stage 11	20.7
Stage 12- FarmYard	Stage 12	6.0
Stage 13- Pentland	Stage 13	10.1

Each construction spread would be comprised of a crew of approximately 150 to 200 employees and associated construction equipment with vehicles to support pipeline installation, abandonment and/or removal activities. Construction equipment and vehicles include, but are not limited to the following: light-duty passenger trucks, passenger vans, heavy duty trucks, welding trucks, fuel trucks, water trucks, stringing trucks, graders, dozers, trackhoes, trenching machines, bending machines, forklift, Horizontal Directional Drilling (HDD) machine, jack and Boring Machine, mud pumps, cranes, air compressors and generators. Designated staging areas would be located in level areas near or adjacent to the pipeline alignment and respective work areas and would be dismantled and returned to existing conditions as work activities progress or culminate. A centralized pipe yard for short-term storage and offsite fabrication of

valve systems and similar equipment would be utilized as well. Trucks would transport materials to identified staging areas along the pipeline alignment.

Construction would occur during permitted hours, however trenchless excavation methods (described below) may need to operate 24 hours, 7 days a week where safety and technical needs warrant longer working hours. The three construction spreads are expected to operate simultaneously and are estimated to average approximately 700 linear feet of pipeline installation per day, depending on site conditions and terrain.

Pipeline installation would generally occur in the following six steps:

1. Construction Staging. This stage includes the establishment of a Pipe Yard, as noted above, as well as the various staging areas along the pipeline alignment.

2. Pipeline Construction Corridor and Right-of-Way. This stage entails the clearing of the temporary construction corridor (i.e., vegetation and tree removal as necessary) under the observation of biological and cultural monitors and marking of the pipeline right-of-way. During this stage topsoil along the pipeline alignment would be removed and stockpiled and the area would be graded in preparation for trenching activities.

3. Excavation and Trenchless Construction. During this stage trenching machines would be used to excavate along the pipeline alignment at a depth of approximately 6-7 feet below grade. In areas that require deeper pipeline placement such as creeks or road crossings, trenchless excavation methods would be utilized. Trenchless excavation methods include Jack and Bore or Horizontal Directional Drilling (HDD) (See Figure 3). Jack and Bore entails the excavation of access pits on either side of the crossing at the same depth as the pipeline and a boring machine. As the boring machine creates a straight horizontal path to the exit pit as it pulls the casing pipe behind it. Once the tunnel is drilled and the casing is in place, the pipeline is strung through the casing and the access pits are backfilled. HDD is typically used for longer sections than Jack and Bore, such as sensitive resources or major rivers. The HDD machine does not require access pits and is typically set up on the existing ground surface. The HDD is setup so that it gradually angles down to the target depth and then resurfaces again hundreds of feet away creating an underground arc.

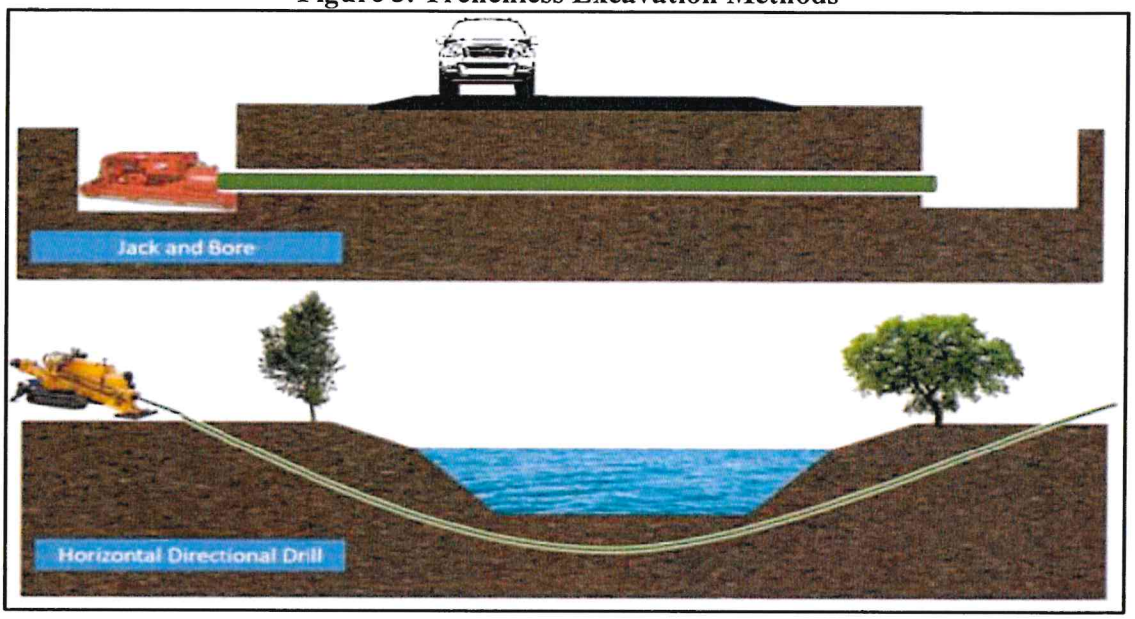
4. Pipeline Transportation and Installation. During this stage, sections of pipeline would be transported from the Pipe Yard and staging areas to the project site, placed in the trench, welded to one another and sand blasted. The weld joints would then be treated with epoxy to prevent corrosion. No insulation would be applied or used along any portion of the replacement pipeline.

5. Testing and Inspection. Once the pipeline segments have been welded, each joint would be inspected via x-ray to ensure quality control and the pipeline would be lowered by crane into the trench. Once the trench has been back filled, pipeline segments would be hydrostatically tested to ensure the integrity of the newly constructed pipeline. If any portion of the pipeline fails during this test, the pipeline segment would be re-exposed and Steps 4 and 5 would be repeated until pipeline integrity is verified.

6. Restoration of Construction Corridor. During this final stage, the Temporary Construction Corridor, created as part of Step 2, would be restored. Topography would be returned to existing

grade, top soil would be redistributed and disturbed areas would be revegetated according to a Revegetation and Restoration Plan.

Figure 3. Trenchless Excavation Methods



Pipeline Abandonment

Pipeline Abandonment activities would adhere with all Federal, State and local requirements. Where technically feasible and allowed by landowners and permits, portions of the existing pipeline would be abandoned in place and minimize additional project impacts. Pipeline abandonment activities would require approximately 25-30 additional specialized employees, and specialized equipment including material delivery trucks, pump trucks and import trucks. The same construction Pipe Yard and staging areas would be used for these activities as well.

Abandonment activities would generally occur as follows:

1. Buried pipeline sections would be flushed/cleaned of any fluids. (Already completed under PHMSA's oversight and direction pursuant to their COAs)

2. Unless otherwise noted in the equipment list, existing aboveground equipment such as facility piping, motor operated valves, pig launchers, and pig receivers would be removed.

3. Existing check valves would be exposed via the excavation of an access pit approximately 20 x 30 feet in size and would be removed.

4. Depending upon terrain conditions, small sections of buried pipeline would be exposed in intervals varying from one-half (0.5) to two (2) miles for access purposes. Below-grade access to the pipeline would be achieved via excavation of temporary access pits approximately 20 x 30 feet in size. Due to the proposed location of the replacement pipelines parallel with and in close proximity to existing pipelines, excavations associated with the abandonment process would

primarily fall within the perimeter of the Temporary Construction Corridor for the replacement pipeline.

5. Using the excavated access locations, the buried pipelines would be filled with a material such as slurry, foam, nitrogen, or an equivalent inert substance and exposed ends would be welded closed with steel plates.

6. All excavations would be backfilled, recompacted as appropriate for their location, and revegetated/recontoured to return to existing prior conditions as much as possible.

7. Buried sections of pipeline would be recorded such that future land owners/users are able to identify their location.

Pipeline Removal

Portions of the existing pipeline may be removed where technically feasible and required by agreement with landowners and/or Project conditions. Approximately 117 of the total 257 parcels have easement or right-of-way agreements with clauses which allow the property owner to request pipeline removal. If all the applicable property owners request that the pipeline is removed from their properties, approximately 77.8-miles of pipeline would be removed.

Pipeline removal activities would use most of the same personnel, vehicles and equipment required for pipeline construction, with the addition of 50-70 specialized employees, passenger trucks, passenger vans, material delivery/hauling trucks, welding trucks and dump trucks.

Pipeline removal would generally occur as follows:

1. Buried pipeline sections would be flushed/cleaned of any remaining fluids. (Already completed under PHMSA's oversight and direction pursuant to their COAs)

2. A typical benched or sloped trench approximately thirty (30) feet in width would be excavated over the top of the pipeline segment; topsoil would be separated and stockpiled.

3. Welding trucks would be used to cut the pipeline into individual sections.

4. Sidebooms, trackhoes, trucks, and various construction fleet vehicles would be utilized to lift and remove sections of pipe.

5. Pipe sections would loaded onto flatbed trucks and hauled to regional metal recycling facilities.

6. Due to the reduction in pipeline diameter between existing and replacement pipeline sizes, additional fill material would be imported. The trench would be backfilled with native soil and/or clean fill material and top soil would be replaced. The disturbed area would be recontoured and revegetated to as close to prior surrounding conditions as possible.

7. Large woody vegetation such as oak trees may not be replanted if such vegetation would be likely to disrupt the operation and/or maintenance of the replacement pipeline system.

