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6 a California limited liability company

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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF SANTA BARBARA – ANACAPA DIVISION**

10
11 ZACA PRESERVE, LLC, a California limited
liability company,

12 Plaintiff,

13 vs.

14 SABLE OFFSHORE CORPORATION, a
15 Delaware corporation; PACIFIC PIPELINE
COMPANY, a Delaware corporation; PLAINS
16 ALL AMERICAN PIPELINE, L.P., a
Delaware limited partnership; PLAINS
17 PIPELINE, L.P., a Texas limited partnership;
and DOES 1 to 20, inclusive,

18 Defendants.
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Case No.: 24CV05483

VERIFIED COMPLAINT FOR:

1. **QUIET TITLE BASED ON FORMAL AND EXPRESS STATEMENTS OF INTENTION TO ABANDON THE PIPELINE**
2. **DECLARATORY RELIEF PREVENTING SABLE FROM REPAIRING AND RESTARTING THE PIPELINE**
3. **TEMPORARY RESTRAINING ORDER, PRELIMINARY AND PERMANENT INJUNCTION**
4. **BREACH OF WRITTEN EASEMENT CONTRACT**
5. **NEGLIGENT MISREPRESENTATION**
6. **NEGLIGENCE**
7. **VIOLATIONS OF CALIFORNIA'S UNFAIR COMPETITION LAW**
8. **BREACH OF IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING**
9. **PERMANENT NUISANCE**
10. **THREATENED NUISANCE**

1 Plaintiff Zaca Preserve, LLC, by and through its attorneys Price, Postel & Parma LLP,
2 hereby complains and alleges as follows:

3 **THE PARTIES**

4 1. Plaintiff Zaca Preserve, LLC, a California limited liability corporation (“Zaca”),
5 alleges the following against Defendants SABLE OFFSHORE CORPORATION a Delaware
6 corporation; PACIFIC PIPELINE COMPANY, a Delaware corporation; PLAINS ALL
7 AMERICAN PIPELINE, L.P., a Delaware limited partnership; and PLAINS PIPELINE, L.P., a
8 Texas limited partnership (collectively “Defendants”), based where applicable on personal
9 knowledge, information and belief, and the investigation and research of counsel. In this
10 complaint, Defendants Sable Offshore Corporation and Pacific Pipeline Company will
11 collectively be referred to as “Sable.” In addition, Plains All-American Pipeline, L.P. and Plains
12 Pipeline, L.P. will collectively be referred to as “Plains.”

13 2. Defendant Sable Offshore Corporation (“Sable”) is a Delaware corporation.

14 3. Defendant Pacific Pipeline Company (“PPC”) is a Delaware corporation.

15 4. Sable and PPC are residents of Santa Barbara County, California, which is where
16 their principal place of business is located. In Sable’s Integrated Contingency Plan for the Las
17 Flores Pipeline System (the only asset of Sable and PPC), Sable states that its “Headquarters” are
18 located at 12000 Calle Real in Goleta, Santa Barbara County, California. Control over the
19 operation of the Las Flores Pipeline System is the responsibility of Jeff Patterson, the Senior
20 Superintendent of the Las Flores Pipeline System, with the same address at 12000 Calle Real and
21 a local phone number. In addition, pursuant to a recent settlement of a lawsuit with Santa Barbara
22 County, as described *infra*, PPC is required to “install and operate and maintain primary and
23 secondary operations control centers in Santa Barbara County.”

24 5. Defendant Plains All-American Pipeline, L.P. is a limited partnership formed in
25 Delaware with its principal place of business in Houston, Texas.

26 6. Defendant Plains Pipeline, L.P. is a limited partnership formed in Texas with its
27 principal place of business in Houston, Texas. Defendant Plains Pipeline is a subsidiary of
28 defendant Plains All American Pipeline, L.P.

1 Lines 901 and 903 (“Pipeline”) currently owned by Defendants Sable Offshore Corporation
2 (“Sable”) and Pacific Pipeline Company (“PPC”). The existing easement contract (“Easement”)
3 is a pipeline easement located on real property owned by Zaca located near Buellton in Santa
4 Barbara County. The easement provides Sable and PPC with limited, narrow access to the
5 subject real property to take certain specified actions related to “one pipeline,” i. e. the existing
6 Line 903. Lines 901 and 903 were constructed approximately 35 years ago by a predecessor in
7 interest of Defendants, Celeron Pipeline Company of California (“Celeron”). In 2015, as a result
8 of the substantial failure of Celeron to properly construct the Pipeline, together with Plains’
9 failure to properly maintain the Pipeline since its construction in the late 1980s, there was a
10 catastrophic failure of the Pipeline which caused Plains to recognize that the Pipeline was beyond
11 repair. The Pipeline failure and the devastating spill of more than 140,000 gallons of crude oil,
12 with more than 100,000 gallons of that amount leaking into the Pacific Ocean, was a national
13 story and a local disaster. Plains’ reputation, and thereby the reputation of the Pipeline, was
14 ruined as a result. Plains was subject to multi-million-dollar civil lawsuits, and in addition was
15 found criminally responsible for its extreme negligence in maintaining the Pipeline. The Pipeline
16 was determined by federal agencies to be subject to significant corrosion, which had resulted in
17 the 2015 catastrophic blowout. That corrosion, which resulted in significant loss of the thickness
18 of the Pipeline, was found to be present throughout the entire system, including Pipeline 903
19 which is located on Zaca’s real property.

20 12. The extreme negative reputation of the Pipeline and Plains, and the real property
21 stigma that it necessarily causes to any real property through which the Pipeline passes, now
22 pertains to Zaca’s real property. Zaca’s property (“Zaca’s Property”) is a 138-acre parcel of land,
23 APN 099-400-017, located to the north of Buellton, CA. Zaca’s Property is the subject of an
24 exclusive and extremely valuable 7-lot residential subdivision, consisting of 20-acre estate lots,
25 which has been approved by the County of Santa Barbara. However, the stigma caused by the
26 Pipeline, which is legally required to be disclosed to any potential buyers of the premium lots
27 within Zaca’s property, now exposes Zaca to millions of dollars of lost property value. Sable
28 now contends that it is legally able to bring the Pipeline back into operation without replacing it,

1 without providing Zaca or the public with any verifiable information regarding the current
2 condition of the Pipeline, without providing Zaca or the public with the current status of Sable’s
3 application to restart the Pipeline, and without providing any assurance to Zaca, or any other
4 property owners in the vicinity, that the Pipeline is now safe and can be operated without future
5 blowouts. The purpose of this lawsuit is to obtain confirmation from the court that Sable’s
6 Easement on Zaca’s Property has been abandoned and is no longer valid, due to the fact that
7 Sable’s predecessor in interest (Plains) confirmed in writing in 2017 that the current pipeline
8 would be “**abandoned**,” and also that requirements of the original 1985 Easement contract,
9 including requirement of preparation of an “as-built” plan for the Pipeline, were not complied
10 with. In addition, Zaca seeks confirmation from the court that Sable is not allowed to put the
11 Pipeline back into service without a new easement from Zaca. In order to avoid further damage
12 to Zaca, Sable needs to either negotiate a new easement from Zaca and construct a new pipeline
13 on Zaca’s Property, with adequate corrosion protection, or abandon the Pipeline and remove the
14 Pipeline from Zaca’s property entirely, and reroute the Pipeline through other properties in the
15 area. If these actions are not taken, Zaca is subject to the complete loss of property value for its
16 valuable subdivision, which would be worth in excess of \$40 million were it not for the extreme
17 negative stigma caused by Defendants’ negligence and the 2015 blowout, and Sable’s
18 unsupported and secretive plans to restart the Pipeline.

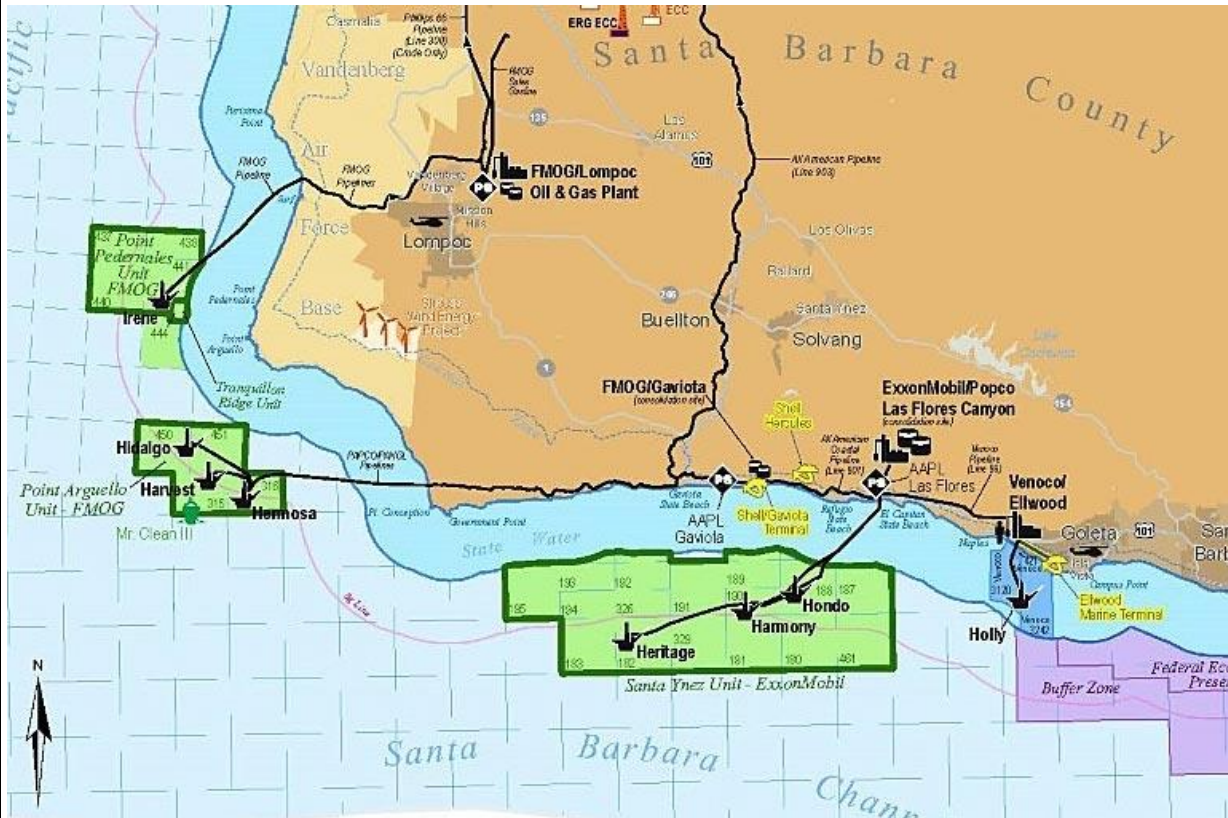
19 **FACTUAL BACKGROUND**

20 13. Sable is the current owner of the Pipeline that formerly transported crude oil and
21 other liquids from the California coast to inland refinery markets in California, until the 2015
22 blowout. There are two pipelines. Line 901 is a 24-inch diameter pipeline that runs essentially
23 east to west for approximately 10.7 miles along the Santa Barbara County coastline, from the Las
24 Flores Canyon Oil & Gas Processing Facility to the Gaviota Pump Station. Line 903 is a 30-inch
25 diameter pipeline that runs south to north and then east for approximately 128 miles from the
26 Gaviota Pump Station to the Emidio Station near Bakersfield, in Kern County. Line 903 runs
27 directly through Zaca’s Property.

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1 14. Line 901 delivered all of its crude oil to Line 903 at the Gaviota Pumping Station,
2 where the two meet. Line 903 then carried the crude from both Pipelines to Kern County. Prior
3 to the blowout in 2015, the Pipelines were controlled from Plains' control room in Midland,
4 Texas.

5 15. The Pipeline is shown in the map below published by the Santa Barbara County
6 Energy Division.



16. The Pipeline runs through Zaca's Property, a 138-acre parcel of unimproved real
property that is the subject of an approved 7-lot subdivision in the County of Santa Barbara. The
property is commonly known as the Zaca Preserve and is identified as APN 099-400-017. The
Zaca Property is the subject of an easement deed recorded in 1985, in favor of Celeron Pipeline
Company of California ("Easement"). An amendment of the 1985 Easement was recorded in
1986. True and correct copies of the 1985 Easement and 1986 Amendment (collectively
"Easement") are attached hereto as Exhibits A and B, respectively.

1 17. The Pipeline was constructed beginning in 1988 by Celeron Pipeline Company of
2 California and operated through its subsidiary All American Pipeline Company (“AAPC”). The
3 Pipeline went into crude oil service in 1991.

4 18. The original 1985 Easement contract was entered into by Zaca’s predecessors in
5 interest and Celeron. In 1998, Plains acquired the Pipeline. Plains owned and operated Lines 901
6 and 903 until the 2015 blowout. Thus, Plains was the successor-in-interest of Celeron, and is the
7 predecessor in interest of Defendant Sable.

8 19. The Easement states that it is for the use of “one pipeline,” and expressly allows
9 that Celeron (now Sable) shall use the Easement for the “maintenance, repair, removal or
10 replacement” of that one Pipeline. The Easement contract provides a temporary construction
11 easement of up to an additional 50 feet, which terminated when construction was completed in
12 1991. The permanent Easement then reverted to a width of 50 feet. In addition, the Easement
13 provides that upon its termination, the owner of the Easement must remove the Pipeline and all
14 structures and facilities placed upon Zaca’s Property and restore the land as nearly as possible to
15 the same state and condition as existed prior to removal. Finally, the Easement required the
16 preparation and recordation of an “As-Built Plat, defining the location of the Easement across
17 [Zaca’s] land” within 90 days of the completion of construction. Although an amendment of the
18 Easement was subsequently prepared and recorded in July 1986, this was done prior to
19 construction and did not satisfy the requirements of the original 1985 easement. According to the
20 County’s Notice of Preparation of the Draft Environmental Impact Report for the Plains
21 Replacement Pipeline Project, the County finally approved the Pipeline project in 1988, after the
22 1986 amendment. According to the County, “pipeline construction occurred from 1988 to 1991,
23 and Line 903 became operational in 1991.” The Exhibit “A” attached to the amendment states
24 that it was the “proposed” Pipeline crossing Zaca’s Property. Exhibit A is not an “as-built,”
25 because it was prepared before construction of the Pipeline. It does not state the dimension of the
26 Pipeline, nor how deep it was buried. It also does not say anything about the construction
27 methodology for the Pipeline, including whether or not any corrosion protection system was
28 installed. It is merely a conceptual drawing, primarily handwritten, of the proposed location of

1 the Pipeline **prior to the actual 1988 construction and the actual commencement of Pipeline**
2 **operations in 1991.**

3 20. Zaca is informed and believes and thereon alleges that although the Pipeline was
4 approved to transport crude oil, subsequent testing revealed that Plains used it to transport other
5 toxic chemicals known to pose threats to human health and marine life, including but not limited
6 to Ethylbenzene, Toluene, Xylene and Naphthalene. The Pipeline also transported
7 Glutaraldehyde, a biocide used for drilling, fracking and acidizing operations.

8 21. A properly maintained pipeline will operate for well over 50 years, and the
9 Easement provided that the Easement owners would maintain, operate and repair the Pipeline as
10 needed. After more than 25 years of Pipeline operation, Plains' failure to properly and
11 professionally maintain the Pipeline resulted in the disastrous 2015 blowout and environmental
12 catastrophe. Plains also failed to properly monitor the Pipeline's corrosion levels or to timely
13 make the repairs needed to sustain the reasonably-expected lifespan of the Pipeline. To Zaca's
14 knowledge, the Pipeline on the Zaca Property was never inspected after it commenced operations,
15 or after the 2015 blowout. As a result of Plains' failure to properly maintain the Pipeline over the
16 course of its useful life, the Pipeline became severely corroded, thinning in many places,
17 including portions of Line 903, from an original thickness of more than 1/3rd of an inch to just
18 1/16th of an inch in some areas—a five-fold decrease. Third party anomaly testing put Plains on
19 notice of these defects, as did prior repairs to areas adjacent to the eventual rupture location.

20 22. As a result of Plains' failures, on the morning of May 19, 2015, the Pipeline
21 ruptured on a parcel of real property near the Pacific Ocean. Before Plains managed to shut it off,
22 the Pipeline had discharged more than 140,000 gallons of crude oil on that property. Oil made its
23 way beyond the property where the blowout was located to other properties, public recreation
24 areas, coastal bluffs, beaches, and the Pacific Ocean. Approximately 100,000 gallons of crude oil
25 leaked into the Pacific Ocean.

26 23. Within three days of the Pipeline rupture, on May 21, 2015, the U.S. Department
27 of Transportation Pipeline and Hazardous Materials Safety Administration ("PHMSA") shut
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1 down the Pipeline, finding that continued operation of the Pipeline without corrective measures
2 would be hazardous to life, property, and the environment.

3 24. After a one-year investigation, in May 2016, PHMSA issued its Failure
4 Investigation Report (“FIR”), which concluded that this external corrosion - compounded by
5 ineffective corrosion protection, failure by Plains to detect or mitigate the corrosion, and Plains’
6 failure to timely detect and respond to the pipeline rupture - was the direct or proximate cause of
7 the Refugio Oil Spill.

8 25. The corrective measures ultimately required as a result of PHMSA’s
9 investigation include replacement of the Pipeline, improvements to Plains’ Integrity
10 Management Plan (“IMP”), enhancements to leak detection and alarm systems, installation of
11 safety valves and pressure sensors.

12 26. Plains was also charged and convicted of nine counts of criminal wrongdoing,
13 related to its operation of the Pipeline and the resulting oil spill, including an unprecedented
14 felony conviction for: 1. Knowingly [sic] or reasonably should have known that its actions would
15 cause the discharge of oil into the waters of the state; 2. Knowingly failing to follow a material
16 provision of an applicable oil contingency plan, and; 3. Unlawfully discharging oil or waste to the
17 surface or subsurface waters or land by oil field operations. *State of California v. Plains All*
18 *American Pipeline, L.P.*, No. 1495091 (Santa Barbara Cty. Super. Ct. Sept. 7, 2018).

19 27. Recognizing that its failure to maintain the one Pipeline allowed under the
20 Pipeline easements caused the Pipeline to deteriorate beyond reasonable repair or replacement,
21 Plains sought regulatory approval from the County of Santa Barbara to abandon the existing
22 Pipeline and construct an entirely new pipeline system. The permit application for this new
23 system described its plan to “**abandon** the existing pipelines known as Line 901 and Line 903 in-
24 place and construct a replacement pipeline known as Line 901 R and Line 903 R.” (Emphasis
25 added.) This proposed replacement pipeline, of 123.4 miles, was intended to follow the same
26 corridor as the existing Pipeline, along the same properties. See Detailed Construction
27 Description for L901R & L903R Pipelines.

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1 28. The Construction Plan contemplated construction of an entirely new pipeline
2 system, using substantial amounts of personnel and equipment. Plains projected that the
3 construction process would take 15 to 21 months. The heaviest equipment would remain on site
4 continuously during that period, requiring thirteen or more primary staging areas, and a
5 construction corridor of between 100 and 200 feet or more, to accommodate construction,
6 additional “secondary” staging areas, and to route around existing natural barriers, such as large
7 oak trees.¹

8 29. The rights Plains sought in its permits far exceeded those granted through the
9 easements that were in place throughout the location of the Pipeline. In addition, all of the
10 relevant easement contracts are expressly limited to “one” pipeline. The easements (including the
11 Easement on Zaca’s Property) did not allow for the construction of an entirely new pipeline, and
12 certainly did not allow the prolonged and disruptive construction program required for a new
13 pipeline. Moreover, the Permanent Maintenance Corridor that Plains recognized would be
14 necessary was larger than many of the existing easements through which the Pipeline was located.

15 30. At that time Plains recognized that the requirements for permitted operation of the
16 replacement Pipeline could not be met through repair and continued operation of the existing
17 Pipeline, nor did Plains contemplate doing so. But the easement contracts throughout the system
18 (including the Easement on Zaca’s Property) expressly limited Plains to the operation of one
19 pipeline—the Pipeline that Celeron installed more than thirty years ago. It was also abundantly
20 clear that Lines 901R and 903R would represent an entirely new pipeline system, requiring new
21 permitting, through a new regulatory system. The terms of the Easement (and all other easements)
22 and applicable law did not allow Plains to install this new pipeline system. Moreover, a second
23 massive construction project in fewer than 30 years would vastly exceed any burden the parties to
24 the Pipeline easements could have reasonably contemplated.

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28 ¹ Plains made no provision to remove any part of the existing Pipeline, unless required
to do so. Its plan was to “abandon in place” the entire Line 901/903 system.

1 31. As a bona fide purchaser of the Zaca Property, Zaca is entitled to receive the
2 benefit of its bargain under the existing Easement contract, which entitled Plains (now Sable) to
3 install, and impose the associated burdens of, only one pipeline.

4 32. The events of May 19, 2015 made clear that such changes to the Pipeline are long
5 overdue. The ongoing operation of the improperly maintained and severely corroded Pipeline
6 posed a real and grave risk to Zaca and its property. But desirability did not give Plains the right
7 to exceed the scope of the Easements to the detriment of recorded property rights, simply because
8 Plains feloniously failed to maintain the one pipeline it was entitled to install. The property
9 owners, including Zaca, were entitled to clarify their existing property rights.

10 33. For the above reasons, a comprehensive class-action lawsuit was filed in the
11 Central District of the United States District Court in 2016, seeking declaratory rulings and
12 associated injunctive relief, that under the Easements: 1) Plains' proposed Line 901R and 903R
13 would be an impermissible second pipeline; 2) Plains lacked the necessary rights to perform the
14 construction necessary to install Line 901R and 903R; and 3) Plains could only impose these
15 additional burdens by obtaining easements adequate to cover the additional property rights it
16 needed for appropriate consideration.

17 34. In the class-action matter in Federal District Court, the plaintiff class members also
18 sought specific damages for the harm resulting from Plains' bad actions. Given Plains' failures,
19 the damage that needed to be repaired and/or restored was far greater than what would have been
20 required if timely maintenance had been performed. Moreover, the intrusion on the class action
21 plaintiffs' real properties was commensurately greater than if Plains had routinely and timely
22 performed maintenance. For those reasons, the plaintiffs in the class-action suit also sought all
23 damages that flowed from Plains' breach of the easement contracts, failure to maintain the
24 original Pipeline, and interference with the class action plaintiffs' use and enjoyment of their
25 properties. Those damages included but were not limited to lost proceeds from the sale of the real
26 properties, diminished property values, costs of containment and cleanup, losses from injury to
27 property, and loss of use and enjoyment of property.

28

1 35. The federal class-action lawsuit resulted in a settlement in 2024. The settlement
2 included the following: 1) Sable² would agree that the Pipeline easements on the affected
3 properties do not allow them to install a second, new pipeline, for example by replacing the
4 existing one; 2) Sable agreed to make reasonable efforts to obtain governmental approval for the
5 installation of automatic shutoff valves, a safety feature; 3) each property included in the class
6 would receive at least \$50,000;³ 4) the members of the class would agree that the easements
7 permit the repair and operation of the pipeline; 5) members of the class would agree that Sable
8 and PPC would be allowed to record a notice for each property stating that the easements remain
9 in effect and permit the repair and operation of the Pipeline, including taking any action required
10 by governmental authorities to repair and/or operate the Pipeline; clarifying the terms of any
11 automatic termination clauses in the easements; suspending any such automatic termination
12 clauses for five years; and affirming that the easements permit the construction of automatic
13 shutoff valves and related above and below ground structure structures; and 6) the class members
14 would agree not to oppose efforts by Sable to obtain governmental approval for the automatic
15 shutoff valves.

16 36. Zaca has formally opted out of the class-action settlement. The reason Zaca has
17 opted out is because the relief provided in the class-action settlement is not remotely adequate to
18 satisfy Zaca's losses. Because of the publicly-known negative stigma that necessarily is attached
19 to the Pipeline, Zaca would need to disclose all of the above-referenced facts in connection with
20 any sale of the seven lots on the Zaca Property that the County of Santa Barbara has already
21 approved. Zaca estimates that absent the negative stigma caused by the Pipeline, the subject
22 seven lots would be worth at least \$4 to \$5 million each, for a total property value of more than
23 \$40 million. But as a result of the negative stigma caused by the Pipeline, Zaca estimates that the
24 property values for its 7 20-acre lots have been drastically reduced. It is certainly possible, if not
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26 ² As referenced and explained in detail *infra*, by this time Sable was the complete owner of the
27 Santa Ynez unit, including the offshore drilling rigs and associated pipelines, and the entire Las
28 Flores Pipeline system.

³ Some class properties would receive more than \$50,000 depending on the property's size, value,
easement language and what repairs or other work would occur on that property.

1 probable, that several of the 7 lots through which the Pipeline physically passes would be
2 virtually unsalable. Zaca is not willing to finalize its Final Map for the Zaca Property under the
3 current circumstances. The only way in which the negative stigma from the Pipeline could be
4 remedied is for Sable to acquire Zaca's Property from Zaca at its expected market value absent
5 that negative stigma, and/or for Sable to either reconstruct a new pipeline with all required
6 modern safety features on the edge of Zaca's Property, or relocate the Pipeline off of Zaca's
7 Property entirely.

8 37. As mentioned previously, pursuant to a sale agreement in early 2024, Sable is now
9 the owner of the Pipeline, having acquired it from Exxon and its former subsidiary PPC.
10 However, Sable is composed of several highly-placed executives who formerly worked for
11 Plains. For instance, Sable's current CEO previously served as the CEO for Plains Exploration
12 and Production Company beginning in the early 2000's, and departed when the next owner of that
13 entity had amassed huge amounts of debt under his leadership. Afterwards, that same executive
14 headed Sable Permian Resources, which subsequently went bankrupt. Based on Plains' dismal
15 failure to properly maintain the Pipeline, and the above-referenced prior history of Sable's
16 executives, Zaca is certain that the maintenance efforts that Sable will pursue in the future on the
17 Pipeline will not be adequate and will keep the Pipeline in an unsafe condition.

18 38. Zaca has incurred fees, costs, and expenses related to its ongoing efforts to
19 commercially market the Zaca Property, and has suffered stigma and reputational damages that
20 have been and will continue to negatively impact the value, marketability, desirability, and
21 ultimate sale price of the approved lots within Zaca's Property.

22 **A. All The Facts Surrounding The 2015 Blowout And Subsequent Efforts To**
23 **Reconstruct The Pipeline Constitute A Negative Stigma On The Zaca**
24 **Property Which Would Be Required To Be Disclosed To Any Purchaser Of**
25 **The 7 Lots Thereon.**

26 39. Zaca is informed and believes, and thereon alleges that Exxon, the former owner
27 of the off-shore oil platforms and the Pipeline, was involved in the formation of Sable as an
28 entity to take over the operation of the Pipeline. Zaca is further informed and believes and

1 thereon alleges that such efforts were undertaken in order for the negative reputation and stigma
2 caused by Plains' negligence and bad acts which resulted in the 2015 blowout could be eliminated
3 and/or forgotten. No such possibility exists for Zaca's Property, and that past history cannot be
4 forgotten and eliminated. In the sale of the seven lots on its property, Zaca would be required to
5 disclose all of the past history regarding the Pipeline, including the PHMSA's conclusion that
6 Line 903 had anomalies similar to Line 901, to any prospective purchasers of any of the 7 lots on
7 Zaca's Property. It is therefore necessary in this complaint to review the history of Plains'
8 operation of the Pipeline. All of the foregoing facts are publicly known, and would be easily
9 discoverable by any prospective purchaser of any of the 7 lots to be included in Zaca's
10 subdivision. California law would require Zaca to disclose these facts to prospective purchasers,
11 including the fact that there is a close relationship between Plains, Exxon and Sable.

12 **B. The 2015 Blowout Caused An Environmental Disaster Which Resulted In**
13 **Significant Negative Stigma That Will Forever Be Attached To The Pipeline,**
14 **No Matter Who Operates It.**

15 40. On the morning of May 19, 2015, at approximately 10:55 a.m., the Pipeline
16 ruptured on private property near Refugio State Beach, spilling toxic oil onto the property, onto
17 the coastal bluffs, onto the beach, and into the Pacific Ocean. As the crude oil poured out of the
18 ruptured pipe, motorists on U.S. 101, neighbors and beachgoers became overwhelmed by the
19 stench of oil. At approximately 11:30 a. m. the Santa Barbara County Fire Department responded
20 to reports of the noxious odors and arrived to find oil flowing freely from the Pipeline, through a
21 storm drain under the transportation corridor containing U.S. 101 and railroad tracks operated by
22 Union Pacific, across the beach, and into the Pacific Ocean. Oil continued to spill from the
23 Pipeline until approximately 3 p.m.

24 41. Plains did not promptly act to respond to signs of the Pipeline's failure or notify
25 relevant government agencies. As the two United States Senators from California stated in a
26 letter to Defendants, "we are concerned that Plains Pipeline may not have detected this spill or
27 reported it to federal officials as quickly as possible, and that these delays could have exacerbated
28

1 the extent of the damage to the environment.” The senators called Defendants’ response
2 “insufficient.”

3 42. Indeed, as reported by the Los Angeles Times, it appears that “chaos and delay
4 marked the initial hours after [the] pipeline burst.” According to a subsequent response to the
5 senators’ letter, Plains personnel were unable to timely notify federal spill response officials or
6 communicate with other Plains representatives due to in part “distractions” at the spill site. Plains’
7 on-site employee dispatched to respond to the emergency was reduced to using a shovel to try to
8 build a berm to contain the spill.

9 43. According to federal investigators, one of Plains’ representatives told officials
10 who first responded to reports of an oil spill that he did not think it came from Line 901, which is
11 on the opposite side of the interstate transportation corridor from the ocean. In fact, it was several
12 hours before Plains officially notified local, state, or federal spill response officials, even though
13 Plains’ representatives were conducting a spill response drill nearby that very morning.