8. Unless otherwise noted in the equipment list, existing aboveground equipment such as valves, facility piping, pig launchers, and pig receivers would be removed.

9. Two (2) existing below-grade check valve stations would no longer be needed. Valve station 1-300 would be excavated and removed at the same time as the surrounding pipeline segments and the surface conditions recontoured and revegetated to as close to prior surrounding conditions as possible. Valve station 3-1200 would be replaced by the new Russell Ranch Pump Station. All other valve and pump stations would be repurposed for the replacement pipeline system.

Removal of the existing pipeline segments would commence approximately four (4) weeks prior to construction of the replacement pipelines, the two processes would proceed concurrently thereafter. If the majority of the existing pipeline was required to be removed, the entire removal process as well as replacement pipeline construction would take approximately 15-21 months to complete.

Operations, Spill Contingency and Safety

Plains is proposing to utilize their centralized Control Center in Midland, Texas to manage the operations of the replacement pipeline, Lines 901R and 903R. The Control Center is manned by qualified personnel 24-hours per day, 365 days per year. Approximately 10 full-time staff would be needed for pipeline operations and maintenance.

The replacement pipeline system would be monitored 24 hours a day, 7 days a week by a Supervisory Control and Data Acquisition (SCADA) control system. Plains personnel in the Midland Control Center would utilize a SCADA system to continually monitor and operate pipeline systems, and carry out a remote shut-down of the system if circumstances warrant. Additionally, the pipeline SCADA system allows for various Plains personnel to access and view pipeline-related operational data, in real-time, from any properly equipped computer system in the world, including Plains offices in Santa Maria and Bakersfield, California. This shared access to technology allows for close coordination around-the-clock between local Plains operations staff and controllers in Plains' Midland Control Center.

Pipeline Controllers have the authority and the responsibility to shut down the pipeline systems when pipeline integrity is in doubt. Restart the pipeline systems is delayed until any identified issues are corrected and proper authorization has been received from Operations and Control Center Management and if necessary, the State Fire Marshall's Office of Pipeline Safety. Once the pipeline is shut off, Plains' pipeline controllers in Midland, Texas can choose to automatically isolate the affected section of pipe by remotely closing automated valves.

The Project design and construction would conform to industry accepted best practices and Best Available Technology (BAT) in adherence with the Elder California Pipeline Safety Act, California Assembly Bill 864, as well as all local, state, and federal requirements for pipeline design and construction. Prior to commencement of pipeline operations, the Project would be incorporated into the operator's existing Pipeline Operation & Maintenance Plan, Operator Qualifications Plan, Pipeline Integrity Management Plan, and Emergency Response Plan in compliance with applicable local, state, and federal requirements.

Design considerations for the proposed Project include:

- Although subject to final design modifications, the system would likely be constructed of API 5L Gr. X52 carbon steel with a maximum operating pressure (MOP) of approximately 1,350 pounds per square inch (psig) and a maximum operating temperature of 200 degrees Fahrenheit.
- Consultation with the California State Fire Marshal (CSFM) Pipeline Safety Division.

- Adherence to CFR Title 49 Part 195 "Transportation of Hazardous Liquid by Pipeline", CCR Title 19 Div. 1 Ch. 14 "Hazardous Liquid Pipeline Safety", and appropriate sections of API, ANSI, ASME, CEC, CFC, CBC, NACE, NFPA, and other applicable codes.
- Incorporation of the use of in-line inspection tools, such as smart pigs.
- Completion of a hydraulic and surge analysis.
- Incorporation of results from a final Emergency Flow Restriction Device (EFRD) analysis.
- Completion of a seismic and geotechnical study including field and laboratory testing.
- Confirmation of existing utility locations for consideration during final pipeline route selection and maintain required clearances.

Pipeline Safety considerations during construction would include:

- Hydrostatic testing per DOT and CSFM regulations and retention of associated construction records.
- Non-destructive testing of all welded pipeline joints in a manner which meets or exceeds applicable standards per Department of Transportation (DOT) regulations and additional applicable local, state, and federal requirements.
- Geotechnical testing to verify adherence to construction specifications.
- Installation of at least one (1) below ground warning tape above each pipeline.
- Installation of aboveground pipeline location markers.
- Installation of security fencing around all valve and pump stations.

Examples of personnel safety considerations during construction include:

- Compliance with applicable California Occupational Safety and Health Administration (OSHA) administered regulations such as shoring, bracing, and confined space entry.
- Overall construction safety program by licensed construction contractor(s).
- Implementation of various onsite safety activities including completion of Job Safety Analysis (JSA), daily safety tailgate briefings, and dedicated safety monitoring personnel.
- Advanced utility locating to avoid interference with existing underground improvements.

Examples of safety considerations throughout operations and maintenance of the proposed facilities include continued:

- Compliance with CFR Title 49 Part 195 "Transportation of Hazardous Liquid by Pipeline", CCR Title 19 Div. 1 Ch. 14 "Hazardous Liquid Pipeline Safety", and appropriate sections of API, ANSI, ASME, CEC, CFC, CBC, NACE, NFPA, and other applicable codes.
- Maintenance of routine and emergency operations plans.
- Safety training for operations staff; minimum experience requirements by operator classification.
- Maintenance inspections and retention of associated records as required by local, state, and federal regulations.
- Routine safety device inspections and testing.
- Maintenance of the facility's Hazardous Materials Business Plan and Spill Prevention, Control, and Countermeasures Plan.
- Coordinated interface with interconnected systems operated by third parties.
- Maintenance and testing of the pipeline SCADA systems.
- In-line inspection to meet or exceed the frequency established by applicable regulations.
- Maintenance of aboveground pipeline location markers.
- Participation in Underground Service Alert utility locating system.

- Maintenance and replacement of equipment and components throughout the life of the Project.
- Documentation of results of tests and inspections over life of the Project, including the date and extent of any replaced pipeline segments.

Examples of Leak Protection and SCADA Leak Detection System Elements & Operation:

- A series of motor-operated-valves (MOV) and check valves would be installed in strategic locations to protect environmentally sensitive areas consistent with all applicable local, state, and federal regulations.
- Cathodic protection (sacrificial anode system) designed to protect the pipelines from external corrosion.
- Safety and operational data would be monitored by a SCADA system. Information would be gathered from multiple points along the pipeline system and would include flow rate, temperature, and pressure.
- Operating data would be continuously monitored to identify deviations indicative of a leak or rupture. The pipeline would shut down when conditions vary beyond pre-set pressure and flow conditions in accordance with the Elder California Pipeline Safety Act and additional applicable local, state, and federal requirements.
- The automatic shutoff system would shut off pipeline pumps without human intervention if the instruments detect:
  - A drop in pipeline pressure below a programmed threshold.
  - A drop in pipeline pressure combined with increased pipeline flow at the origination point and decreased pipeline flow at the destination point.
- In the event the pipeline flow reverses direction, strategically located check valves on the pipeline would close automatically, without human intervention.

D. ISSUE AREAS

Each specified impact area warrants an objective and systematic discussion that identifies the baseline environmental setting; thresholds of significance; impacts and their severity; and, where the impact is potentially significant, the mitigation measures to avoid, reduce or eliminate the impact.

Baseline Conditions

The Line 901 and 903 pipeline system was evacuated and purged as of May 21, 2015, and continues to be non-operational to date. Baseline conditions will be described from these existing conditions with a non-operational pipeline.

~~Although the existing Line 901 and 903 pipeline system is currently shut down, the permits that authorized the construction of the pipeline system remain active. If Plains addresses PHMSA's CAO and subsequent amendments, Plains maintains the ability to restart the pipeline system without the need for additional permits or project approval from County decision makers. Under CEQA baseline is normally the conditions that exist on the ground at the time the Notice of Preparation is released. However, under CEQA the Lead Agency has the discretion to decide how the existing physical conditions without the project can most realistically be measured, subject to environmental review and as supported by factual evidence. Since Plains retains the ability to restart the pipeline system without additional discretionary permits and to provide a realistic representation of facility operations, baseline conditions for the resources area analyses will be an average of the last 3 full years of pipeline operations prior to the May 19, 2015 spill event (2012-2014).~~

Air Quality

The Air Quality and Greenhouse Gas (GHG) analyses would include the evaluation of criteria air pollutants, GHG emissions, odors and consistency of the Project with the regional and applicable Air Quality Management Plans. The Applicant has prepared an Air Quality Technical Report (AQTR) and associated emission calculations for the proposed Project. The AQTR was reviewed by the Santa Barbara County Air Quality Control District (SBCAPCD) and all SBCAPCD comments have been addressed. The AQTR includes information for both stationary and mobile emissions. The results of this analysis indicate that long-term unmitigated emissions are not predicted to exceed the County of Santa Barbara's significance threshold levels for NOx, ROC, $PM_{2.5}$ and PM_{10}.

However, per the emission calculations submitted as part of the Application, the proposed Project's NO_X, ROC and PM_{10} emissions resulting from construction activities would exceed 25 tons within a 12-month period. Pursuant to SBCAPCD's Rule 202 D.16, if the combined emissions from all construction equipment used to construct a stationary source which requires an Authority to Construct permit have the potential to exceed 25 tons of any pollutant, except carbon monoxide, in a 12-month period, the owner of the stationary source shall provide offsets under the provisions of Rule 804 and shall demonstrate that no ambient air quality standard would be violated. Furthermore, since Santa Barbara County violates the state standard for PM_{10}, dust mitigation measures are required for all discretionary construction activities regardless of the significance of the fugitive dust impacts based on the policies in the 1979 Air Quality Attainment Plan.