14 44. Witnesses who visited Refugio State Beach on the night of the spill reported little
15 or no response. Even the next day, as professional clean-up crews began responding to the oil
16 contaminating Refugio State Beach, the response efforts at other nearby beaches were left to
17 volunteers with little or no training or protective equipment, some using nothing but shovels and
18 five-gallon buckets in attempts to remove thousands of gallons of crude oil from the sand and sea.

19 45. The delayed and inadequate response runs contrary to Plains’ oil spill response
20 plan, which assured state regulators that a spill from Line 901 was “extremely unlikely.” Plains
21 also assured regulators that it would take no longer than 15 minutes to discover and shut off the
22 source of any spill. In fact, Defendants continued to operate Line 901 for more than 30 minutes
23 after it initially ruptured and waited hours more before officially notifying federal responders of
24 the rupture.

25 46. Indeed, a California jury unanimously found Plains guilty because it “knowingly
26 [sic] or reasonably should have known that its actions would cause the discharge of oil into the
27 waters of the State,” a felony crime. Plains was also convicted of eight criminal misdemeanors,
28 including knowingly failing to follow a material provision of an applicable oil contingency plan,

1 and unlawfully discharging oil or waste to the surface or subsurface waters or land by oil field
2 operations, as well as several counts for resulting death of marine life. (*State of California v.*
3 *Plains All American Pipeline, L. P.*, No. 1495091 (Cal. Super. Ct. Sept. 7, 2018).

4 47. The oil spill presented a serious risk to human life. The Santa Barbara County
5 Health Department recommended that residents avoid all areas affected by the spill, but U.S.
6 Route 101, a major interstate highway, runs through and adjacent to the spill area. The County
7 called Refugio Beach a “Hazmat area.” The County also warned that direct contact with oil,
8 inhalation of fumes, or ingestion of contaminated fish or shellfish can cause skin irritation,
9 nausea, vomiting, and other illnesses.

10 48. Zaca is informed and believes and therefore alleges that following the spill, the
11 group Water Defense collected oil and water samples to test for chemicals that could be harmful
12 to the public. Although the Pipeline had been approved to transport crude oil, the testing revealed
13 that the Pipeline also carried — and Line 901 spilled — toxic chemicals known to pose severe
14 threats to human health and marine life, including but not limited to, Ethylbenzene, Toluene,
15 Xylene, and Naphthalene. Those tests also confirmed the presence of Glutaraldehyde, a biocide
16 used in drilling, fracking, and acidizing injections.

17 49. It is generally known by the public that the long-term impact of a major oil spill
18 such as the 2015 blowout is significant. Even with the best spill response, toxic oil will remain in
19 the environment for a long time, continuing to harm the environment. Recently, five years after
20 the Deepwater Horizon oil spill in the Gulf of Mexico, officials assessing the damage to that
21 ecosystem said, “the environmental effects of this spill is likely to last for generations.” The 2015
22 blowout may also cause long-lasting environmental and economic impacts.

23 50. The Santa Barbara News-Press reported that, as of late June 2015, the “most
24 tedious” portions of the clean-up area remained uncleaned, and cleanup costs had exceeded \$92
25 million. By January 2016, only a small fraction of the oil — 14,267 gallons of an oil/water mix
26 — had been recovered, and more than 430 oiled birds and mammals had been observed. Any
27 reasonable person interested in acquiring one of the 7 lots in Zaca’s subdivision would therefore
28 be reasonably all about the ongoing operation of the Pipeline on Zaca’s Property which transports

1 dangerous chemicals under pressure, and was the direct cause of the 2015 blowout which is still
2 causing adverse environmental impacts to the County. Plains' negligence in causing this
3 environmental damage still hangs as a specter over Zaca's Property, thereby causing a significant
4 negative impact to the Zaca Property's value and its prospect for obtaining market value for the 7
5 premium lots the County has already approved.

6 **C. The May 2015 Rupture Exposed The Dangerous Conditions Of The Entire**
7 **Pipeline**

8 **1. The Root Cause Of The Rupture Was External Corrosion**

9 51. In May 2016, the U.S. Department of Transportation Pipeline Hazardous
10 Materials Safety Administration issued its FIR ("Report") on the Pipeline.⁴ It found that the
11 proximate or direct cause of the Spill was external corrosion that had progressed to an
12 unsustainable level. The Report details how the Pipeline (consisting of both Line 901 and Line
13 903) was severely corroded. PHMSA's Report shows that data from Plains' "in-line inspections"
14 of Line 901 "show a growing number of corrosion anomalies on Line 901," increasing from 12
15 areas of metal loss of 40 to 59 percent to 80 such areas, 2 areas of metal loss of 60 to 79% to 12
16 such areas, and 0 areas of metal loss greater than 80% to two such areas from 2007 to May 2015.
17 Because Line 903 had "similar corrosion characteristics," PHMSA shut down both lines.

18 52. Plains also failed to monitor and maintain the Pipeline's cathodic protection
19 system. Though the system is supposed to prevent or reduce corrosion even when moisture made
20 it through to the Pipeline, it did not function correctly.

21 53. SCC ("stress corrosion cracking") or environmentally-assisted cracking can be
22 induced on a pipeline from the combined influence of tensile stress and a corrosive medium. SCC
23 is commonly associated with disbonded coatings. Disbonded coatings may prevent the cathodic
24 protection currently used for corrosion control from reaching the pipe surface and allow an SCC-
25 susceptible environment to form between the pipe and coating. Tape coatings and shrink wrap
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⁴ See Report at p. 3; available at <https://www.phmsa.gov>.

1 sleeves are both susceptible to disbondment, which reduces the efficacy of the cathodic protection
2 system and may lead to corrosion and possibly environmentally assisted cracking or SCC.

3 54. Although those types of coatings and sleeves were present on the Pipeline,
4 PHMSA's findings indicate that Plains did not factor in the insulation of the Pipeline when
5 determining the protection level supplied by its cathodic protection system. Cathodic protection
6 is required by Federal pipeline safety regulations to prevent external corrosion of the Pipeline.
7 Historical records, however, reveal that Defendants supplied a cathodic protection level sufficient
8 to protect non-insulated, coated steel pipe, but insufficient to protect the Pipeline, which is
9 insulated.

10 55. The May 2015 rupture and the resulting environmental disaster has exposed the
11 dangerous condition of the entire Pipeline, necessarily including the portions of Line 903 which
12 run through the Zaca Property. It also exposed Plains' systemic failure to properly monitor and
13 maintain the Pipeline. This resulted in substantial negative stigma affecting all properties through
14 which the Pipeline runs, including Zaca's Property.

15 56. The Pipeline was, and is, in an unsafe condition, as regulators have held.

16 **D. Plains Had A Long History Of Recklessly Avoiding Safety, Which Continues**
17 **To Cause A Substantial Negative Stigma To Any Property On Which The**
18 **Pipeline Is Located**

19 57. Threats to the County of Santa Barbara's environment and economy from oil
20 development, production and operations are not new. In 1969, a blowout at Union Oil's off-shore
21 drill rig sent millions of gallons of oil into the waters and onto the beaches of Santa Barbara
22 County. Despite that disaster, the oil industry continued to grow in and around Santa Barbara
23 County. Governments and some companies took significant steps to make the production and
24 transportation of crude oil safer and more reliable. Plains, on the other hand, was notable for its
25 track record of doing otherwise.

26 58. Automatic shut-off valves are one such safety feature others have adopted but
27 Plains never installed on the Pipeline. The refusal by Plains to follow standard safety protocols
28 directly contradicted its own published pipeline safety protocol, which provided "that Plains All

1 American Pipeline is committed to designing, constructing, operating, and maintaining its
 2 pipelines in a safe and reliable manner that will meet or exceed minimum safety standards. ...”

3 59. Consequently, the existing Pipeline was likely the only pipeline system in the area
 4 that, if it were operating, would be capable of failing and discharging hundreds of thousands of
 5 gallons of crude oil without warning.

6 60. The lax safety standards on the Pipeline were not isolated incidents for Plains.
 7 Zaca is informed and believes, and thereon alleges that since 2006 Plains has been cited for more
 8 than 175 violations of safety requirements, causing nearly \$24 million in property damage.
 9 Eleven of those incidents were in California. Plains is one of the top four most-cited pipeline
 10 operators in the country.

11 61. According to the website The Smart Pig Blog, Plains’ dismal track record
 12 operating pipelines is as follows:

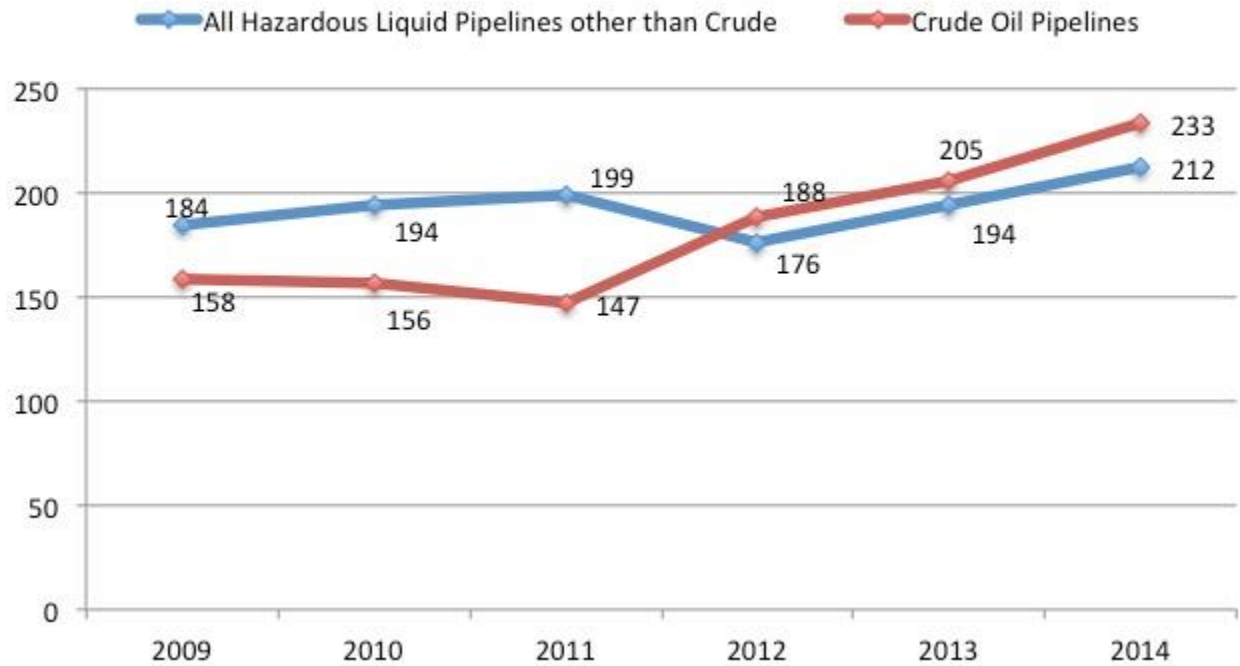
13 62. Defendant Plains Pipeline L.P. operated 6,437 miles of hazardous liquid pipelines
 14 in 16 states, with 480 miles of it in California. In the past ten years [prior to 2015] Plains
 15 reported 175 pipeline incidents, which caused nearly \$24 million of property damage. Of those
 16 175 incidents only 11 were in California. There have been 20 enforcement actions initiated
 17 against this company resulting in \$284,500 in fines. Of those enforcement actions none of them
 18 were for issues specific to California. The following chart illustrates that information:

19 **PLAINS PIPELINE, L.P.**
 20 **All Incidents, Hazardous Liquid Pipeline Systems⁽³⁾: 2006-2015**

Year	Number	Fatalities	Injuries	Property Damage (A)	Gross Barrels Spilled (Haz Liq) (B)	Net Barrels Lost (Haz Liq) (B)(C)
2006	26	0	0	\$6,330,095	8,151	1,273
2007	18	0	0	\$357,044	1,143	87
2008	11	0	0	\$468,233	145	30
2009	14	0	0	\$378,401	573	197
2010	11	0	0	\$230,115	942	2
2011	12	0	0	\$466,813	771	0
2012	26	0	0	\$3,411,423	1,306	15
2013	20	0	0	\$7,222,572	596	0
2014	34	0	0	\$4,558,915	2,270	40
2015 YTD	3	0	0	\$386,352	503	65
Totals	175	0	0	\$23,809,963	16,404	1,710

1 63. Again according to the Smart Pig Blog, Plains' incident rates for the five years prior
2 to the blowout were above the national average:

3 All Hazardous Liquid Pipeline Incidents

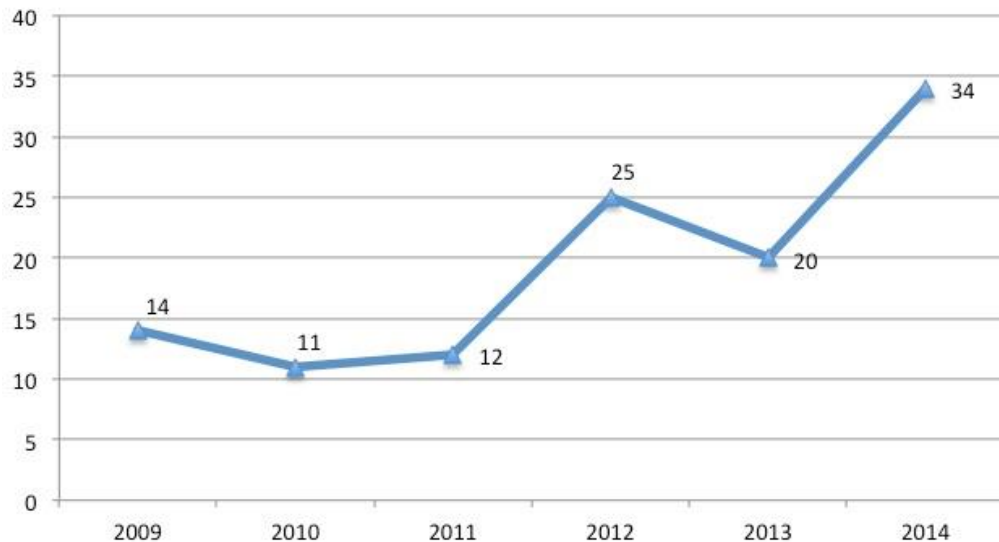


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10 64. The number of Incidents reported to PHMSA for all hazardous liquid pipelines
11 was increasing as of 2015, but incidents for crude oil pipelines were increasing at a faster rate.

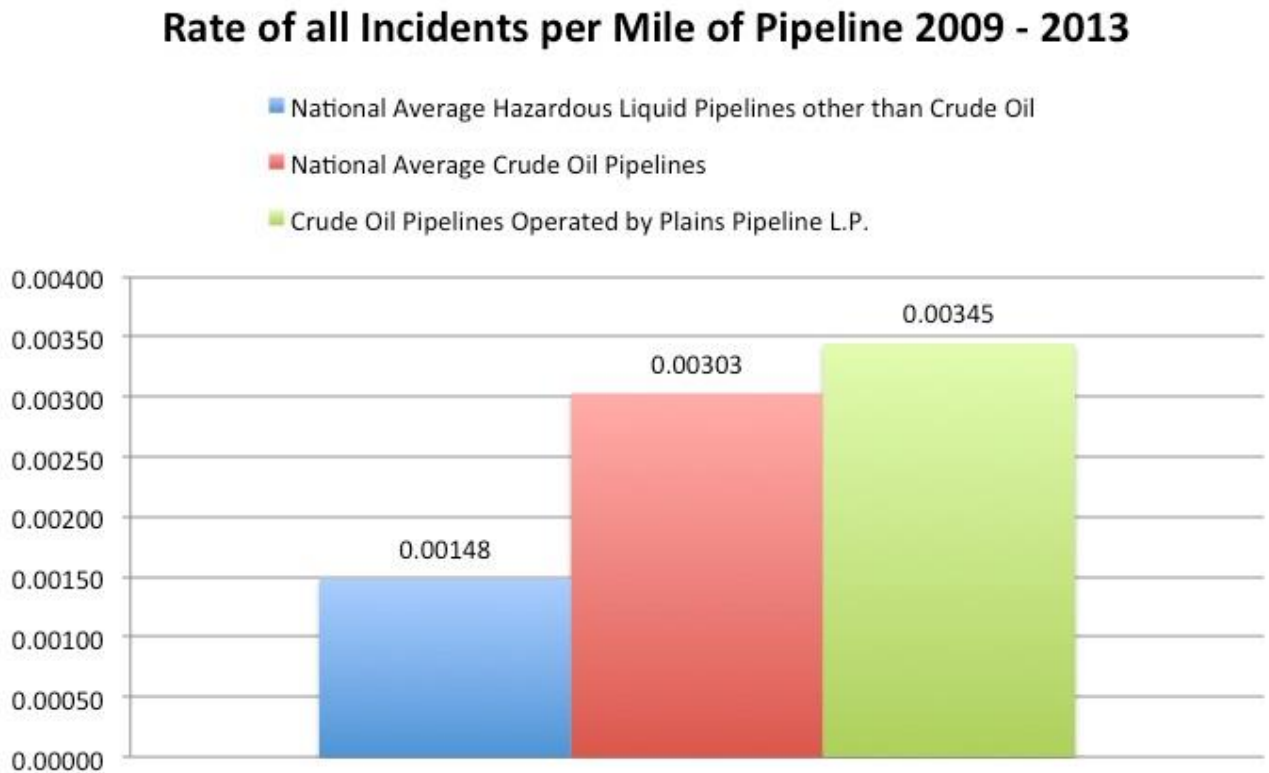
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16 The number of incidents on crude oil pipelines operated by Defendant Plains Pipeline L.P.

17 follows this trend, and is increasing faster than the national average as of 2015.

18 Plains Pipeline L.P. (Operator I. D. #300) 19 Crude Oil Pipeline Incidents



1 65. The Smart Pig Blog also reported that over the few years prior to 2015, its analysis
2 was normalized by looking at the number of incidents per mile of pipeline. The Smart Pig Blog
3 found that the rate nationally for crude oil pipelines was twice that of other types of hazardous
4 liquid pipelines, and that the rate of incidents/mile of pipe for crude oil pipelines operated by
5 Plains Pipeline L.P. was about 14% higher than the national average for crude oil pipelines, as
6 reflected in the following chart:



20 66. Plains admitted in a recent disclosure report to the United States Security and
21 Exchange Commission that Plains would likely “experience future releases of hydrocarbon
22 products into the environment from our pipeline . . . operations” that “may reach surface water
23 bodies.”

24 **E. Plains Was On Formal Notice By PHMSA For Probable Violations Of**
25 **Federal Regulations, And Was Issued A Compliance Order**

26 67. Prior to the 2015 blowout, Plains knew of the extremely high risk of catastrophic
27 injury inherent in the transportation of oil through the Pipeline. Notwithstanding, Plains took
28 insufficient steps to engage in necessary monitoring and maintenance activities so as to prevent

1 the rupture and protect property owners along the Pipeline. Plains demonstrated a callous and
2 reckless disregard for human life, health, and safety by operating the Pipeline without proper
3 monitoring, maintenance and without proper safety equipment.

4 68. Zaca is informed and believes and thereon alleges that on August 19-22, 2013,
5 September 16-19, 2013, and September 30-October 4, 2013, a PHMSA representative inspected
6 Lines 901 and Line 903. Following those field inspections, PHMSA requested additional
7 documentation and information pertaining to the Pipeline. This information was provided
8 through June 2014.

9 69. On September 11, 2015 PHMSA issued a formal notice of probable violation and
10 compliance order (the “Notice”) against Defendants in light of its long-standing investigation.

11 70. In its Notice to Defendants, PHMSA stated that “as a result of the inspection, it
12 appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49,
13 Code of Federal Regulations These findings and probable violations were determined prior to
14 the May 19, 2015 crude oil spill in Santa Barbara County, California.”

15 71. The Notice identified six probable violations:

16 i. Failure to maintain adequate documentation of pressure tests as part of its
17 baseline assessment plan for its seven breakout tanks at Pentland Station in Kern County,
18 California and failure to present any evidence of past pressure tests performed on the
19 breakout tanks to inspection teams. While some evidence of testing from 1995 was
ultimately presented, these did not confirm that the tests were performed in compliance
with regulations;

20 ii. Failure to maintain adequate documentation of its preventative and
21 mitigative evaluations prior to the 2013 calendar year for at least two different pipeline
segments, and later stating that these records could not be found;

22 iii. Failure to adequately document consideration of preventive and
23 mitigative measures nor explain why implementation of said measures were not executed
24 in “High Consequence Areas”;

25 iv. Failure to present adequate documentation of its annual review of Plains’
26 emergency response training program, resulting in an inability to demonstrate an adequate
27 review of training program objectives or the decision-making process for changes made to
28 emergency response programs;

v. Failure to present adequate documentation to demonstrate that supervisors
maintained a thorough knowledge of the portions of the emergency response procedure
for which they are responsible and for which it is their job to ensure compliance;

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vi. Failure to maintain sufficient records to demonstrate that contractors met the required qualifications.

72. In addition to the above probable violations, PHMSA also cited three additional areas of safety concern:

i. Failure to fully discuss or document how tool tolerance was addressed or how measured anomalies that deviated significantly from the size predicted by the tool were addressed;

ii. Incomplete documentation of Management of Change for pressure reduction;

iii. Failure to comply with its responsibility to educate emergency response officials as part of its Public Awareness Program.

73. As a result of these findings, PHMSA issued a Proposed Compliance Order demanding that Plains take action to remediate the above probable violations and safety concerns.

74. In short, Plains operated pipelines that routinely and foreseeably failed. The communities through which it transported oil suffered the consequences.

75. In May 2016, PHMSA issued its Failure Investigation Report on the May 19, 2015 Pipeline rupture. The agency found that, among other things:

i. Plains' cathodic protection system that was originally installed in the pipeline was ineffective in protecting thermally insulated underground pipeline systems from external corrosion.

ii. The Pipeline failed at an approximate pressure of only 56% of the Maximum Operating Pressure;

iii. Plains' May 6, 2015 In Line Inspection survey did not accurately size the amount of external corrosion in the area of the release;

iv. Plains' May 6, 2015 In Line Inspection survey did not size corrosion anomalies consistently compared to field measurements of all anomalies investigated after the May 19th spill;

v. Plains' pipeline controller restarted line 901 after the release occurred, causing substantial additional damage as a result.

76. Simultaneously with its preparation of the failure investigation reports, the PHMSA was preparing a Corrective Action Order to Plains which established actions that Plains was required to take regarding the Pipelines. On May 21, 2015, the PHMSA issued its original

1 CAO to Plains. That CAO was limited to Line 901. Subsequent amendments to the corrective
2 action order were issued, which also included Line 903.

3 77. On June 16, 2016, PHMSA issued its 3rd amendment to the CAO. See In the
4 Matter of Plains Pipeline, LP, Respondent, CPF No. 5-2015-5011H, available at
5 <https://phmsa.dot>. Among other things, the PHMSA found that “continued operation of Line 901
6 and Line 903 without additional corrective measures is or would be hazardous to life, property, or
7 the environment.” The PHMSA also found that “having considered the root cause and the
8 numerous contributory causes of the failure, the location of the failure, the similar characteristics
9 and conditions on Line 901 and Line 903, the crude oil being transported, and the proximity of
10 both pipelines to the Pacific Ocean and environmentally-sensitive areas, . . . A failure to issue
11 this order expeditiously to require immediate corrective action would result in the likelihood of
12 serious harm to life, property, or the environment.” The PHMSA determined that “for these
13 reasons, it is necessary to align the corrective actions of the CAO and amendment Nos. 1 and 2 to
14 clarify that PHMSA’s requirements on Lines 901 and 903 must be similar particularly for the
15 Gaviota to Petland segment of line 903,” where Zaca’s Property is located. In particular, in
16 amendment no. 3, Plains was required to provide a remedial work plan which was required to
17 include the following components for Line 903:

- 18 1) Investigation and remediation of anomalies on Line 903;
- 19 2) Analysis of field measurements taken from anomaly investigations;
- 20 3) Investigation and remediation of anomalies, and integrity studies to reduce spill
21 volumes.
- 22 4) In addition, Plains was required to develop a restart plan which required provisions
23 for adequate patrolling of Line 903 during the restart process, including
24 incremental pressure increases during startup, with each increment to be held for at
25 least two hours;
- 26 5) The restart plan was also required to include “sufficient surveillance of the
27 pipeline during pressure increment increases to ensure that no leaks are present
28 when operation of the line resumes, and advanced communications with local
emergency response officials.
- 6) Plains was not allowed to return the Pipeline to service at its original pressure
levels unless such action was justified based on reliable engineering analysis,
which must consider all known defects anomalies and operating parameters of the

1 pipeline in order to show that the pressure increases are safe. The operating
2 pressures were not allowed to exceed 80% of the highest pressure sustained for a
continuous 8-hour period between April 19, 2015 and May 19, 2015.

3 **F. Plains Submitted A Permitting Application To The County To Abandon The**
4 **Pipeline And Construct A New Pipeline**

5 78. Evidently concluding that the conditions placed with respect to restarting the
6 Pipeline would be impossible to achieve, on August 15, 2017 Plains submitted an application to
7 the County for the complete replacement of the Pipeline, and the **abandonment of the existing**
8 **Pipeline**. Plains' 2017 description of the replacement project is as follows:

9 Plains is proposing to **replace** the existing Line 901 and 903 pipeline
10 system with a **smaller diameter and smaller capacity un-insulated steel**
11 **pipeline, herein after referred to as Lines 901R and 903R**. As part of the
12 proposed Project Plains would install, operate and maintain Lines 901R and 903R,
13 52 forty pipeline control valves, update equipment at three existing pump stations
14 (Las Flores, Gaviota, and Sisquoc), add oil storage tank and heaters to the Sisquoc
15 Pump Station expand and upgrade the existing Sisquoc Pump Station, construct a
16 two new pump stations in the Cuyama Valley region of SLO County (West
17 Cuyama and Russell Ranch); and update and install various pipeline-related
18 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. (Emphasis added.)

19 79. Plains specifically proposed to abandon the existing Pipeline in 2017:

20 As delineated in the Project Description . . . Pacific Pipeline Company
21 (PPC) proposes to, preferably, **abandon the existing pipelines known as Line**
22 **901 and Line 903 in-place** and construct replacement pipelines known as Line
901R and Line 903R. (See Detailed Construction Description; emphasis added.)

23 80. In its Notice of Preparation of a Draft Environmental Impact Report, the County of
24 Santa Barbara confirmed Plains' intention to abandon the existing pipeline:

25 Pipeline Abandonment activities would adhere with all Federal, State and
26 local requirements. Where technically feasible and allowed by landowners and
27 permits, portions of the existing pipeline would be **abandoned in place** and
28 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.
(Emphasis added.)

1 Elsewhere in its Notice of Preparation, the County confirmed Plains’ intention to physically
2 remove the existing Pipeline:

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

9 81. As elsewhere detailed in its construction plan to replace the Pipeline, Plains
10 proposed massive construction areas with hundreds of employees, dozens of pieces of heavy-duty
11 construction vehicles, and construction times operating 24 hours, seven days a week. 700 linear
12 feet of pipeline would be installed per day. The simultaneous removal of the existing Pipeline
13 would involve up to 30 additional employees and specialized equipment. The work areas were
14 generally proposed to be 100 feet in width, far wider than the existing 50-foot easement area
15 included in the easement for Zaca’s Property. A diagram included within the work plan showed a
16 construction with area of 190 feet in width, including staging areas.

17 82. In March 2020, an action was filed in the United States District Court in the
18 Central District of California against Plains by the United States of America and the State of
19 California. The purpose of the action was to enforce a consent decree (“Consent Decree”) that
20 had previously been negotiated between the United States, the State of California, and Plains.
21 The Consent Decree was approved by the Court in September 2020. Among other things, the
22 Consent Decree required that Plains pay more than \$60 million in penalties, cleanup costs and
23 natural resource assessment costs and damages to multiple departments and agencies of the
24 United States and the State of California. In addition, the Consent Decree required that Plains
25 implement injunctive relief to improve Plains’ nationwide pipeline system and bring it into
26 compliance with the federal pipeline safety laws. Specifically with respect to the potential restart
27 of Lines 901 and 903, the Consent Decree required that Plains apply for a waiver from the State
28 of California for the limited effectiveness of cathodic protection on Lines 901 and 903. The
29 Consent Decree also required that Plains replace the existing Line 901 and segments of Line 903
30 with non-insulated pipe if Plains was able to obtain economically viable agreements from

1 shippers to transport sufficient quantities of product, obtain the federal state and local permits that
2 may be required, and in addition obtain whatever additional rights are needed, including rights-of-
3 way, that may be needed when as an alternative to replacement of Line 901 and segments of Line
4 903. Plains was allowed to restart the existing Pipeline only in accordance with the Consent
5 Decree and Appendix D of the CAO required by the PHMSA.

6 **G. After Plains Sold The Las Flores Pipeline To Exxon/Mobil And PPC, Plans**
7 **For The Pipeline Changed Substantially**

8 83. In October 2022, Exxon/Mobil Corporation, through its subsidiary Defendant
9 Pacific Pipeline Company (PPC), acquired the Pipeline as well as all in-process and issued
10 permits, from Plains.⁵ Thereafter, a change in strategy regarding the Pipeline began to be evident.

11 84. The reason for the change in strategy was presumably due to the fact that PPC had
12 come to the conclusion that the previously abandoned Easement held by Zaca, including all of the
13 other easements along the Pipeline corridor, did not allow, or even contemplate, the installation of
14 a second separate and brand-new pipeline system along the existing easement corridor. The then-
15 existing permanent easements for the entire Pipeline did not provide the 100 to 190 feet (or more)
16 that would be required during construction and related primary and secondary staging areas. As
17 the easement owner, PPC knew that it had no right to use any more than the prescribed amount of
18 land to repair and/or restore the Pipeline.