At this time, the proposed Project includes the abandonment of the majority of the Line 901 and 903 pipeline system (122.9 miles) between Las Flores and Pentland. However, as discussed above, approximately 117 property owners have the ability to request the removal of the pipeline on their respective properties. Activities associated with potential removal of the 77.8 miles of the existing pipeline could result in NO_X and PM_{10} (fugitive dust) emissions that exceed 25 pounds per day. Nevertheless, these emissions are not associated with stationary sources that would require an ATC from the SBCAPCD and therefore at this time would not be considered to exceed any existing thresholds.

Lastly, the SBCAPCD determined that no Health Risk Assessment (HRA) would be necessary for this project thus no HRA has been conducted. SBCAPCD requires permits for equipment and operations associated with this project.

Greenhouse Gases

According to the submitted calculations, pipeline construction and installation activities are anticipated to generate approximately 18,984 metric tonnes of CO_2 equivalent per year ($MTCO_2e$/year). These emissions would exceed the GHG threshold established by the County Board of Supervisors in the approved Environmental Thresholds and Guidelines Manual (revised January 2021 ~~March 2018~~). A bright-line GHG threshold of 1,000 metric tons of carbon dioxide equivalent per year applies to the Project. Potential mitigation may include the development of a County-approved GHG Mitigation Plan to mitigate potential impacts.

Biological Resources

The EIR/EIS would evaluate the extent of temporary and permanent impacts to wildlife and habitat as a result of the proposed Project and identify potential feasible mitigation measures. Construction activities include grading and vegetation removal, excavation, trenchless excavation, pipeline installation, and associated activities. Operational activities typically include routine on-going maintenance activities and accidental spill response activities.

Under the proposed Project, 122.9 miles of the existing Line 901 and 903 pipeline system from Las Flores to Pentland would be in abandoned in place and 123.4 miles of replacement pipeline would be installed within or adjacent to the existing pipeline corridor. Pipeline installation activities could potentially temporarily interfere with terrestrial wildlife movement primarily during construction. Construction activities would affect wildlife in adjacent habitats by interfering with localized movement patterns or causing animals to temporarily avoid areas adjacent to the work. More mobile species (birds and larger mammals) would be expected to disperse into surrounding habitat areas during land clearing and grading, and other temporary construction activities. Potential impacts from the operation of the proposed Project include wildlife interference from maintenance vehicles, anomaly repairs and unanticipated spills and spill response.

The Biological Assessment included a review of the California Natural Diversity Database as well as pedestrian surveys which identified potential impacts to the following listed, threatened and endangered species, including, but not limited to: California red-legged frog, steelhead, and southwestern willow flycatcher, least Bell's vireo, Nelson's antelope squirrel (observed in 2017), giant kangaroo rat, Tipton kangaroo rat, and San Joaquin kit fox (sign observed in 2017). Additionally per the Assessment, upland habitat for the California tiger salamander, potential habitat for the Kern primrose sphinx moth and blunt-nosed leopard lizard (observed 2017 in SJV) could be affected. Vegetation trimming and clearing of the pipeline alignment would result in the removal or trimming of habitats such as, but not limited to: coast live oak woodland, annual grassland, California coastal scrub, riparian and wetland habitats.

The potential impacts to coast live oak woodland are of particular concern, with approximately 654 mature (at least 6 inches diameter at breast height) trees that may be impacted or removed by the proposed Project. Oak woodlands support a variety of sensitive species and are afforded special protection by local ordinances and the CDFW. As part of their application Plains has also compiled a Conceptual Oak Tree Mitigation Analysis which identifies potential oak mitigation opportunities within the project area.

In addition, under the proposed project, there would be 123 trenched stream crossings and 18 trenchless stream crossings; trenched crossings would require a Section 404 Clean Water Act permit from the U.S. Army Corps of Engineers and consultation with the U.S Fish and Wildlife Service for federal actions that may adversely affect federally listed species under Section 7 of the Endangered Species Act. The water crossings would be evaluated in the EIR/EIS.

Potential impacts associated with biological resources could be significant.

Cultural/Historic Resources

The cultural/historic resources analysis would determine whether the Project may adversely affect the significance of cultural/historic resources. The EIR/EIS would provide a discussion of the potential impacts related to Cultural Resources and mitigation measures for project activities and alternatives. Construction activities include grading and vegetation removal, excavation, trenchless excavation, pipeline installation, and associated activities. As discussed above, approximately 117 property owners have the ability to request the removal of the pipeline on their respective properties. Activities associated would include excavation, pipeline removal and associated activities. Operational activities typically include routine on-going maintenance activities and accidental spill response activities. Direct impacts could include impacts that result from intentional ground disturbance related to grading, excavation and pipeline removal. Indirect impacts may also occur as a result of the project, but would not result from

intentional ground disturbance. Other indirect impacts could include erosion, unauthorized artifact collecting, and vandalism.

The Applicant has prepared a Phase I Archaeological Survey Report for the proposed project, which includes the results of archival and background research, official record searches conducted at the Central Coast Information Center (CCIC) of the California Historical Resources Information System at the University of California, Santa Barbara, the Southern San Joaquin Valley Information Center (SSJVIC) at California State University Bakersfield, the Heritage Database with the United States Forest Service, Los Padres North Zone, and the BLM Bakersfield Field Office Cultural Resource Geo database. An intensive (BLM Class III) pedestrian survey of the proposed Project Study Area has also been conducted.

As designed, the proposed pipeline would be directionally drilled to avoid the majority of recorded and identified sites located within the right-of-way. Additional archeological investigations would need to be conducted to define the Area of Potential Effect and determine if the project would impact historical sites. All subsurface work would be conducted in accordance with an approved work plan, currently being developed in coordination with the State Historic Preservation Officer (SHPO) and the Bureau of Land Management (BLM). Project impacts would be evaluated against Section 8 of SB County's Environmental Thresholds and Guidelines Manual (revised January 2021 ~~May 2018~~), against applicable thresholds for San Luis Obispo and Kern counties, and evaluated in accordance with Section 106 of the National Historic Preservation Act. Potential impacts associated with cultural/historic resources could be significant.

Geologic Processes/Geologic Hazards

The Project includes the construction of a new, replacement pipeline which would traverse a variety of terrains, geological conditions and hazards. Potential issues that would be evaluated include geologic hazards such as erosion, slope instability, unsuitable soil conditions, and liquefaction. The potential for impacts as a result of seismic hazards such as strong seismic ground shaking would also be addressed.

In coordination with the Risk of Upset analysis, an assessment of the potential for spills related to geologic processes, hazards and seismic activity would be conducted.

The Applicant has prepared a Geologic Hazards Evaluation for the proposed pipeline alignment which crosses ten potentially active faults, twelve splays of the San Andres Fault, expansive soils, erodible soils, steep slopes and soils with liquefaction potential. The EIR/EIS section would also address existing environmental conditions in the affected area, identify and analyze environmental impacts of construction and operation of the proposed Project, and would include recommended measures to reduce or avoid adverse geologic impacts anticipated from Project construction and operation.

Project impacts would be evaluated against Section 10 of SB County's Environmental Thresholds and Guidelines Manual (revised January 2021 ~~May 2018~~), and against applicable thresholds for San Luis Obispo and Kern counties..

Hazardous Materials/Risk of Upset

The main objectives of the Risk of Upset analysis are to disclose the potential for serious accidents, exposure to the public, safety and environmental risks of spill events, and the mitigation measures that could reduce these risks. This analysis would consider the potential for risks associated with the installation of the natural gas pipeline and the transportation of crude oil via pipeline using Risk of Upset studies provided by the Applicant, including a Pipeline Quantitative Risk Analysis (QRA), an Emergency Flow Restriction

Device (EFRD) Study and a Surge Study prepared for the proposed Project. This issue area discussion would also include a description of the differences (i.e., pipeline pressure, diameter, material thickness, etc.) between the existing line that ruptured and the proposed replacement line.

Risk would be assessed according to Section 15 requirements of SB County's Environmental Thresholds and Guidelines Manual which specify thresholds for significant impact to the public through exposure to acute risks (i.e., serious injury and fatality) that stem from certain types of activities, and against applicable thresholds for San Luis Obispo and Kern counties. Potential impacts associated with Risk of Upset could be significant.

Noise

The noise and vibration analysis would focus on potential adverse impacts from temporary construction-type noise (including trenching activities, pipeline installation and vehicle noise), impacts from truck traffic along offsite travel routes, and permanent stationary noise sources, such as pump stations and valve sites. The EIR/EIS would also address noise associated with construction of the proposed natural gas pipeline.

In assessing noise impacts from proposed activities, details such as predicted decibel levels, duration, etc., for each construction and operation activity would be compared against the County's Community Noise Equivalent Level (CNEL) thresholds in locations of adjacent noise sensitive receptors. The noise and vibration analysis would identify specific recommendations and noise mitigation components to reduce adverse impacts to the extent feasible. Project impacts would be evaluated against Section 13 of SB County's Environmental Thresholds and Guidelines Manual (revised January 2021 ~~May 2018~~), and against applicable thresholds for San Luis Obispo and Kern counties.