19 85. Zaca is informed and believes and thereon alleges that PPC began to work closely
20 with County staff to evaluate the best course forward for the Pipeline project, and eventually
21 concluded that it would proceed in a completely different direction than Plains had been
22 proceeding with its replacement project for the Pipeline.

23 86. A previously-filed permitting application for installing 16 new automatic shut-off
24 valves along the Pipeline was approved by the Santa Barbara County Zoning Administrator.
25 However, that decision was appealed to the County Planning Commission. On April 26, 2023 the
26 Planning Commission granted the appeal and denied the valve project. The Planning Commission's

27 _____
28 ⁵ Exxon/Mobil already owned the offshore platforms whose oil products had previously been
shipped through the Pipeline by Plains.

1 decision was appealed to the County Board of Supervisors. On August 22, 2023 the Board
2 members split on a 2-2 vote regarding the valve project. The result of the split vote was that the
3 Planning Commission's decision to deny the valve project was left intact. Exxon and PPC then
4 brought suit in United States District Court for the Central District of California against the County
5 of Santa Barbara, seeking to set aside the County's denial of the valve application. In an obvious
6 decision that PPC was going all-out to restart the Pipeline rather than replace it, the Pipeline
7 replacement project was formally withdrawn by PPC on October 24, 2023.

8 87. During the pendency of the Exxon/PPC/County lawsuit, in early 2024, defendant
9 Sable acquired all of Exxon/Mobil and PPC's assets of the Santa Ynez unit, comprising the
10 offshore leases, offshore drilling rigs, and the entire Pipeline system.

11 88. As a result of Sable's involvement in the pending lawsuit between the County of
12 Santa Barbara, Exxon/Mobil and PPC, a settlement was reached recently between the parties.
13 As a result of the settlement, Sable agreed to install the automatic shut off valves for the Pipeline
14 underground, instead of above ground as had been originally proposed. The result of this,
15 according to the parties, was that the County's jurisdiction over the Pipeline was no longer
16 applicable, and permitting jurisdiction was transferred to the State of California. Since that
17 decision, Sable, which is now the 100% owner of PPC, has publicly announced its firm intention
18 to restart the Pipeline in the fourth quarter of 2024.

19 89. In summary, after acquiring the Pipeline in early 2024, Sable has made a complete
20 change in Plains' prior plans. Rather than abandon the Pipeline and build an entirely new
21 pipeline system, as Plains previously proposed in writing and actively pursued, Sable has
22 concluded that it will instead restart the Pipeline system without any repairs, except for placement
23 of underground shut-off valves at various locations throughout the Pipeline. As a result of the
24 settlement of the case between Sable and the County regarding installation of automatic shut-off
25 valves, all permitting authority for the Pipeline is now vested in the State of California,
26 completely separate and apart from the local careful control which the County of Santa Barbara
27 was formerly asserting over the Pipeline. This exposes Zaca to substantial risk in the completion
28 of its 7-lot subdivision in the marketing of those lots.

1 90. Zaca has no idea when, if ever, Plains or its predecessor in interest Celeron ever
2 actually inspected the pipeline as it traverses through Zaca’s property. Zaca has no technical
3 reports that have been made available to it regarding such historical investigations. Zaca is
4 aware, as a result of the substantial investigation of Plains and the Pipeline after the disastrous
5 blowout in 2015, that the Pipeline, including Line 903 as it passes through Zaca’s Property, is
6 filled with the same anomalies as existed when the 2015 blowout occurred. It also appears to
7 Zaca, again based upon actual public documents, that Plains concluded, after the 2015 blowout,
8 that it would not be feasible to restart the Pipeline. Plains expressed clear and unambiguous
9 intent to “**abandon**” the Pipeline throughout the entire Pipeline system, including on Zaca’s
10 Property. Sable is now impermissibly attempting to make a complete reversal of that prior clear
11 decision, and has notified the public that it intends to restart the Pipeline, notwithstanding the fact
12 that Plains clearly abandoned the Pipeline in 2017.⁶ Sable is clearly attempting to avoid any local
13 public scrutiny or oversight by the County of Santa Barbara regarding the attempt to restart the
14 Pipeline. In its 2023 lawsuit against the County regarding the automatic shut-off valves, Sable
15 (successor in interest to Exxon/Mobil and PPC) threatened the County with a large money
16 judgment based on alleged lost profits if the Pipeline were not allowed to be restarted with
17 automatic shut-off valves. The County surrendered to Sable because of this threat. With an
18 obvious strong interest in avoiding further litigation, the County is now completely deferring to
19 Sable, and has stated that it no longer has jurisdiction to regulate the Pipeline or the manner in
20 which it will allegedly be restarted. According to recent local press reports in the Santa Barbara
21 Independent, officials at the State of California have refused to provide any substantive
22 information to the public regarding Sable’s attempts to restart the Pipeline, and the conditions that

23

24 ⁶ Sable acknowledges the potential for abandonment of the Easement in its most recently filed 10K
25 disclosure: “certain private landowners of Pipeline Segment 901 have made claims that the
26 easement agreements with them or no longer effective because the pipeline is not transporting oil.
27 If these landowners are successful with their claims, we may be required to make further easement
28 payments. Our losses of any of the service use agreements, rights-of-way or other easement rights
through lapse or failure to satisfy or maintain certain conditions could require us to cease operations
on the affected land or find alternative locations for our operations at increased costs, any of which
could have a material adverse effect on our business, financial condition and results of operations.”
This analysis obviously would also include line 903.

1 are attached to that. In addition, Zaca is informed and believes and thereon alleges that Sable is
2 also seeking a special waiver not to include a protection system that is a basic safety feature on
3 nearly all underground oil and gas pipelines, which is intended to prevent pipeline corrosion.
4 According to Nick Welsh of the Santa Barbara Independent, “acting like sitting ducks is not
5 going to protect this county from a marine disaster that history has repeatedly proved is real.” In
6 addition, on September 28, 2024, the Center for Biological Diversity and the Wishtoyo Chumash
7 Foundation announced that they had given formal legal notice that they intended to sue the
8 federal Bureau of Ocean Energy Management (“BOEM”) over the BOEM’s failure to require
9 updated development plans for oil drilling in the remaining Exxon/Mobil offshore platforms [now
10 owned by Sable] that are intended to ship oil through the Pipeline. According to this public
11 announcement, Sable wants to restart production of the Pipeline “relying primarily on outdated
12 development plans written in the 1970s and 1980s,” without any requirement to revise or
13 supplement those plans.

14 91. Sable itself has compounded public concern and fear about the dangers posed by
15 restarting the Pipeline. Sable just recently mailed a pamphlet to all property owners along the
16 Pipeline, including Zaca, which in great detail describes the dangers posed by restarting the
17 Pipeline. Validating all of the concerns expressed in this complaint by Zaca, Sable wrote in its
18 pamphlet that despite the fact that the Pipeline is underground, existing right-of-way markers
19 along the pipeline route “identify the approximate – NOT EXACT – location of the pipeline.”
20 Sable also wrote that “markers do not indicate pipeline burial depth which will vary.” The
21 pamphlet also acknowledges the possibility of a leak, and warns property owners that a pipeline
22 leak would be evidenced by “water bubbling or being blown into the air, . . . hissing or gurgling
23 sound near a pipeline, [or] a petroleum odor.” The pamphlet instructs property owners what to do
24 in the event there is a leak, including “turn[ing] off all equipment and eliminat[ing] any ignition
25 sources, and leav[ing] the area by foot immediately.” Owners are instructed to notify Sable of a
26 leak immediately and call 911. Property owners are also warned in the pamphlet not to “cause
27 any open flame, or start motor vehicles or electrical equipment.” Owners are not to “ring
28 doorbells to notify others of the leak. Knock with your hand to avoid potential sparks from

1 electric doorbells.” Finally, owners are warned not to “come into direct contact with any
2 escaping liquids or vapors, . . . [and not to] drive into a leak or vapor cloud while leaving the
3 area.” Zaca is now required by California law to disclose a copy of this pamphlet to all
4 prospective purchasers of the estate lots on Zaca’s Property. This ruins Zaca’s ability to obtain
5 full market value for its property on the open market.

6 92. Zaca is not willing or capable of completing its premium 7-lot subdivision on
7 Zaca’s Property under the current circumstances. As it currently stands, and if Zaca were selling
8 the lots within the subdivision at the current time, Zaca would have to inform potential buyers
9 that the Pipeline traversing through Zaca’s Property is the same Pipeline which disastrously
10 ruptured in 2015, and that such rupture was the result of extreme negligence of the prior operator,
11 Plains. Although Sable is a new entity attempting to restart the Pipeline, it is clear that Sable is
12 composed of several prominent executives who were running Plains at the time of the 2015
13 blowout, and before the 2015 rupture. Any reasonable prospective purchaser of the estate lots on
14 Zaca’s Property would justifiably be concerned about the safety of the Pipeline under all of the
15 circumstances described in this complaint, including abundant public knowledge of the potential
16 dangers posed by the Pipeline. Due to the extreme neglect of Plains which caused the rupture,
17 and further due to the fact that the Pipeline has been sitting unused for nearly 10 years with
18 unknown additional corrosion occurring to it, and with unknown liquids sitting in the Pipeline
19 causing additional corrosion, and also considering the obvious attempts by Sable and State
20 authorities to not be forthcoming about the true condition of the Pipeline, no reasonable purchaser
21 would pay true market value for Zaca’s Property. Because of the unlawful actions of Plains, and
22 Sable’s unreasonable and unjustified attempt to restart the Pipeline without disclosing any
23 information about its current condition, the Pipeline is, and will continue to be a substantial
24 negative stigma which substantially decreases the value of Zaca’s Property.

25 **CAUSES OF ACTION**

26 **First Claim of Relief: Quiet Title Based On Formal And Express**
27 **Statements Of Intention To Abandon The Pipeline, and Breach of 1985 Easement**
28 ***By Zaca Against All Defendants)***

1 93. Zaca hereby realleges and incorporates by reference each and every allegation
2 contained in this Complaint.

3 94. Zaca’s Property was formerly subject to the recorded Easement. As recorded, the
4 Easement was for the sole purpose of operation, maintenance and repair of the Pipeline. In 2017,
5 after the 2015 blowout, PHMSA concluded that the Pipeline, including Line 903 thereof, was
6 filled with anomalies and therefore subject to another blowout. Plains therefore formally and
7 publicly announced its intent to “abandon” the Pipeline in place and reconstruct a new pipeline to
8 assume the same functions. In fact, Plains and then Sable have continuously allowed the Pipeline
9 to stay dormant for nearly 10 years since the 2015 blowout. As a result of Plains’ clear statement
10 of intent to abandon the Pipeline, Plains’ subsequent substantial efforts to undertake a complete
11 replacement of the Pipeline, while meanwhile allowing the Pipeline to remain dormant for nearly
12 10 years, Plains and Sable thereby have abandoned the Easement. This is particularly true
13 because the Easement only provided for one “pipeline,” and since the Pipeline was going to be
14 abandoned, and physically was abandoned, there is no longer any purpose or utility to the
15 Easement. Sable has expressly acknowledged and admitted the likelihood that the Easement is no
16 longer valid in its recently-filed 10 K statement.

17 95. In reliance on Plains’ clear statements in 2017 that it would abandon the Pipeline and
18 construct a new pipeline with proper corrosion protection systems, Zaca was assured that it could
19 safely proceed with subdivision of Zaca’s Property. Zaca has continued to expend substantial sums
20 to comply with the County’s conditions of approval of Zaca’s Preliminary Parcel Map, towards the
21 completion of a Final Map for Zaca’s Property.

22 96. In addition to the foregoing, Sable’s predecessor in interest Celeron breached the
23 1985 Easement contract by failing to prepare and record an “As-Built” drawing of the Pipeline
24 within 90 days after construction. Construction commenced in 1988, well after the 1986
25 amendment of the original 1985 Easement contract. Because of this breach of the Easement
26 contract, Zaca has no record of the particular location, dimension and depth of the Pipeline as it
27 traverses through Zaca’s property. In addition, because of the failure to provide an actual “as-
28 built” drawing as was contractually required, no one has any direct knowledge of the construction

1 methodology for the Pipeline that Celeron used on Zaca's Property, and no one knows the details
2 of the corrosion protection system that was installed. This would be an additional deficiency
3 which Zaca would have to disclose to potential purchasers of the lots on Zaca's Property.

4 97. In addition to the foregoing, Sable and its predecessors in interest, including but
5 not limited to Plains, had a duty to maintain the Pipeline, and the Easement and the approved
6 improvements therein, and particularly to do so to the extent necessary to prevent unreasonable
7 interference with Zaca's enjoyment of its Property. As described herein, Sable and its
8 predecessors in interest, including but not limited to Plains, failed to maintain the Pipeline for
9 years prior to the 2015 blowout, and have not adequately repaired or maintained it since then. As
10 described herein, the Pipeline is at the end of its useful life, is not operating, and cannot transport
11 oil safely. These failures caused a material breach of the terms of the Easement. This conduct is
12 sufficient to evidence Defendants' intent to relinquish, abandon or cease using the Easement,
13 meaning that they have abandoned the Easement or otherwise relinquished or lost their rights to
14 utilize it.

15 98. Zaca is informed and believes and thereon alleges that Sable asserts its continuing
16 ownership of the Easement, as indicated by its recent public expression of intent to restart the
17 Pipeline located within the Easement.

18 99. Sable asserts claims concerning the Easement that are adverse to Zaca's interest
19 therein. Specifically, Sable asserts a right to use the Easement and to restart the Pipeline.

20 100. Sable's claims are adverse to Zaca's interest in the Zaca Property because a restart
21 of the Pipeline would cause Zaca's 7-lot subdivision to be unmarketable. Zaca is specifically
22 damaged by Sable's stated intention to restart the Pipeline in that Zaca is deprived of its full rights
23 to develop the Zaca Property, as previously approved by the County of Santa Barbara. It is not
24 possible to proceed with actual and final development of Zaca's Property when no one knows the
25 current condition of the Pipeline thereon. In addition, because of Celeron's failure to provide an
26 "As-Built" diagram of the Pipeline after construction, Zaca has no record of the particular
27 location, dimension and depth of the Pipeline as it traverses Zaca's Property. In addition, Zaca
28 has no record of the construction methodology for the Pipeline, including whether or not any

1 corrosion protection system was installed through Zaca's property

2 101. Sable's claims are adverse to Zaca's interest in the Zaca Property because the
3 attempt to, and potential actual restart of the Pipeline would cause grave and irreparable injury to
4 Zaca in that Zaca would continue to lose the useful enjoyment of Zaca's Property and its
5 substantial value for premium and exclusive homesites.

6 102. Sable's claims are adverse to Zaca's interest in Zaca's Property because the value
7 of Zaca's Property has been damaged in a yet unknown amount and will be further damaged in
8 like manner so long as Sable's efforts to restart the Pipeline continue and Sable is not ordered to
9 cease its efforts to restart the Pipeline.

10 103. Sable's adverse claims described above are without any right and Sable has no
11 right, title, estate, lien, or interest in Zaca's Property.

12 104. Plaintiff is hereby seeking to quiet title as to all of Sable's adverse claims
13 described above as of the date of filing of this Complaint.

14 **Second Claim for Relief: Declaratory Relief Preventing Sable**
15 **From Repairing and Restarting The Pipeline**

16 ***By Zaca against Defendants Sable and PPC (collectively "Sable")***

17 105. Zaca incorporates by reference each and every prior and subsequent allegation of
18 this Complaint as if fully restated here.

19 106. As alleged herein, Zaca and Sable's predecessors in interest had a written contract
20 for the Easement related to operation and maintenance of "one pipeline" (the "Easement").

21 107. As contended in the first cause of action above, Zaca contends that the Easement
22 is no longer in existence, having been previously abandoned by Defendants. Zaca contends that
23 the Easement's terms, properly interpreted, do not allow the Pipeline to be restarted without a
24 new and adequate Easement acquired. Plains' replacement plan has been rejected, and Sable has
25 announced its intention to restart the Pipeline. But before the Pipeline can be restarted, and
26 pursuant to the Consent Decree and associated requirements, a complete study of the entire Line
27 903 must be completed. To Zaca's knowledge, such a study has not been performed. No one
28 knows the current condition of Line 903 within Zaca's property, because the Pipeline has been

1 shut-in for nearly 10 years since the 2015 blowout. In the event that repairs are needed to the
2 Pipeline within Zaca's Property, or if portions of the Pipeline within Zaca's Property need to be
3 replaced, and based upon Plains' prior description of the amount of property necessary to replace
4 the Pipeline that would necessarily extend beyond the boundaries of the Easement, Sable would
5 have no right to make such repairs pursuant to the terms and area of the Easement.

6 108. Zaca further contends, and Plains explicitly acknowledged previously, that the
7 existing Pipeline is now beyond the end of its useful life and cannot be utilized to safely transport
8 crude oil and other chemicals, or meet the safety and other regulatory guidelines currently
9 required. Otherwise, Plains would have not proposed to replace the Pipeline by building an
10 entirely new pipeline within the Easement.

11 109. Zaca furthermore contends that Sable and its predecessors in interest have
12 breached the Easement contract by their failure to maintain, repair and/or restore the Pipeline. As
13 a result, the Easement has been abandoned and is no longer in effect.

14 110. Zaca moreover contends that Sable cannot replace, or adequately repair and/or
15 restore the Pipeline within the terms and boundaries of the existing Easement. The Easement
16 does not permit Sable access to Zaca's Property beyond the terms of the Easement.

17 111. Zaca desires and seeks a judicial determination of the scope of Sable's permissible
18 rights under the Easement contract as related to Sable's intention to repair/replace the existing
19 Pipeline and restart it. An actual and justiciable controversy exists between Zaca and Sable
20 concerning the status and scope of the Easement contract, given Sable's stated plans to repair and
21 restart the Pipeline.

22 112. Zaca desires and seeks a judicial determination of its rights and duties and a
23 declaration that use of the Easement's scope does not allow Sable to restart the Pipeline on Zaca's
24 Property.

25 113. A judicial declaration is necessary and appropriate at this time under the
26 circumstances in order that Zaca and Sable may ascertain their rights and duties under the
27 Easement. As between Zaca and Sable, as well as their successors-in-interest, a judicial
28 declaration will establish the extent to which the Easement may be used.

1 114. Because Sable has no right under the Easement to repair or replace the Pipeline
2 within Zaca’s Property, an injunction prohibiting such conduct until Plains obtains the required
3 easements in exchange for appropriate compensation is proper ancillary relief.

4 **Third Claim for Relief: Injunctive Relief**

5 ***By Zaca against Sable and PPC (collectively “Sable”)***

6 115. Zaca incorporates by reference each and every prior and subsequent allegation of
7 this Complaint as if fully restated here.

8 116. Sable and PPC (collectively “Sable”) have no right under the Easement to
9 undertake major repairs or replacement of the Pipeline or to otherwise overburden the Easement,
10 depending on the results of Sable’s compliance with the Consent Decree and associated
11 requirements. Therefore, an injunction until Sable can obtain the required easement rights in
12 exchange for appropriate compensation is proper.

13 117. Furthermore, unless and until enjoined and restrained by order of this Court,
14 Sable’s use of the Easement to repair/replace, and restart the Pipeline as alleged above will cause
15 great and irreparable injury to Zaca in that such efforts would render Zaca’s Property
16 unmarketable as premium estate lots, as already approved by the County of Santa Barbara. In
17 addition, the material increase of the burden on Zaca’s Property that would be caused by a major
18 repair of the Pipeline, depending upon the results of Sable’s investigation of Line 903 as required
19 by the Consent Decree and associated requirements, will prevent Zaca from obtaining the
20 peaceful use and enjoyment of Zaca’s Property and will further result in damage and injury to
21 Zaca and Zaca’s Property.

22 118. Zaca has have no adequate remedy at law for Sable’s potential actions. Monetary
23 compensation will not abate Sable’s conduct resulting in the material overburdening of the
24 Easement. Additionally, absent injunctive relief, Zaca would be required to commence multiple
25 actions to abate Sable’s conduct when such conduct resulted in a material overburdening of the
26 Easements.

27 ///

28 ///

1 **Fourth Claim for Relief: Breach of Written Easement Contract**

2 **Zaca Against All Defendants**

3 119. Zaca incorporates by reference each and every prior and subsequent allegation of
4 this Complaint as if fully restated here.

5 120. As alleged herein, Zaca and all Defendants named in this action (collectively
6 “Defendants” for the purposes of this Cause of Action) have a written contract under which
7 Zaca’s predecessors in interest granted Defendants the Easement over Zaca’s Property for
8 Defendants to “maintain, operate, repair, replace, and remove” the Pipeline.

9 121. The Easement Contract created duties on the part of Defendants to install, repair,
10 monitor, maintain, operate, remove, or replace the Pipeline so as not to unreasonably interfere
11 with Zaca’s right to fully use and enjoy Zaca’s Property. In addition, the Easement created a duty
12 on the part of Defendants’ predecessor in interest Celeron to prepare an “as-built” diagram of the
13 Pipeline as it traversed Zaca’s Property, within 90 days of the completion of construction. This
14 mandatory requirement was ignored. As a result, Zaca has no idea of the details of construction,
15 including the location, depth, diameter and the construction methodology of the Pipeline. In
16 particular, Zaca has no precise information of the corrosion protection system installed on the
17 Pipeline traversing Zaca’s Property, as would have been included in a proper “as-built” diagram.

18 122. Defendants, including their predecessor in interest Celeron, failed to adequately
19 install, repair, maintain, operate, remove, or replace the Pipeline, but rather they left the Pipeline
20 in disrepair, unmaintained, unsafe, and in need of repair and/or restoration. In addition, the
21 Pipeline has been shut-in for nearly 10 years since the 2015 blowout. Zaca is informed and
22 believes, and thereon alleges that the condition of the Pipeline has further degraded during that
23 time period. The decrepit condition of the Pipeline is particularly damaging to Zaca, due to the
24 fact that Zaca’s Property is the subject of an extremely valuable residential subdivision of
25 premium estate lots.

26 123. Defendants, and their predecessor in interest Celeron, permanently suppressed and
27 concealed from Zaca and other similarly situated property owners that the Pipeline was in
28 disrepair, unmaintained, unsafe, and in need of repair and/or restoration. Despite having

1 knowledge that the Pipeline was in disrepair, unmaintained, unsafe, and in need of repair and/or
2 restoration, Defendants and Celeron knowingly transported hazardous materials (including
3 unauthorized toxins) at a high volume through the Pipeline.

4 124. Defendants' Pipeline interfered with and continues to interfere with Zaca's rights
5 to fully use and enjoy Zaca's Property.

6 125. The breach of the Easement resulted from a predominating course of corporate
7 policy, pattern, practice, and conduct involving Pipeline inspection, maintenance, operation,
8 evaluation, and analysis by Defendants.

9 126. Defendants' failure to install, repair, maintain, operate, remove, and replace the
10 Pipeline is a material breach of the Easement.

11 127. As a direct result of these failures, the existing Pipeline is inoperable and
12 Defendants must now inspect, and repair/replace the entire Pipeline as extends through Zaca's
13 Property. Such work would require extensive and intrusive construction that will severely impact
14 Zaca and deprive it of use and enjoyment of Zaca's Property for a period of three years or more.
15 In addition, Defendants and their predecessors in interest's failure to comply with their mandatory
16 requirement to prepare and record an "as-built" diagram of the Pipeline exposes Zaca to
17 substantial risk in selling its premium lots on Zaca's Property, due to the fact that Zaca has no
18 knowledge of the location, depth and size of the Pipeline as it passes through Zaca's Property. In
19 addition, Zaca has no knowledge of the original construction methodology for the Pipeline
20 traversing Zaca's Property, including whether or not any corrosion protection system was
21 installed. Zaca reasonably did not discover the fact that the as-built diagram was not prepared
22 and recorded until Sable notified the public that it intended to restart the Pipeline.

23 128. Defendants' material breach of the Easement contract has deprived Zaca of its
24 benefit of the bargain and its rights under the Easement to fully use and enjoy Zaca's Property.

25 129. Zaca and its predecessors in interest have performed all conditions, covenants, and
26 promises required by them on their part to be performed in accordance with the terms and
27 conditions of the Easement contract, except for those they were prevented from performing or
28

1 which were waived or excused by Defendants' misconduct, and/or be misconduct of Defendants'
2 predecessor in interest Celeron.

3 130. As a proximate result of Defendants' breach of contract, Zaca is entitled to receive
4 adequate compensation for the additional burden on its land as a result of the prospective repair
5 and/or replacement of the pipeline within Zaca's Property and safe operation of any repaired or
6 replaced pipeline on Zaca's Property, and damages for Defendants' breach of contract, in an
7 amount to be proved at trial.

8 **Fifth Claim for Relief: Negligent Misrepresentation**

9 *By Zaca Against All Defendants*

10 131. Zaca incorporates by reference each and every prior and subsequent allegation of
11 this Complaint as if fully restated here.

12 132. As alleged herein, Defendants, and their predecessor in interest Celeron,
13 misrepresented to Zaca and its predecessors-in-interest that once installed, the Pipeline would be
14 properly monitored and maintained, and could be repaired, maintained, operated, removed, and
15 replaced within the parameters of the rights-of-way provided in the Easement. In addition, when
16 the 1985 Easement contract was recorded, Defendants and their predecessor in interest Celeron
17 misrepresented to Zaca and its predecessors in interest that an "as-built" diagram for the Pipeline
18 through Zaca's Property would be timely prepared and recorded after completion of construction.

19 133. Defendants, as successors-in-interest of the original easement holder Celeron, are
20 responsible for these misrepresentations to the same extent as their predecessors.

21 134. When Defendants and/or their predecessor-in-interest Celeron made these
22 representations, they had no reasonable ground for believing them to be true.

23 135. Defendants and their predecessor in interest Celeron made these representations
24 with the intention of inducing Zaca and its predecessors in interest to act in reliance on these
25 representations and grant Defendants and their predecessor in interest Celeron the Easement over
26 the Zaca Property.

27 136. The representations made by Defendants and their predecessor in interest were in
28 fact false. The true facts were that Defendants and their predecessor in interest Celeron were not

1 going to properly maintain the Pipeline and Defendants and their predecessor in interest Celeron
2 could not maintain, repair, remove, or replace the Pipeline within the parameters of the Easement.
3 In addition, the true facts were that Defendants and their predecessor in interest Celeron had no
4 intention of preparing and recording and “as-built” diagram for the Pipeline through Zaca’s
5 Property, which would have provided important details on the location, depth, diameter and
6 construction methodology of the Pipeline, including but not limited to whether any corrosion
7 protection system was installed.

8 137. At the time these representations were made by Defendants and their predecessor
9 in interest Celeron, and at the time the Easement was granted over Zaca’s Property, Zaca and its
10 predecessors in interest were ignorant of the falsity of Defendants’ representations, or the
11 representations of Defendants’ predecessor in interest, and believed them to be true. In reliance
12 on these representations, Zaca’s predecessors in interest were induced to and did grant the
13 Easement over the Zaca Property. Had Zaca’s predecessors in interest known the actual facts,
14 they would not have taken such action. Zaca and its predecessors in interest’s reliance on
15 Defendants’ representations was reasonable and justified.

16 138. In addition, Sable is now publicly and negligently asserting its ability to restart the
17 Pipeline, while refusing to provide any detail about that effort. The State of California is
18 supporting that lack of public knowledge by refusing to disclose additional details about the
19 restart effort.

20 139. Even though Zaca did not personally negotiate the Easement, Zaca purchased the
21 Zaca Property as a bona fide purchaser in 2004, and was entitled to and did rely on Defendants’
22 representations, and the representations of Defendants’ predecessors in interest, that they would
23 safely operate and maintain the Pipeline in good repair, and that a proper “as built” diagram had
24 been prepared.

25 140. As a proximate result of Defendants’ conduct, Zaca’s predecessors in interest
26 granted the Easement over the Zaca Property for Defendants to repair, maintain, operate, remove,
27 and replace the Pipeline. Defendants failed to properly monitor and maintain the Pipeline, the
28 Pipeline became a dangerous hazard to health and the environment until it was shut down, and

1 remains inoperable. Defendants can no longer repair, maintain, operate, remove, or replace the
2 Pipeline within the parameters of the Easement. In addition, Zaca has no knowledge of the “as
3 built” condition of the Pipeline through Zaca’s property, and will be required to disclose that lack
4 of knowledge to any prospective purchaser of the premium estate lots on Zaca’s Property. Zaca
5 has been damaged in an amount to be proved at trial.

6 141. In addition, and in reliance on Plains’ clear statements in 2017 that it would abandon
7 the Pipeline and construct a new pipeline with proper corrosion protection systems, Zaca was
8 assured that it could safely proceed with subdivision of Zaca’s Property. Zaca has continued to
9 expend substantial sums to comply with the County’s conditions of approval of Zaca’s Preliminary
10 Parcel Map, towards the completion of a Final Map for Zaca’s Property. At the time that these
11 negligent representations were made by Plains, Zaca was ignorant of the falsity of Plains’
12 representations, and believed them to be true. In fact, Plains negligently assumed that it would be
13 able to obtain new easements from all property owners to construct a new pipeline system, and the
14 necessary permits to construct such a new pipeline system. In reliance on Plains’ representations,
15 as mentioned above, Zaca pursued its expensive efforts to obtain a Final Subdivision Map for
16 Zaca’s Property. Had Zaca known the actual facts, it would not have taken such action. Zaca’s
17 reliance on Plains’ representations was reasonable and justified. Zaca has been damaged as a result.

18 **Sixth Claim for Relief: Negligence**

19 *By Zaca Against All Defendants (collectively “Defendants”*

20 *for the purpose of this Cause of Action)*

21 142. Zaca incorporates by reference each and every prior and subsequent allegation of
22 this Complaint as if fully restated here.