Paleontological Resources

Portions of the Project are located within areas that are known to be sensitive for significant paleontological resources, as defined by federal standards codified in the Potential Fossil Yield Classification Index (PFYC). Due to the extensive subsurface disturbance associated with this project, there is the potential for impact to these resources.

Surface/Groundwater Resources

The Applicant has prepared a Groundwater Protection Report which provides a desktop analysis of shallow groundwater and/or sensitive aquifers that are within the proximity of the proposed project. Grading and excavation activities may result in erosion and sedimentation along the pipeline alignment and adjacent disturbed areas, particularly if precipitation effects occur. Portions of the proposed pipeline would also be constructed within mapped flood plains and below numerous streams, creeks and rivers. Use of heavy equipment and machinery could potentially result in an accidental release of hazardous materials. Surface and groundwater have the potential to be impacted if an accidental release were to occur in these areas. Additionally, approximately 40 miles of the proposed pipeline would transect five geographic areas known to contain shallow groundwater averaging about 30 to 110 feet below ground surface. Where boring or HDD would take the pipeline to a greater depth, the relative risk to shallow groundwater would increase. The total length of boring and HDD installation within shallow groundwater areas is limited to approximately 2.87 miles (2%) of the total 123.4 mile replacement pipeline system.

The water resources section of the EIR/EIS would assess the Project's potential to affect surface and groundwater resources. Due to the nature of the project and the proposed pipeline alignment, potential impacts to surface and groundwater quality could be significant.

Traffic/Transportation

The Traffic and Transportation analysis would focus on the contribution of new traffic volumes and vehicle miles traveled associated with construction and operational activities. This analysis would also consider potential impacts to traffic flow from temporary lane or roadway closures related to the installation of the oil and gas pipelines.

The construction of the proposed Project would introduce new traffic volumes. As detailed in Section C under *Pipeline Construction* the project would utilize three construction spreads concurrently. Each construction spread would be comprised of a crew of approximately 150 to 200 employees and associated construction equipment and vehicles to support pipeline installation, abandonment and/or removal activities. Designated staging areas would be located in level areas near or adjacent to the pipeline alignment and respective work areas and would be dismantled and returned to existing conditions as work activities progress or culminate. The potential primary staging areas would be used to store construction materials and would be located in previously disturbed areas, such as underutilized commercial parking lots, fallow agricultural fields, and private oilfield or agricultural work yards. Most of the preliminarily identified staging areas would be located in rural areas and impacts to traffic to/from the staging areas is anticipated to occur before morning peak hours and/or after evening peak hours and would be temporary. A centralized pipe yard for short-term storage and offsite fabrication of valve systems and similar equipment would be utilized as well. Trucks would transport materials to identified staging areas along the pipeline alignment.

Upon completion of the pipeline construction project, operations and maintenance would require 10 full-time equivalent operators and maintenance staff. Traffic generated by operators would be minimal (less than 50 daily trips generated by the 10 operators) and would not significantly impact public highways and roads in the vicinity of the pipeline corridor.

Most of the project related traffic is associated with the construction phase of the project. As described in the Applicant's Traffic Impact Analysis, approximately 192 to 206 daily trips are anticipated per construction spread, with 8 trips or less occurring the AM and PM peak hours on regional roadways including: US 101, SR 1, SR 246, and SR 166.

Approximately 400 to 600 employees and/or contractors would be employed for Project construction at various locations across the construction corridor. Construction workforce parking would occur in designated locations at previously disturbed or developed sites such as, but not limited to, existing, underutilized commercial parking lots, existing industrial work yards, or temporary unpaved parking areas in locations that are already relatively flat in topography and devoid of natural habitat. Construction employees would report to the approved parking zones, consolidate into field vehicles as feasible, and commute to the active work zone along designated traffic routes. Construction workers would drive to/from approved parking zones prior to the beginning of and after the end of each work day. Potential impacts to traffic and transportation along regional roadways as well as key intersections would be analyzed.

Project impacts would be evaluated against Section 18~~9~~ of SB County's Environmental Thresholds and Guidelines Manual (revised January 2021 ~~May 2018~~).

Land Use

The Project would be subject to the County's Inland and Coastal Zoning Ordinance standards as well as policies from the County's Comprehensive Plan, including the Coastal Land Use Plan. The Project is proposing the transportation of produced crude oil via pipeline.

The Project would be subject to the SB County's Inland and Coastal Zoning Ordinance standards, SLO County's Inland Land Use Ordinance (LUO) Title 22, Kern County's Zoning Ordinance (Title 19), as well as policies from SB and SLO County's Comprehensive Plans, and Kern County's General Plan. SB County policies require that pipelines be constructed, operation and maintained as common-carrier or multiple-use pipelines and require that the Applicant to account for the reasonable, foreseeable needs of other potential shippers in the design of their common carrier and multiple-user pipelines. Multiple-user pipelines provide equitable access to shippers with physically compatible stock on a nondiscriminatory basis. The proposed project would replace an existing pipeline system and appurtenances and include the construction of a new pump station. No residential development is proposed, all employees would travel to and from the site on a daily basis and the Project would not require connection to domestic or sanitary water services.

CEQA Guidelines §15125(d) requires that an EIR discuss any inconsistencies between a proposed project and applicable general plans, specific plans, and regional plans. As such, a preliminary policy consistency analysis would be developed and would contain a list and analysis of applicable ordinance standards and policies. However, it is the responsibility of SB ~~and~~ SLO, and Kern Counties, as decision makers with discretion over the Proposed Project, to make the final determination regarding consistency issues as it relates to applicable ~~Santa Barbara County~~ county policies.

NEPA Only Resource Analysis

The following issues areas would be evaluated in the EIR/EIS, as NEPA-only resource analysis. These issue areas are anticipated to be less than significant under CEQA.

Aesthetics/Visual Resources

The proposed pipeline would be located underground with the exception of several valve sites, a new crude oil storage tank at the Sisquoc Pump Station and the proposed West Cuyama and Russell Ranch Pump Stations. The new facilities may be visible from public roads, however with the exception of the proposed crude oil storage tank at the Sisquoc Pump Station, would be similar in nature to existing development in the surrounding areas and are not anticipated to significantly impact identified public vantage points or scenic resources. Additional visual analysis may be conducted.

Agricultural Resources

The pipeline would be located approximately 5-7 feet below grade in most areas, except for roadway and stream/river crossings, and would temporarily disturb minor portions of agricultural properties, many of which are under Williamson Act Contracts. Additionally, the Agricultural Preserve Advisory Committee (APAC) reviewed the project and found it to conform to the County's uniform rules for parcels under Agricultural Preserve Contracts.

Under NEPA, issues to be considered include agricultural uses not being restored to pre-construction status, and the effects of multiple projects to the grazing allotments on BLM and USFS lands.

Environmental Justice

Under NEPA, environmental justice issues to be considered include effects to disadvantaged communities and peoples.

Issues Anticipated to be Less Than Significant under CEQA

The following issue areas would be evaluated in the EIR/EIS, but are anticipated to be less than significant under CEQA:

~~***Aesthetics/Visual Resources***~~

~~The proposed pipeline would be located underground with the exception of several valve sites, a new crude oil storage tank at the Sisquoc Pump Station and the proposed Russell Ranch Pump Station. The new facilities may be visible from public roads, however with the exception of the proposed crude oil storage tank at the Sisquoc Pump Station, would be similar in nature to existing development in the surrounding areas and are not anticipated to significantly impact identified public vantage points or scenic resources. Additional visual analysis may be conducted.~~

~~***Agricultural Resources***~~

~~The pipeline would be located approximately 5-7 feet below grade in most areas, except for roadway and stream/river crossings, and would temporarily disturb minor portions of agricultural properties, many of which are under Williamson Act Contracts. Additionally, the Agricultural Preserve Advisory Committee (APAC) reviewed the project and found it to conform to the County's uniform rules for parcels under Agricultural Preserve Contracts.~~

Energy

The County's Environmental Thresholds and Guidelines Manual does not contain significance thresholds for electrical and/or natural gas service impacts. As part of the proposed Project, a 3.8 mile natural gas line would be constructed, owned and operated by Southern California Gas Company to supply the expanded Sisquoc Pump Station. The proposed project is not anticipated to require a substantial increase in energy demand and would not require the development of new energy sources.

Fire Protection

The proposed project would include the construction of an additional pump station as well as a secondary containment area for the 120,000 barrel crude oil break-out tank, new fire water storage tank, and installation of a foam fire suppression system at the Sisquoc pump station. All facilities have been reviewed by the County Fire Department and would adhere to the required standards for fire protection including, but not limited to, emergency access, onsite stored water systems and portable fire extinguishers.

Public Facilities

The proposed project would not generate waste in excess of County thresholds and would not require connection to public water or sanitary facilities.

Recreation

The alignment of the proposed pipeline generally follows the existing right-of-way with the exception of three areas, one of which is a reroute around the City of Buellton. The pipeline alignment would traverse

several state and federal parks and may result in temporary area closures. However, the quality or quantity of existing recreational opportunities recreational uses, including biking, equestrian or hiking trails in the project vicinity is not anticipated to be degraded.