23 143. Defendants owe and owed a duty to Zaca to exercise reasonable and ordinary
24 care. That duty arose under the Easement contract and property law generally, as well as from,
25 among other things, federal, state, and local laws, ordinances, and regulations that require
26 Defendants to comply with all applicable safety standards, including without limitation, the
27 Pipeline Safety Act (“PSA”), 49 U.S.C. §60101, et seq., the Lempert-Keene Act, Government
28 Code Section 8670, et seq. , the Porter-Cologne Act, Water Code Sections 13000, et seq., Cal.

1 Fish & Game Code Section 5650, et seq., the Federal Clean Water Act, 33 U.S.C. §1251 et seq.,
2 Santa Barbara County Code, Chapter 25, §§25-7(g) and 25-37, and state and federal spill
3 response and notification laws.

4 144. A special relationship exists between Defendants and Zaca as a result of
5 Defendants' transportation of hazardous materials through Zaca's Property, and Defendants'
6 responsibility to properly maintain the Pipeline through which those hazardous materials move.
7 Defendants had a duty to maintain, repair and/or restore the Pipeline that would have avoided
8 unnecessary injury to Zaca's Property or that would have avoided subjecting that property to a
9 second intrusive construction project. The construction of the Pipeline was intended to, and did,
10 affect Zaca. Failure to maintain, repair and/or restore the Pipeline, and failure to prepare a
11 contractually – required "as-built" diagram for the Pipeline, was a clearly foreseeable harm to
12 Zaca's Property. Zaca has suffered physical injury to and interference with its property, as well
13 as economic harm as a result of Defendants' failure to maintain the Pipeline and prepare a proper
14 "as-built" diagram. Defendants' conduct is a direct and proximate cause of the injury suffered.
15 Given the toxic nature of the substances in the Pipeline, Defendants' track record of repeated
16 violations of pipeline safety regulation, and the clear warning signs that the Pipeline required
17 repair and/or restoration, there is a sound policy and moral reasons for holding Defendants
18 accountable for their failure to maintain the Pipeline in a safe manner. This failure has been
19 exacerbated due to the fact that Zaca has no information, as was required by the Easement
20 contract, regarding the details of the construction pursuant to an "as built" diagram.

21 145. As set forth herein, Defendants breached their duty to Zaca by, among other
22 things, failing to detect and repair the corrosion, anomalies, leaks, and potential rupture points
23 along the entire length of the Pipeline, failing to install, operate, monitor, maintain, repair and/or
24 restore the Pipeline in a reasonable manner consistent with all applicable safety standards, and
25 failing to provide an "as-built" diagram for the specifics of the Pipeline's construction on Zaca's
26 Property. The effect of these failures did not come into existence until the 2015 blowout, and the
27 public's subsequent knowledge of the true condition of the Pipeline. The fact that the ongoing
28 corrosion of the Pipeline was not known until then is particularly harmful due to the fact that Zaca

1 has no information regarding the details of the Pipeline construction, as was required by the
2 Easement contract's mandatory requirement of an "as-built" diagram prepared within 90 days
3 after completion of construction.

4 146. Defendants, in the exercise of reasonable care, should have known that the
5 Pipeline could corrode and degrade and that it could leak, fail, rupture, and spill significant
6 amounts of hazardous materials. Defendants have acknowledged that spills have occurred on their
7 pipelines in the past and will occur, and did in fact occur again in 2015. Yet, Defendants have a
8 history of failing to take reasonable, commonsense steps to monitor, detect and repair the
9 corrosion and other anomalies known to exist in its Pipeline facilities. Defendants' conduct, or
10 lack thereof, increases the risk of ruptures and catastrophic spills and unnecessarily threatens lives
11 and property. The fact that high level executives of Plains are still intimately involved in the
12 attempt to restart the Pipeline, through their association with Sable, is an additional risk factor
13 that Zaca would be required to disclose to potential purchasers of estate lots on Zaca's Property.

14 147. In addition, Defendants' violations of the statutes, ordinances, and regulations
15 cited herein resulted in precisely the harm to Zaca that the laws were designed to prevent, and
16 Zaca is a member of the class of persons for whose protection those laws were adopted.

17 148. At all times herein mentioned, Defendants negligently, wantonly, carelessly
18 and/or recklessly maintained and operated the Pipeline.

19 149. Defendants Sable and PPC are composed of executives and other employees who
20 formerly worked at Plains and Exxon. In particular, Zaca is informed and believes and thereon
21 alleges that the representatives of Sable who formerly worked for Plains were responsible for the
22 negligent maintenance of the Pipeline that resulted in the 2015 blowout. Therefore, Zaca has a
23 legitimate concern that the deplorable standard of practice formerly exhibited by Plains will
24 continue to occur, especially if Sable is successful in restarting the Pipeline, despite PHMSA's
25 conclusion that Line 903 was filled with anomalies similar to the anomalies on Line 901 which
26 caused the 2015 blowout. The fact that Zaca has no record of the "as-built" condition of the
27 Pipeline exacerbates that reasonable concern.

28

1 150. As a direct and proximate result of Defendants' negligence, Zaca has suffered and
2 will continue to suffer interference with its property, as well as economic harm and other
3 damages, including but not limited to the loss of use and enjoyment of Zaca's Property; the loss
4 of profits which will occur because of the tremendous negative stigma caused to Zaca's Property
5 as a result of the loss of buyers who, but for the Pipeline in its present decrepit condition and lack
6 of any information regarding the details of construction, would have purchased the 7 lots on
7 Zaca's Property; and the diminished value of Zaca's Property and future lost profits due to the
8 Pipeline and the May 2015 rupture, which has and will continue to drive down the value and
9 desirability of individual lots on Zaca's Property.

10 151. In addition, Plains negligently stated in 2017 that it would abandon the Pipeline
11 and construct a new pipeline with proper corrosion protection systems. Zaca was thereby assured
12 that it could safely proceed with subdivision of Zaca's Property, because it would eventually be
13 able to enjoy the benefit of a new pipeline constructed with modern safety features. Zaca
14 continued to expend substantial sums to comply with the County's conditions of approval of
15 Zaca's Preliminary Parcel Map, towards the completion of a Final Map for Zaca's Property. At
16 the time Plains announced its intent to build a new pipeline, Zaca was ignorant of the falsity of
17 Plains' statements, and believed them to be true. In fact, Plains negligently assumed that it would
18 be able to obtain new easements from all property owners to construct a new pipeline system, and
19 would be able to obtain the necessary permits to construct such a new pipeline system. In
20 reliance on Plains' statements, as mentioned above, Zaca pursued its expensive efforts to obtain a
21 Final Subdivision Map for Zaca's Property. Had Zaca known the actual facts, that construction of
22 a new pipeline was not possible and that and all-out effort to restart the decrepit Pipeline would
23 occur instead, it would not have taken such action. As a proximate result of Plains' negligence,
24 Zaca has been damaged in an amount to be proved at trial.

25 152. As described herein, the acts and omissions of Defendants were done with
26 oppression, fraud, and/or malice, thereby justifying an award of punitive damages in accordance
27 with proof at trial.

28

1 and did grant the Easement due to the false and misleading representation and would not have
2 granted the Easement absent such representations, which were reasonably relied upon.

3 160. Zaca purchased the property as a bona fide purchaser, and was entitled to and did
4 rely on the representations that Defendants would safely operate and maintain the Pipeline in
5 good repair.

6 161. In granting the Easement to Defendants, Zaca's predecessors in interest gave up
7 certain rights in Zaca's Property in exchange for certain amounts of consideration, which
8 Defendants were required to provide in their operation of the Pipeline.

9 162. Defendants' conduct constitutes "fraudulent" business practices within the
10 meaning of UCL in that Defendants have all but ignored the maintenance of the Pipeline as
11 evidenced by the degradation and failure of the Pipeline. Defendants' conduct amounts to
12 "unfair" business practices because the negative consequences of Defendants' failure to maintain
13 the Pipeline far exceed the cost of actual compliance. Defendants' conduct is "unlawful"
14 because it violated laws including but not limited to the PSA (which includes the Natural Gas
15 Pipeline Safety Act of 1968, the Federal Pipeline Safety Act of 1979, the Pipeline Inspection,
16 Protection, Enforcement and Safety Act of 2006, and the Pipeline Safety, Regulatory Certainty,
17 and Job Creation Act of 2011), and all related regulations that set minimum safety standards for
18 the design, installation, inspection, emergency plans and procedures, testing, extension,
19 construction, operation, replacement and maintenance of pipeline facilities.

20 163. Zaca's right to have its Property free from unlawful encroachments must be
21 protected. In order to continue to operate the Pipeline, Defendants must operate, maintain, repair
22 and/or restore the Pipeline as the Easement contemplates, and comply with all safety regulations.

23 164. Defendants presently cannot legally restart and operate the existing Pipeline in
24 compliance with all regulations. Defendants also cannot adequately repair and/or restore the
25 Pipeline within the parameters of the Easement and without encroaching unlawfully on Zaca's
26 Property beyond the scope of the existing Easement. Sable must obtain a new easement that
27 provides the additional access necessary and provide adequate compensation to Zaca for the
28 access and the additional burden imposed on Zaca's Property.

1 165. As a proximate result of Defendants’ unfair, fraudulent, and unlawful methods of
2 competition, Zaca has been harmed.

3 166. As a further proximate result of Defendants’ unfair, fraudulent, and unlawful
4 methods of competition, Zaca’s Property has suffered a loss of value. Defendants should be
5 required to make appropriate restitution payments to Zaca.

6 **Eighth Claim for Relief: Breach of Implied Covenant of Good Faith & Fair Dealing**

7 *By Zaca Against All Defendants (collectively “Defendants”*

8 *for the purpose of this Cause of Action)*

9 167. Zaca incorporates by reference each and every prior and subsequent allegation of
10 this Complaint as if fully restated here.

11 168. As alleged herein, Zaca has a private Easement contract for the Pipeline on Zaca’s
12 Property.

13 169. There is implied in all of the Easement agreement a covenant of good faith and
14 fair dealing whereby Defendants impliedly covenanted that they would act in good faith and in
15 the exercise of fair dealing, deal with Zaca fairly and honestly and do nothing to impair, interfere
16 with, hinder, or potentially injure Zaca’s rights.

17 170. As alleged herein, Defendants breached the covenant and frustrated Zaca’s
18 enjoyment of its contractual rights. Defendants’ acts include but are not limited to:

- 19 i. Disregarding their duty under the Easement to adequately monitor, repair,
20 maintain, operate, remove, and replace the Pipeline;
- 21 ii. Operating an unsafe Pipeline through Zaca’s Property;
- 22 iii. Impairing, interfering with, hindering, and injuring Zaca’s rights;
- 23 iv. Promoting a predominating course of corporate policy, pattern, practice, and
24 conduct involving grossly negligent pipeline inspection, maintenance, operation,
25 evaluation, and analysis;
- 26 v. Exposing Zaca to the unsafe Pipeline and continuing to do so;
- 27 vi. Depriving Zaca of its reasonable right to fully use and enjoy Zaca’s Property;
- 28

- 1 vii. Using the Pipeline to carry toxic chemicals, other than crude oil, known to pose
2 severe threats to human health;
- 3 viii. Using the Pipeline to carry toxic chemicals that are associated with fracking —
4 which is a procedure not known to exist at the time the original property owners
5 agreed to the Easement, was not an intended risk assumed by the property owners,
6 was not accounted for as part of the consideration exchanged, and was beyond the
7 scope of the Easement.
- 8 ix. Failing to comply with industry rules and policies pertaining to the maintenance,
9 inspection, and integrity management of hazardous liquid pipelines;
- 10 x. Evading the spirit of the bargain made with Zaca;
- 11 xi. Proposing to restart the Pipeline, despite PHMSA’s prior conclusion, as clearly
12 evident in the Consent Decree and associated requirements, that the Pipeline is not
13 safe to operate, and thereby exposing Zaca, and potential purchasers of the lots on
14 Zaca’s Property, to danger;
- 15 xii. Failing to provide an “as-built” diagram for construction of the Pipeline through
16 Zaca’s Property, therefore subjecting Zaca to a complete lack of knowledge
17 regarding the location, dimension, depth and construction methodology for the
18 Pipeline traversing Zaca’s Property;
- 19 xiii. Otherwise failing to do everything the Easement presupposed the Defendants
20 would do to accomplish their purpose.

21 171. Zaca has performed all conditions, covenants and promises required by it on its
22 part to be performed in accordance with the terms and conditions of the Easement contract,
23 except for those it was prevented from performing or which were waived or excused by
24 Defendants’ misconduct.

25 172. As a proximate result of Defendants’ acts, Zaca is entitled to repair, restoration
26 and/or replacement of the unsafe Pipeline, adequate compensation for the additional burden on its
27 land needed to repair and/or restore the Pipeline, and damages for Defendants’ material breach of
28 contract, in an amount to be proved at trial.

1 **Ninth Claim for Relief: Permanent Nuisance**

2 ***By Zaca Against All Defendants (collectively “Defendants”***

3 ***for the purpose of this Cause of Action)***

4 173. Zaca incorporates by reference each and every prior and subsequent allegation of
5 this Complaint as if fully restated here.

6 174. Defendants’ Pipeline, because of the hazards it has created, is a nuisance. At all
7 times herein mentioned, Defendants have failed to properly install, maintain, repair and/or restore
8 the Pipeline, creating an unsafe, ultrahazardous Pipeline that is extremely dangerous to the
9 reasonable use of Zaca’s Property, and interferes with the comfortable enjoyment of Zaca’s
10 Property.

11 175. Defendants’ conduct caused the Pipeline to corrode, rupture, damage the
12 environment, and threaten the people and properties near it. The hazardous conditions are not
13 limited to the area immediately surrounding the May 2015 rupture near the Pacific Ocean. The
14 Pipeline, along its entire length, is riddled with corrosion, other known anomalies, leaks, and
15 potential rupture points, all of which are harmful to both human health and the environment and
16 interfere with Zaca’s comfortable use and enjoyment of Zaca’s Property.

17 176. Zaca has suffered real damage because the unsafe Pipeline runs through and under
18 Zaca’s Property. The corroded Pipeline, its defective insulation, the residual hazard it presents to
19 Zaca’s Property, and Zaca’s lack of knowledge about the original details of construction, have
20 resulted in damage to Zaca.

21 177. Defendants were, at all relevant times, in sufficient control of the Pipeline to have
22 known of the hazards. Defendants knew or should have known that their operation of the
23 Pipeline would have, and did, cause the hazards, including catastrophic failures due to corrosion,
24 anomalies, leaks, and releases of hazardous materials.

25 178. Despite knowledge and forewarning, Defendants failed to take reasonable steps to
26 prevent the catastrophic failure of the Pipeline due to corrosion, anomalies, leaks, and releases of
27 hazardous materials.

28

1 Zaca's Property unreasonably beyond the parameters of the existing Easement and create an
2 additional nuisance and trespass.