Project Alternatives

Alternatives would be designed to avoid and/or substantially reduce any impacts that cannot otherwise be mitigated to a level below significance. The alternatives discussion would include an analysis of environmental impacts of each alternative considered, along with a comparative analysis to distinguish the relative effects of each alternative and its relationship to Project objectives. The alternatives analysis would also identify the "no project/no action alternative", and the environmentally preferred alternative under CEQA, NEPA, and Section 404 of the Clean Water Act. ~~"environmentally superior alternative" from among the alternatives~~

Exhibit 5

CAL FIRE - Office of the State Fire Marshal
Pipeline Safety Division
Information Bulletin

Updated: June 19, 2020

Supersedes: Information bulletin dated: August 1, 2009
Information bulletin dated: January 24, 1997

PIPELINE STATUS TERMINOLOGY
(Active/Out-of-Service Deferment/Abandoned)

This information bulletin updates regulatory and reporting terminology utilized by the Office of the State Fire Marshal (OSFM). This update also provides guidance on requesting deferrals of State and federal pipeline maintenance and inspection requirements on Out-of-Service pipelines.

On August 11, 2016, the U.S. Department of Transportation - Pipeline and Hazardous Materials Safety Administration (PHMSA) issued Advisory Bulletin (ADB 2016-0075) – "Pipeline Safety: Clarification of Terms Relating to Pipeline Operational Status" to all owners and operators of Hazardous Liquid and Carbon Dioxide pipelines to clarify the regulatory requirements that may vary depending on the operational status of a pipeline. PHMSA only defines pipelines as either "Active" or "Abandoned"; therefore, in order to comply with federal regulations and interpretations, the OSFM classifies all Out-of-Service pipelines as "Active".

ACTIVE PIPELINE means a pipeline or pipeline segment which is in service whether or not the pipeline is fully operational. This includes pipelines which may have been utilized to transport hazardous liquids or carbon dioxide but are currently inactive, idle or designated Out-of-Service by OSFM. Active pipelines must comply with all applicable State and federal laws and regulations pertaining to pipeline safety (e.g., Chapter 5.5 of the California Government Code and Title 49 Code of Federal Regulations (49 C.F.R.) Part 195, etc.). Annual OSFM fees are applicable on Active pipelines. Each Active pipeline segment (whether in use or not) must be reported as jurisdictional to OSFM on the Annual Pipeline Operator Report (APOR). Mileages reported on the PHMSA 7000-1.1 form must include Active pipeline miles (whether in use or not).

OUT-OF-SERVICE PIPELINE DEFERMENTS. PHMSA recognized in the ADB-2016-0075 that a purged pipeline presents different risks, and different regulatory treatment may be appropriate. Based on the information from ADB-2016-0075, the OSFM will consider deferment of certain activities that are impractical on a pipeline or pipeline segment which has been effectively purged and cleaned of all hazardous liquids, and blinded or otherwise isolated from all sources of the transported liquid. The operator must submit to the OSFM and the OSFM must approve a written plan describing the process to be used. The OSFM will acknowledge the deferral activities with an official correspondence letter. The Out-of-Service pipeline is subject to annual pipeline user fees. All deferred activities must be completed prior to, or as part of, any later return to service. All deferred assessments and any known required repair conditions that have not already been repaired or remediated must be completed as part of any later return of the subject line to service. An inspection of the pipeline and pipeline records will be conducted by OSFM to determine compliance with State and Federal pipeline safety regulations.

ABANDONED PIPELINE means a pipeline or pipeline segment which has been purged, sealed and disconnected from all sources of the transported liquid. An Abandoned pipeline cannot be returned to hazardous liquid service. Before a pipeline can have its status changed from Active to Abandoned, the operator must submit records showing that the subject pipeline meets the process and abandonment requirements in accordance with 49 C.F.R. § 195.402(c)(10) to the OSFM. The OSFM will review the operating records, conduct field inspections to verify the status of subject pipeline, and acknowledge the abandonment status in writing. Upon notification from the OSFM is granted in writing, the Abandoned pipeline becomes non-jurisdictional to the OSFM. Approval of the abandonment plan or abandonment status by the OSFM does not affect or negate any permit or approval requirement of any other applicable agencies. The OSFM fees are not applicable for Abandoned pipelines. In addition, Abandoned pipelines do not have to be reported to the OSFM or the APOR. However, the OSFM may maintain the data on these pipelines collected during the time the pipelines were classified as Active.

Questions regarding the issue of pipeline status may be directed to OSFM Pipeline Safety Division by telephoning (562) 497-0350 or sending an email to PipelineNotification@fire.ca.gov. All written requests to change the status of a pipeline must be addressed to:

CAL FIRE/Office of the State Fire Marshal
Pipeline Safety Division
3780 Kilroy Airport Way, Suite 500
Long Beach, CA 90806

Exhibit 6

Out-of-Service Deferral Program

Revised: 6/7/2023

In order to clarify the regulatory requirements that may vary depending on the operational status of a pipeline, the Pipeline and Hazardous Materials Safety Administration (PHMSA) issued Advisory Bulletin (ADB)-2016-0075 to all operators of Hazardous Liquid and Carbon Dioxide pipelines. ADB-2016-0075 advises operators who wish to defer certain activities for purged pipelines to coordinate the deferral in advance with regulatory agencies, such as CAL FIRE - Office of the State Fire Marshal (OSFM) for intrastate pipelines. According to the bulletin, purged pipelines present different risks, and different regulatory treatments may be appropriate. The OSFM will consider each deferral request and approve deferral activities that are deemed impractical for purged pipelines.

It is important to note that PHMSA is currently in the process of rulemaking to establish a defined operational status called "idled" for pipelines that are temporarily taken out of service. This rulemaking also aims to set forth operations and maintenance requirements for idled pipelines and establish inspection requirements for idled pipelines that are subsequently returned to service. The ongoing rulemaking process, with a Regulatory Identification Number (RIN) of 2137-AF52, indicates PHMSA's commitment to addressing the regulatory framework for idled pipelines. Meanwhile, the OSFM follows the guidelines provided in ADB-2016-0075 when reviewing deferred maintenance requests for purged pipelines submitted by operators.

Procedures

Step 1: Deferral Request

The operator is required to submit a deferral request to the Assistant Deputy Director of the Pipeline Safety Division at the OSFM. The request should be sent via email to the Pipeline Notification address: pipelinenotification@fire.ca.gov.

The deferral request must provide the following information about the pipeline:

- OSFM Pipeline Identification Number.
- Commodity contained in the pipeline at the time of the application.
- Length of the purged pipeline segment, along with a map showing the beginning and end locations of the purged pipeline.
- Procedure for purging the hazardous liquid from the pipeline.
- Activities for which the operator is requesting a deferral, including specific regulatory sections.
- Supporting documents demonstrating how the line is isolated from the active pipeline system (e.g., pictures with GPS locations for both ends of the subject pipelines).
- Explanation of why each deferred activity is impractical for the subject pipeline.

Step 2: Field Inspection(s) and/or Records Review

Upon receiving the deferral request, the OSFM may request the operator to provide a schedule of any field activities related to the subject pipeline. The OSFM may also conduct field inspections to verify that the pipeline has been purged and cleaned in accordance with the provided procedure.

Information Bulletin

Pipeline Status Terminology

PHMSA-2016-0075 Advisory Bulletin

National Pipeline Mapping System

Program Contact

The OSFM is available to discuss the Out-of-Service Deferral Program with any operator in a virtual meeting.

Virtual Meeting Contact:

Andy Chau
Supervising Pipeline Safety Engineer
andy.chau@fire.ca.gov
(562) 305-0679

At the conclusion of the field activities, the operator must submit the following supporting documents to the OSFM:

- Records demonstrating that the subject pipeline has been purged.
- Pictures and GPS locations of each isolation point.

Step 3: Acknowledgment

Each deferral request is evaluated based on the criteria outlined in PHMSA-2016-0075:

- Proper purging of the hazardous liquid from the pipeline.

The OSFM will send a letter acknowledging each deferral request upon review.

CAPPELLO
& NOËL LLP
TRIAL LAWYERS

A. Barry Cappello

August 18, 2023

Via E-Mail

Santa Barbara County Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
sbcob@countyofsb.org

Re: Pacific Pipeline Company Appeal of the Planning Commission's April 26, 2023 Denial of Development Plan/Conditional Use Permit Amendment and Coastal Development Permit Pertaining to Line 901-903 Upgrade Project (21 AMD-00000-00009 & 22CDP-00000-00048)

Dear Chair Williams and Honorable Supervisors:

Our firm, together with co-counsel, represent the individual and class representative plaintiffs (collectively "Owners") in *Grey Fox, LLC et al. v. Plains Pipeline, L.P. et al.*, Case No. 2:16-cv-03157), currently pending in the Federal District Court in the Central District of California. On behalf of the certified class of Owners, attached as **Exhibit 1**, we successfully advocated that Santa Barbara County Planning Commission ("Commission") deny Pacific Pipeline Company's ("PPC's") application for a Development Plan/Conditional Use Permit Amendment and Coastal Development Permit Pertaining to Line 901-903 Upgrade Project (21 AMD-00000-00009 & 22CDP-00000-00048) (the "Project"). We attach our prior letters as **Exhibit 2** (September 1, 2022) and **Exhibit 3** (February 24, 2023), and incorporate them herein by reference.

We now ask this Board of Supervisors ("Board") also to deny PPC's Appeal.

The Commission below denied PPC's[1] application because it could not find that prior environmental review findings remained valid to accommodate the Project as revised. (See, Appeal Application, Attachment 1, pp. 4-6.) The Commission specifically highlighted "several factors that have acted in combination to cause degradation of the line including inadequate inspection intervals, a lack of adequate anomaly repairs, internal corrosion and corrosion under insulation (external corrosion). The risks of an oil spill are elevated above what was previously approved and the project would be detrimental to the health, safety, comfort, convenience, and general welfare of the neighborhood and environment." (*Id.*)

[1] The prior owner of Lines 901/903 was Plains All American Pipeline L.P. ("Plains"). Both PPC and Plains are collectively referred to hereinafter as "Owner."

Exhibit 7

DAWN SESTITO (S.B. #214011)
dsestito@omm.com
LAUREN KAPLAN (S.B. #294703)
lkaplan@omm.com
O'MELVENY & MYERS LLP
400 South Hope Street
Los Angeles, California 90071-2899
Telephone: (213) 430-6000
Facsimile: (213) 430-6407

Attorneys for Defendant
PACIFIC PIPELINE COMPANY

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

WESTERN DIVISION

GREY FOX, LLC, et al.,
Plaintiffs,

v.

PLAINS ALL AMERICAN PIPELINE, L.P., et al.,
Defendants.

Case No. 2:16-cv-03157-PSG-JEM

MEMORANDUM IN SUPPORT OF DEFENDANT PACIFIC PIPELINE COMPANY'S MOTION TO DISMISS CLAIMS ONE, TWO, THREE, AND TEN

Judge: Hon. Philip S. Gutierrez
Hearing Date: September 8, 2023
Hearing Time: 1:30 pm
Courtroom: 6A

[Filed concurrently with Notice of Motion; Declaration of Dawn Sestito; and [Proposed] Order]

IV. PLAINTIFFS' CLAIMS ONE, TWO, THREE, AND TEN MUST BE DISMISSED AS MOOT.

The claims at issue in this motion—Claims One, Two, Three, and Ten—all derive from a single core grievance: that the existing Easements allegedly do not permit the construction of a new, second Pipeline. PPC—the new owner of the Pipelines—now seeks entry of a Proposed Order unequivocally waiving and disclaiming any right (on behalf of itself and successors) to construct and install a second, new pipeline system without negotiating new easements. The Proposed Order, once entered, provides Plaintiffs all the relief they sought and definitively resolves the relevant claims, which must be dismissed as moot.

"A case becomes moot—and therefore no longer a 'Case' or 'Controversy' for purposes of Article III—when the issues presented are no longer live or the parties lack a legally cognizable interest in the outcome." *Already, LLC v. Nike, Inc.*, 568 U.S. 85, 91 (2013). Where a defendant voluntary ceases its challenged conduct, courts will dismiss for mootness "if subsequent events made it absolutely clear that the allegedly wrongful behavior could not reasonably be expected to recur." *See Rosebrock v. Mathis*, 745 F.3d 963, 971 (9th Cir. 2014). Because PPC requests entry of a Proposed Order providing Plaintiffs the complete declaratory and injunctive relief they seek on their Claims One, Two, Three, and Ten, those claims are moot and must be dismissed for lack of subject matter jurisdiction.[4]

---

[4] Because the claims PPC has assumed are moot, those claims must be dismissed against Plains for the same reasons.

All claims against Plains must ***also*** be dismissed for an ***additional*** reason: Claims One, Two, Three, Ten, and Fifteen all seek declaratory and injunctive relief against activities concerning the Pipelines and Easements, and Plains indisputably *does not* own or operate the Pipelines anymore and is no longer the permit applicant for the Replacement Project that would result in installing a second Pipeline. Plains therefore cannot provide Plaintiffs any relief, and any prospective injunctive or declaratory relief concerning the Easements would be a nullity as to Plains: Where,

Defendants replace the Pipeline, the easements as they currently exist will not cover the required activity. *See* Class Cert. Order at 6 ("Plaintiffs' first two causes of action seek clarification of the terms of the easement, and whether new easements are required to construct a new pipeline."). The overburdening this claim seeks to remedy is "the work required to construct and install a new pipeline," which Plaintiffs allege "exceeds the allowed uses of the Easements and is therefore not permissible." SAC ¶ 174. The relief sought for that alleged injury is "a declaratory ruling that the installation of a second pipeline would overburden the easements." Mot. for Class Cert. at 7; *see also* Dkt. 96 at 1 (describing "a declaratory judgment that the installation of a second pipeline, which requires a massive and invasive construction project, would overburden the easements negotiated in the 1980s").

Again, PPC's waiver and disclaimer as set forth in the Proposed Order resolve any dispute and eliminate any ongoing controversy: it is now clear (and PPC agrees) that the existing Easements do not permit construction and installation of a new pipeline without new rights of way. Because there is no further relief sought or required, *see Chen*, 819 F.3d at 1145, Claim Two is moot.

C. Claim Three: Injunctive Relief

Claim Three seeks to enjoin the "material overburdening of the Easements" because "Defendants have no right under the easements to install a second pipeline or to overburden the Easements." SAC ¶¶ 178, 180. PPC concedes the point, as reflected in the Proposed Order: PPC waives and disclaims any right to install a second pipeline under the rights-of-way granted by the existing Easements. In light of this express and enforceable waiver, no controversy remains as to this claim, and it is absolutely clear that the challenged conduct will not occur. No further injunctive relief is necessary or possible.

D. Claim Ten: Threatened Nuisance

Claim Ten seeks an injunction with two "provisions:" (1) "prohibiting

Exhibit 8

H.C. MENZEL CLERK RECORDER
1986-045016
SANTA BARBARA CO. CA.
1986 JUL 23 PM 12: 16

RECORDING REQUESTED BY
WHEN RECORDED MAIL TO:
ALL AMERICAN PIPELINE COMPANY
1321 STINE ROAD, SUITE B-1
BAKERSFIELD, CALIFORNIA 93309
ATTN: RIGHT-OF-WAY DEPARTMENT

DOCUMENTARY TRANSFER TAX $ 55 UR
☒ Computed on full value of property conveyed, or
☐ Computed on full value less liens & encumbrances remaining thereon at time of sale.

Signature of declarant or agent determining tax - firm name

7

1	7/23/86	9.00	RE
2	7/23/86	1.00	RE
3	7/23/86	7.00	AU
30	7/23/86	55.00	UN

R-05/22/86
Tract No. OSB-007/009.01-PN
County of Santa Barbara
State of California
Draft No. 0636

RIGHT-OF-WAY GRANT

For and in consideration of the sum of FIFTY THOUSAND NO/100 Dollars ($50,000.00) and other good and valuable consideration, to the undersigned the receipt and sufficiency of which is hereby acknowledged, Grantor herein, hereby grants unto **CELERON PIPELINE COMPANY OF CALIFORNIA**, a Delaware corporation, whose address is 1321 Stine Road, Suite B-1, Bakersfield, California, 93309, Grantee herein, its successors and assigns, a non-exclusive right-of-way and easement, with the right of ingress and egress incidental thereto,

1) to survey, lay, maintain, operate, repair, replace, and remove one underground pipeline and appurtenances thereto for the transportation of oil, gas, water and other substances, including but not limited to devices for controlling electrolysis for use in connection with said pipeline, and to lay, construct, maintain, operate, repair, replace, alter and remove underground telephone and power lines and appurtenances thereto, and,

2) to survey, lay, maintain, operate, repair, replace, and remove an underground communications cable, associated equipment and appurtenances thereto for telecommunications transmissions, including but not limited to voice, data, and information transmissions,

on, over, through, under and across a portion of that certain parcel of land situated in the unincorporated area of the County of Santa Barbara, State of California, described as follows:

Reference Exhibit "B" attached hereto and made a part hereof.

This right of way and easement shall have a temporary width as necessary to construct the pipeline but not to exceed one hundred (100) feet which width shall revert to a permanent width of twenty-five (25) feet six months after commencement of construction of the pipeline. The Centerline of the Permanent Right-of-Way and Easement herein granted is more particularly described by "Exhibit A" attached hereto and made a part hereof.

Grantee shall, at the time of construction, bury the pipeline, communications cable and all of the facilities placed in said easement to a depth of at least thirty six (36) inches below the surface of the ground, except that where solid rock is encountered Grantee shall bury the pipeline and communications cable to a depth of at least twenty four (24) inches below the surface. Grantee shall pay for all damages to growing crops, trees, fences, timber and any improvements on said land which may be caused by the exercise of the rights granted hereunder, provided that after the pipeline has been constructed, Grantee shall not be liable for damages caused by keeping the right of way area clear of trees, undergrowth, brush and obstructions.

In the event of any legal action to enforce or interpret the provisions of this easement, the prevailing party in such action shall be entitled, in addition to any other relief, to reasonable attorney's fees incurred therein.

Grantee may lay said pipeline, telephone, power lines or communications cable under adjacent roads and streets insofar as the interests of the Grantor extend herein.

Upon completion of the underground pipeline, telephone, power lines, and communications cable, Grantee shall, as soon as reasonably possible, fully restore and level the surface of the land to the same condition as the land was in prior to any such operations as is reasonably possible.

Any payment provided hereunder may be made by check or draft, either directly or by mail to Grantor, or to N.A. who is hereby appointed agent and authorized to receive and give receipt for such payment. No change in the ownership of the land affected by this Grant shall affect payment hereunder until thirty (30) days after Grantee shall have received a copy of a recorded instrument evidencing such a change. If two or more persons are entitled to receive any payment hereunder, the proportionate part of such payment to which each person is entitled may be made to such person or his agent separately as provided above. The payment tendered to such person or his agent of his portion of such payment shall maintain this agreement as to such person and interest in the above-described land.

Grantor reserves the right to use and enjoy said land except as Grantee's use may be necessary for the purposes herein granted, provided Grantor shall not construct or permit to be constructed, any house, structure, reservoir or other major construction or excavation on, over or within said right-of-way and easement and shall not change the grade over any pipeline and/or communications cable constructed hereunder.

It is agreed that all rights and privileges herein granted and given Grantee shall automatically end and terminate in the event that Grantee, or its successors and assigns shall fail to install or operate and maintain said pipeline for a period of five (5) consecutive years.

Nothing herein shall be construed or deemed as permitting the construction or placement of any pipeline, cable, appurtenances thereto or any other equipment or device whatsoever upon the surface of the land, except markers, vent pipes and/or test leads which shall be located only at roads, fences or property lines if installed.

Grantee assumes all risks of and shall indemnify and save Grantor harmless from and against all claims, demands, actions, or suits (including reasonable costs and expenses incident thereto) for or on account of injuries to persons or property of others arising out of the laying, maintaining, operations of, changes in, alterations to or removal of Grantee's pipeline, or in otherwise exercising the rights herein granted, excluding claims, demands, actions, or suits for or on account of injuries to persons or damages to property as a direct result of Grantor's negligence.

Nothing herein shall be construed to prevent Grantor, its successors or assigns, from constructing any desired streets, public or private water or utility lines over and/or through and across the lands embraced by the easement herein granted, provided that in no event shall any such installation be constructed longitudinally within the easement area. Grantor shall notify Grantee, in writing, at least ninety (90) days prior to construction of said streets or such lines.

This agreement may be executed in counterparts and shall be binding upon each party executing any counterpart. The acceptance by Grantee of this agreement is evidenced by Grantee's payment to Grantor of the consideration first recited above.

The terms and provisions hereof shall be binding upon and shall inure to the benefit of the heirs, personal representatives, successors and assigns of Grantor and Grantee, and Grantee is expressly granted the right to assign this right of way and easement, or any part thereof or interest therein, and the same shall be divisible among two or more parties as to any right or interest created hereunder; provided however, no assignment shall be made to any person or entity whose primary business is not the transportation of oil or gas by pipeline without the express written consent of Grantor first having been obtained. Grantee shall notify Grantor, in writing, of the name and address of any such assignee, and, notwithstanding the foregoing, no rights hereunder shall be assignable by Grantee to any public utility power company.

This agreement, as written, covers the entire agreement between the parties and no other representations or agreements, written or oral, have been made modifying, adding to or changing the terms hereof or inducing the execution hereof and the person obtaining this agreement on behalf of Grantee has no authority to make any promise, agreement or representation not expressly set forth herein.

IN WITNESS WHEREOF, This instrument is executed this 30 day of May, 1986.

GRANTOR:
MAZ PROPERTIES, INC.
a California corporation

WITNESS: _____
Robert J. Donaldson

BY: _____
Donald W. Weaver - President

_____

BY: _____

STATE OF CALIFORNIA)
) SS.
COUNTY OF _____)

On _____ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the _____, of the Corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

_____
NOTARY PUBLIC IN AND FOR THE STATE OF CALIFORNIA

STATE OF CALIFORNIA)
) SS.
COUNTY OF Kern)

On July 9, 1986 before me, the undersigned, a Notary Public in and for said State, personally appeared Robert J. Donaldson, personally known to me to be the person whose name is subscribed to the within instrument, or proved to be such by the oath of a credible Witness who is personally known to me, as being the subscribing Witness thereto, said subscribing Witness being by me duly sworn, deposes and says: That this Witness resides in Thousand Oaks, California and that said Witness was present and saw Donald W. Weaver of Maz Properties, Inc., A California Corporation personally known to said Witness to be the same person described in and whose name(s) is subscribed to the within and annexed instrument as the President of the Corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its Board of Directors, and that affiant subscribed His/Her name to the within instrument as a Witness.

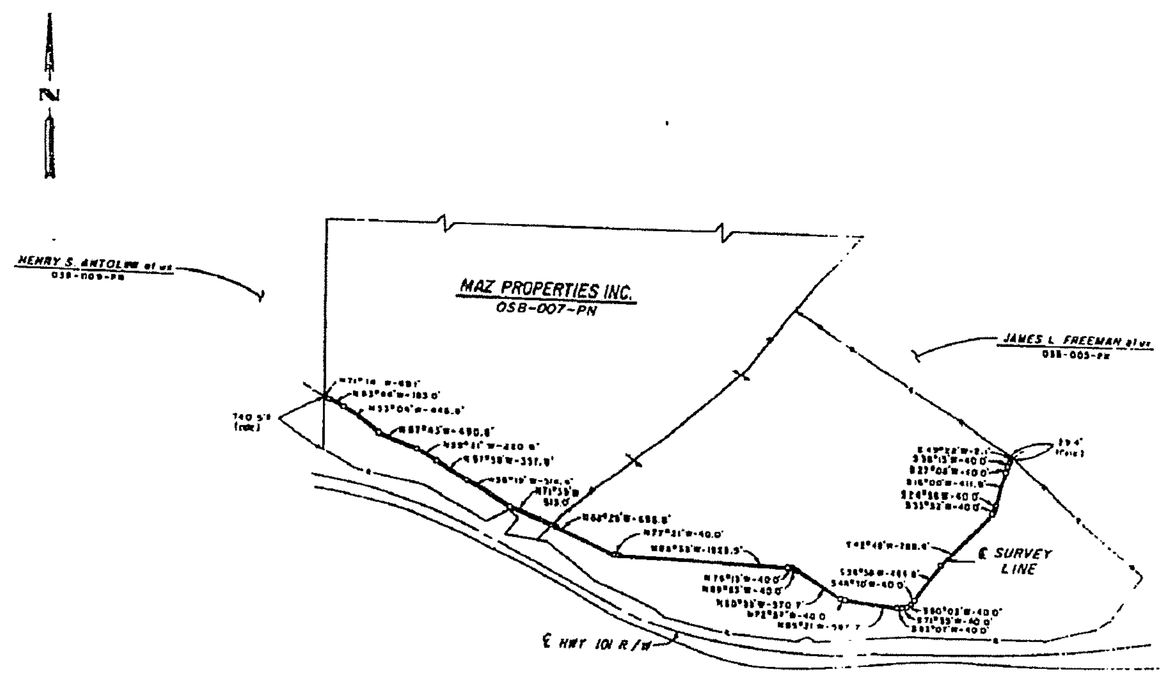
WITNESS my hand and official seal.

OFFICIAL SEAL
JAMES G PEACOCK
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
My comm. expires JUL 31, 1989

James G. Peacock
NOTARY PUBLIC IN AND FOR THE STATE OF CALIFORNIA

SANTA BARBARA COUNTY, CALIFORNIA
RANCHO NUESTRA SENORA DEL REFUGIO

EXHIBIT "A"



[signature] 6/19/86

This plat supercedes plat executed by Grantor on May 30, 1986.

TRACT: 058-007-PN
FEET: 8760.6±
RODS: 531.0±

NOTES.

REVISED LINE LOCATION

CELERON PIPELINE COMPANY OF CALIFORNIA

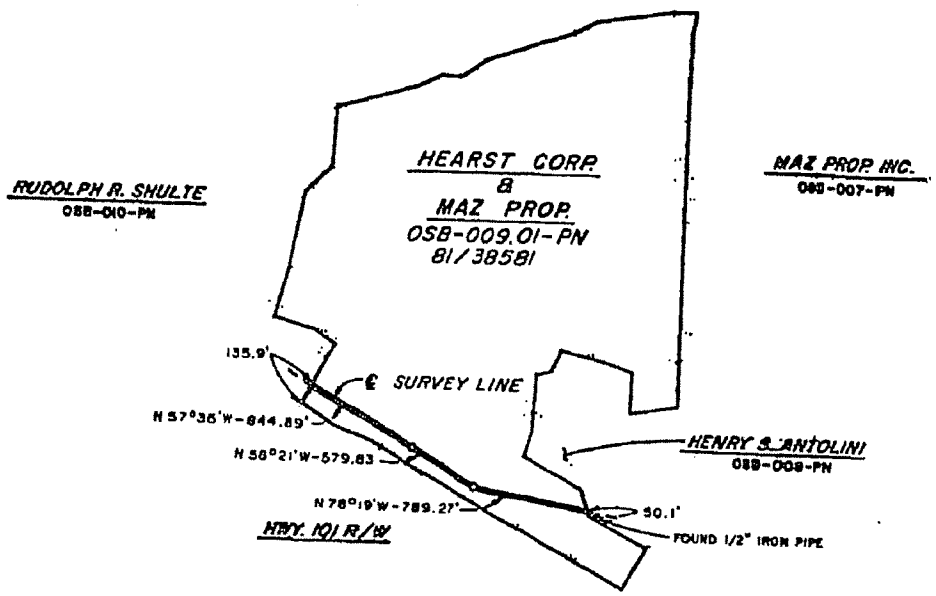
PROPOSED PIPELINE CROSSING PROPERTY OF MAZ PROPERTIES INC.

SCALE 1" = 1000'

PL-1020

SANTA BARBARA COUNTY, CALIFORNIA
RANCHO NUESTRA SENORA DEL REFUGIO

EXHIBIT "A"



TRACT: 058-009.01-PN
FEET: 2214.0
RODS: 134.18

NOTES:

1. Bearings were obtained from Ripsaw of Survey Map as recorded in Bk. 114, Pg. 60 of the Record of Surveys in the County Recorders Office, in Santa Barbara Co.
2. Refer to Field Bk. 0-015, Pg. 23-24 for Survey Notes.

CELERON PIPELINE COMPANY OF CALIFORNIA			
PROPOSED PIPELINE CROSSING PROPERTY OF HEARST CORP. & MAZ PROP. INC.			
DRAWN / CHECKED: BMH/LRG	DATE: 10/25/84	APPROVED BY: S.F.O.	DATE: 3/14/85
SCALE: 1"=1000'		DRAWING NUMBER: PL-1021	

Exhibit "B"

Parcel "B" of Parcel Map No. 12,115 being a portion of Rancho Nuestra Senora del Refugio, as per map of survey filed in Book 14, Pages 85, 86 and 87 of Parcel Maps, in the office of the County Recorder of said County.

Parcel "B" of Parcel Map No. 12,702 being a portion of Rancho Nuestra Senora del Refugio shown as Tract No. 4 of the Bruno Orella Estate filed in Book 2, Page 16 of Maps, and Surveys; said Parcel "B" is shown per map of survey filed in Book 20, Page 94 & 95 of Parcel Maps, in the offfice of the County Recorder of said County.

That portion of the Rancho Nuestra Senora del Refugio, in the County of Santa Barbara, State of California, more particularly described by metes and bounds as PARCEL NINE, TEN AND ELEVEN in Deed dated June 17, 1981 from Tajiguas Exchange Corporation to MAZ Properties, Inc. and recorded in Reel No. 81-38581 of the Official Records in the office of the County Recorder of said County.

That portion of the Rancho Nuestra Senora del Refugio, in the County of Santa Barbara, State of California, more particularly described by metes and bounds as PARCEL FIFTEEN in Deed dated June 17, 1981 from Tajiguas Exchange Corporation to MAZ Properties, Inc. and recorded in Reel No. 81-38581 of the Official Records in the office of the County Recorder of said County.

Exhibit 9

DECLARATION OF ROGER MCMULLIN

I, ROGER MCMULLIN, hereby declare:

1. I am the authorized representative for named Plaintiffs Grey Fox, LLC, Bean Blossom LLC, MAZ Properties, Inc. and Winter Hawk LLC ("MAZ Entities") in the case of *Grey Fox, LLC, et al. v. Plains Pipeline, L.P., et al.* Case No. 2:16-cv-03157, currently pending in the Federal District Court in the Central District of California.

2. I submit this Declaration in support of our counsel's request that the Board of Supervisors deny Pacific Pipeline Company's application for a Development Plan/Conditional Use Permit Amendment and Coastal Development Permit Pertaining to Line 901-903 Upgrade Project (21 AMD-00000-00009 & 22CDP-00000-00048).

3. The MAZ Entities, with other related entities, are the record owners of multiple parcels that together form an approximately 3,500 acre real estate subdivision on the Gaviota coast, known and referred to as El Rancho Tajiguas. A diagram of the various properties, their APNs, and their respective ownership entities is attached to this declaration as **Exhibit A**.

4. Grey Fox LLC is the current owner of "Lot X", APN 081-210-047. Lot X contains a fully-developed luxury home, which has been on the market since 2017 but has remained unsold. Infamously, the Grey Fox property is the site of Plains' 2015 pipeline rupture, which caused hundreds of thousands of gallons of oil to spill onto the land and out into the ocean. As a result of the spill, the Grey Fox property was the site of a massive, coordinated clean-up operation for months, and damages caused by the spill and its aftermath continue to this day.

5. Bean Blossom LLC, APN 081-200-032, also known as "Lot H", also contains a fully-developed luxury home that has sat on the market unsold for nearly a decade, because of its association with the Plains oil spill. The MAZ

Properties and Winter Hawk LLC remain undeveloped—a major contributing factor to which is the ongoing uncertainty over what will happen to the pipelines, and the reasonable fear of a future pipeline rupture.

6. Each of the southern-most parcels of the El Ranch Tajiguas subdivision, APN 081-210-047, 081-200-028, 081-200-032, 081-200-031, and 081-200-033, have a pipeline easement recorded against their properties.

7. The pipeline easement has a clause that states: "It is agreed that all rights and privileges herein granted and given Grantee shall automatically end and terminate in the event that Grantee, or its successors and assigns, shall fail to install or operate and maintain said pipeline for a period of five (5) consecutive years."

8. It is my understanding that the owner of the pipeline, either current or via its predecessor-in-interest, has not operated the pipeline since the spill in 2015, now over eight years, and therefore the easement, by its terms, has terminated.

9. As the owner of properties which were the direct site, and directly adjacent to, where the 2015 Refugio oil spill occurred, I am very aware of the catastrophic damage caused when oil spills onto the land and into the ocean, as well as the extreme disruption caused by the clean-up and remediation process. The association of the properties with the spill, as well as uncertainty over the safety of the pipeline currently in the ground, has caused massive financial damages to the MAZ Entities, losses which continue to accrue to this day.

10. There have always been concerns about the safety of the Project, but even more so now the Owner appears to have abandoned its replacement project, and now appears intent on restarting the existing pipeline.

//

//

11. I urge the Board of Supervisors to order a full Environmental Impact Report, to ensure the Project accounts for all potential impacts to the environment, surrounding landowners, and to the public at large.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed at [Burlingame], California, this 17 day of August 2023.

RogerMcMullin
RogerMcMullin (Aug 17, 2023 15:44 PDT)

ROGER MCMULLIN
on behalf of Grey Fox LLC, Bean Blossom LLC, MAZ Properties, Inc, and Winter Hawk LLC

Exhibit 10

DECLARATION OF MARK W. TAUTRIM

I, MARK TAUTRIM, hereby declare:

1. I am a named Plaintiff and class representative in *Grey Fox, LLC, et al. v. Plains Pipeline, L.P., et al.* Case No. 2:16-cv-03157, currently pending in the Federal District Court in the Central District of California.

2. I submit this Declaration in support of our counsel's request that this Board of Supervisors deny Pacific Pipeline Company's application for a Development Plan/Conditional Use Permit Amendment and Coastal Development Permit Pertaining to Line 901-903 Upgrade Project (21 AMD-00000-00009 & 22CDP-00000-00048).

3. I own the property known as Orella Ranch, APN 081-230-021. The Ranch is approximately 280 acres in size and has been owned by our family since the mid-1800s. Our current use of the Ranch is a working livestock ranch and dog boarding facility. There is a pipeline easement recorded against the Ranch property.

4. The pipeline easement has an abandonment clause that states: "It is agreed that all rights and privileges herein granted and given Grantee shall automatically end and terminate in the event that Grantee, or its successors and assigns, shall fail to operate and maintain said pipeline after the initial start-up of operations for a period of five (5) consecutive years."

5. It is my understanding that the owner of the pipeline, either current or via its predecessor-in-interest, has not operated the pipeline since the spill in 2015, well over five years, and therefore the easement, by its terms, has terminated.

6. Our property is close to the site where the 2015 Refugio oil spill occurred, and we witnessed first-hand the catastrophic damage caused by the oil spilling both onto the land, and out into the ocean.

7. I am extremely concerned about the safety of the Project, even more so now the Owner appears to have abandoned its replacement project and instead will be restarting the existing pipeline. I urge the Board of Supervisors to order a full Environmental Impact Report to ensure the Project accounts for all potential impacts to the environment, surrounding landowners, and to the public at large.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed at Goleta, California, USA, this 17 day of August 2023.

Mark W. Tautrim (Aug 17, 2023 17:45 EDT)

MARK W. TAUTRIM

Exhibit 11

DECLARATION OF MATT SATTERTHWAITE

I, MATT SATTERTHWAITE, hereby declare:

1. I submit this Declaration in support of my counsel's request that this Board of Supervisors deny Pacific Pipeline Company's application for a Development Plan/Conditional Use Permit Amendment and Coastal Development Permit Pertaining to Line 901-903 Upgrade Project (21 AMD-00000-00009 & 22CDP-00000-00048).

2. I am the owner of an approximately 15-acre property, situated west of Highway 101 and north of Gaviota, APN 083-430-030. The property is currently used as an commercial apple orchard. I understand the property has a pipeline easement recorded against it.

3. The pipeline easement has a clause that states: "It is agreed that all rights and privileges herein granted and given Grantee shall automatically end and terminate in the event that Grantee, or its successors and assigns, shall fail to operate and maintain said pipeline for a period of five (5) consecutive years."

4. It is my understanding that the owner of the pipeline, either current or via its predecessor-in-interest, has not operated the pipeline since the spill in 2015, now over eight years, and therefore the easement, by its terms, has terminated.

5. I am concerned about the safety of the Project, even more so now the Owner appears to have abandoned its replacement project and instead appears intent on restarting the existing pipeline. I urge the Board of Supervisors to order a full Environmental Impact Report to ensure the Project accounts for all potential impacts to the environment, surrounding landowners, and to the public at large.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed at Solvang, California, this 16 day of August 2023.

MATT SATTERTHWAITE,