3 186. The necessary work would also cause noise, vibration, dust and the release of
4 noxious and malodorous gases, fumes, and other contaminants to further pollute the land and air
5 in the vicinity of and over Zaca's Property.

6 187. In addition, the following threatening conditions exist as a result of Sable's
7 unsupported plan to restart the Pipeline:

- 8 i. The extreme negative reputation of the Pipeline, as amplified by Sable's recent
9 public notice to property owners of the Pipeline's dangers;
- 10 ii. The presence of dangerous anomalies within Line 903 as previously determined by
11 the PHMSA;
- 12 iii. The complete lack of any investigation of the Pipeline as it traverses through
13 Zaca's Property and Zaca's resulting absence of knowledge about its condition,
14 which would be required to be disclosed to any potential purchaser of lots on
15 Zaca's Property;
- 16 iv. The threat that a restart of the Pipeline could result in another disastrous blowout
17 and ruin Zaca's Property;
- 18 v. The fact that several of the personnel running Sable are essentially the same
19 personnel who ran Plains and caused the disastrous 2015 blowout, resulting in
20 more than \$100 million in fines imposed against Plains and resulting in an
21 unprecedented criminal conviction;
- 22 vi. The fact that Celeron's failure to provide the contractually – required "as-built"
23 plans for the Pipeline subjects Zaca to a complete lack of knowledge about the
24 manner in which the Pipeline was originally constructed;
- 25 vii. The high probability that the Easement is no longer valid, having been expressly
26 abandoned by Plains in 2017;
- 27 viii. The fact that Sable has expressly admitted, in its recent 10K filing, that it is likely
28 that its easements for operation of the Pipeline are no longer valid;

- 1 ix. The significant negative press coverage of Sable’s unsupported plan to restart the
2 Pipeline, which will have a negative impact on the willingness of prospective
3 purchasers to acquire any of the lots on Zaca’s Property;
4 x. Sable’s recent public distribution of a pamphlet to all property owners advising
5 them of the significant dangers posed by operating the Pipeline.

6 All of the above factors would need to be disclosed to the potential purchasers of lots on
7 Zaca’s Property, and would result in a nuisance if Sable follows through on its plan to restart the
8 Pipeline.

9 188. Zaca has no adequate remedy at law for the threatened nuisances in that the
10 threatened contamination and pollution, and the obvious danger presented by restarting the
11 pipeline, significant health hazards to Zaca’s Property and prospective purchasers who would
12 purchase lots thereon, and the threatened interference with Zaca’s Property and the use thereof
13 will cause additional burdens to be placed on Zaca’s Property beyond the scope of the current
14 Easement. It will be impossible for Zaca to determine the precise amount of damage which it will
15 suffer if Defendants’ threatened conduct is not restrained.

16 189. Unless Defendants are enjoined, Zaca will suffer irreparable injury in the
17 usefulness and economic value of Zaca’s Property will be substantially diminished, the health of
18 any future residents of Zaca’s Property will be compromised, and Zaca will be deprived of the
19 reasonable and comfortable enjoyment of Zaca’s Property.

20 190. An injunction should therefore be issued, prohibiting Defendants from
21 attempting to utilize the existing Easement for the restarting and maintenance of the Pipeline, and
22 requiring them to provide appropriate compensation to Zaca for the additional property rights and
23 ongoing risk, burden and access needed to safely complete the restarting process and consistently
24 maintain the Pipeline in a sound manner thereafter.

25 **DEMAND FOR JURY TRIAL**

26 Zaca hereby demands a trial by jury on all issues so triable.

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PRAYER FOR RELIEF

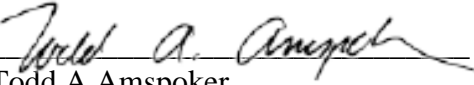
WHEREFORE, Plaintiff Zaca prays that the Court enter judgment in its favor and against Defendants as follows:

- A. For declaratory and injunctive relief, including a judgment quieting Zaca’s title to Zaca’s Property, free and clear of the Easement;
- B. For compensatory damages sustained by plaintiff Zaca;
- C. For treble damages insofar as they are allowed by applicable laws;
- D. For costs and expenses;
- E. For both pre-judgment and post-judgment interest on any amounts awarded ;
- F. For payment of attorney fees and expert fees as may be allowable under applicable law;
- G. for exemplary and punitive damages;
- H. For such other and further relief, including declaratory relief, as the Court may deem just and proper.

Respectfully submitted,

Dated: October 3, 2024

PRICE, POSTEL & PARMA LLP

By: 
Todd A Amspoker
Jeff F. Tchakarov
Attorneys for
Zaca Preserve, a California limited liability company

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VERIFICATION

I, Fred Kayne, am the Manager of Plaintiff Zaca Preserve, LLC, the Plaintiff in the above-captioned action, and I am authorized to make this verification for and on Zaca Preserve's behalf, and I make this verification for that reason.

I have read the foregoing VERIFIED COMPLAINT FOR: QUIET TITLE BASED ON FORMAL AND EXPRESS STATEMENTS OF INTENTION TO ABANDON THE PIPELINE; DECLARATORY RELIEF PREVENTING SABLE FROM REPAIRING AND RESTARTING THE PIPELINE; DECLARATORY RELIEF FOR OVERBURDENING; TEMPORARY RESTRAINING ORDER, PRELIMINARY AND PERMANENT INJUNCTION; BREACH OF WRITTEN EASEMENT CONTRACT; NEGLIGENT MISREPRESENTATION; NEGLIGENCE; VIOLATIONS OF CALIFORNIA'S UNFAIR COMPETITION LAW; BREACH OF IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING; PERMANENT NUISANCE; THREATENED NUISANCE and know the contents thereof. I am informed and believe, and on that ground allege, that the matters stated in the foregoing document are true. Said matters are true of my own knowledge, except as to those matters which are stated on information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 2 day of October 2024, at Los Angeles, CA.

By: Fred Kayne
FRED KAYNE

EXHIBIT A

RECORDING REQUESTED BY &
WHEN ALLOWED RETURN TO
1321 Stine Road
Suite 1-B
Bakersfield, Ca. 93309

MR. MENZEL CLERK RECORDER
1985-005850

SANTA BARBARA CO. CA.
1985 FEB -4 PM 3:10

7 2/04/85 7.00 RL
9 2/04/85 1.00 RE
9 2/04/85 5.00 FI

5

DOCUMENTARY TRANSFER TAX \$ 10.00
 COMPUTED ON FULL VALUE OF PROPERTY CONVEYED, OR
 COMPUTED ON FULL VALUE LESS LIENS & ENCUMBRANCES
REMAINING PAYABLE AT TIME OF SALE.
Stan L. Swartz
Signature of declarant or agent determining tax - firm name

R-10/29/84 OSB 059-PN
Tract No. OSB-061-01-PN
County of Santa Barbara
State of California
Draft No. 0-0253

RIGHT-OF-WAY GRANT

For and in consideration of the sum of TEN DOLLARS

Dollars (\$ 10.00) and other good and valuable consideration, to the undersigned the receipt and sufficiency of which is hereby acknowledged, Grantor herein, hereby grants unto GELBRON 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 right-of-way and easement, with the right of ingress and egress,

1) to survey, lay, maintain, operate, repair, replace, alter, change the size of, and remove one 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 telephone and power lines and appurtenances thereto, and,

2) to survey, lay, maintain, operate, repair, replace, alter, change the size of, and remove a 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 that certain parcel of land situated in the unincorporated area of the County of Santa Barbara, State of California, described as follows:

That portion of the Rancho San Carlos de Jonata, commonly known as the "Dry Canyon Ranch", in the County of Santa Barbara, State of California, and more fully described as PARCEL ONE in Deed dated May 10, 1982 from Rancho Royale Associates, a California limited partnership, to George J. Reeves, et al, recorded in Reel No. 82-20827 of the Official Records in the office of the County Recorder, Santa Barbara County, State of California.

Also, that portion of tract conveyed to Oiver Bumpass, in the Division of the R.T. Buell Ranch, being a portion of the Rancho San Carlos de Jonata, according to the map thereof recorded in Book 14, at Page 66 of Maps and Surveys; said portion more fully described as PARCEL TWO in said Deed mentioned above.

This right-of-way and easement shall have a permanent width of fifty (50) feet except during construction an additional fifty (50) feet will be required except at critical locations such as, but not limited to, washes, rivers, steep slopes, roads and reasonable adjacent additional space as deemed necessary by Grantee, may be used. The permanent easement shall not be fenced by Grantee along its limits on either side and all appurtenances, including, but not limited to, identification markers, vent pipes, cathodic test locations or valves shall be located within the permanent easement.

All telephone and power lines, communications cable and associated equipment referred to above shall be buried within the permanent easement, adjacent to or in the pipeline trench and none of said lines and equipment shall be located on the surface, except for aerial markers, test leads, vent pipes and valve cranks and handles.

Grantee shall, at the time of construction, bury the pipeline and communications cable at all locations to a depth of at least forty (40) inches below the surface of the ground. Grantee shall pay for all damages to growing crops, trees, fences and timber on said land which may be caused by the exercise of the rights granted hereunder, provided that after the completion of construction, Grantee shall not be liable for damages caused by keeping the right of way area clear of trees, undergrowth, brush and obstructions provided Grantee does not use sprays or defoliants.

During the course of construction, Grantee will control access to the easement areas so as to prevent hunting and trespassing and after completion of construction, upon Grantor's written demand, shall post and maintain no trespassing signs on the right of way. Grantee shall further, during the course of construction, repair any damage caused to roads owned by Grantor and utilized by Grantee, and thereafter, shall repair and maintain any of Grantor's roads used by Grantee for repairs, maintenance and inspection of the pipeline to the extent of Grantee's use thereof.

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

Upon completion of any construction and as soon as possible thereafter, Grantee shall restore the right-of-way as near as practicable to the original surface contours as it was before construction of the pipeline, install water diversion terraces where necessary to prevent erosion, remove all rock three (3) inches in diameter or larger brought to the surface in cultivated or grazing lands (should surface rock adjacent to the easement be greater than three (3) inches in diameter, like rock brought to the surface shall not be removed from the easement) and properly prepare and seed all such grazing land with _____ seed.

In the event that Grantee finds it necessary to cut or disturb any fence or fences, Grantee agrees that prior to cutting any such fence or fences, and in order to prevent sagging of the existing fence or fences each shall be properly braced with posts three (3) inches or larger at the top, set a minimum of three (3) feet in the ground. Temporary gaps required for construction shall be installed and kept closed in order to prevent the passing of livestock through same. Upon completion of construction all such gaps shall be restored as part of the permanent fence except where necessary Grantee may install permanent metal gates at cross fences within Grantor's land.

During ditching and welding operations cross-over areas will be left at reasonable intervals to allow livestock access on either side of the easement.

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, except as provided otherwise herein, 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 result, in part or wholly, of Grantor's negligence.

It is distinctly understood and agreed that neither Grantee nor any of its officers, agents, representatives or employees nor anyone else shall have the right or privilege to fish or hunt on any of the lands of Grantor traversed by the above right of way or on the right of way itself nor to carry firearms thereon.

Grantee shall take the precautions necessary to prevent fires from occurring as a result of Grantee's construction activity and will have equipment and manpower available to control any accidental fires.

IN WITNESS WHEREOF, This instrument is executed this 1st day of February, 1985.

WITNESSES:

Don B. Small

GRANTOR

George J. Reeves
George J. Reeves

Vivian Y. Reeves
Vivian Y. Reeves

Arthur V. Reeves by George J. Reeves
Arthur V. Reeves *his attorney in fact*

Joan V. Reeves by George J. Reeves
Joan V. Reeves *his attorney in fact*

STATE OF CALIFORNIA }
COUNTY OF Santa Barbara }

SS.

On February 1, 1985 before me, the undersigned, a Notary Public in and for said State, personally appeared George J. Reeves personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

WITNESS my hand and official seal.



Peter Holmes Jr
NOTARY PUBLIC IN AND FOR THE STATE OF CALIFORNIA

STATE OF CALIFORNIA }
COUNTY OF Santa Barbara }

SS.

On February 1, 1985 before me, the undersigned, a Notary Public in and for said State, personally appeared Vivian Y. Reeves personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged that she executed the same.

WITNESS my hand and official seal.



Peter Holmes Jr
NOTARY PUBLIC IN AND FOR THE STATE OF CALIFORNIA

ATTORNEY-IN-FACT ACKNOWLEDGMENT

NO. 204

State of California }
 County of Santa Barbara } SS.

On this the 1 day of February 19 85
 before me, the undersigned Notary Public, personally appeared
George J. Reeves (name of attorney in fact),
 personally known to me
 proved to me on the basis of satisfactory evidence
 to be the person whose name is subscribed to the within instrument as attorney
 in fact of Jean L. Reeves (name of
 person not appearing before Notary), the principal, and acknowledged to me
 that he (he/she) subscribed the principal's name thereto and
his (his/her) own name as attorney in fact.
 WITNESS my hand and official seal.

Peter Holmes Jr.
 Notary's Signature



7140 122

NATIONAL NOTARY ASSOCIATION • 23012 Ventura Blvd. • P.O. Box 4825 • Woodland Hills, CA 91364

ATTORNEY-IN-FACT ACKNOWLEDGMENT

NO. 204

State of California }
 County of Santa Barbara } SS.

On this the 1 day of February 19 85
 before me, the undersigned Notary Public, personally appeared
George J. Reeves (name of attorney in fact),
 personally known to me
 proved to me on the basis of satisfactory evidence
 to be the person whose name is subscribed to the within instrument as attorney
 in fact of Arthur F. Reeves (name of
 person not appearing before Notary), the principal, and acknowledged to me
 that he (he/she) subscribed the principal's name thereto and
his (his/her) own name as attorney in fact.
 WITNESS my hand and official seal.

Peter Holmes Jr.
 Notary's Signature



7140 122

NATIONAL NOTARY ASSOCIATION • 23012 Ventura Blvd. • P.O. Box 4825 • Woodland Hills, CA 91364

END OF DOCUMENT

EXHIBIT B

H.C. MENZEL CLERK RECORDER
1986-041090

SANTA BARBARA CO. CA.
1986 JUL -8 PM 3:31

RECORDING REQUESTED BY
WHEN RECORDED MAIL TO:
ALL AMERICAN PIPELINE COMPANY
1321 STINE ROAD, SUITE B-1
BAKERSFIELD, CALIFORNIA 93308
ATTN: RIGHT-OF-WAY DEPARTMENT

1 7/00/86 0.00 RE
2 7/00/86 1.00 RE
3 7/00/86 6.00 AU
30 7/00/86 3.00 UN

DOCUMENTARY TRANSFER TAXES
 Computed on full value of property conveyed or
 Computed on full value less liens & encumbrances
remaining thereon at time of sale.
33.00
Robert J. Insaldua
Signature of deponent in front of recording tax firm name

Tract No. USB-059/061.01-PN
County of Santa Barbara
State of California
Draft No. 0-0776

6

AMENDMENT TO RIGHT-OF-WAY GRANT

WHEREAS, a certain Right-of-Way Grant dated February 1, 1985, was executed by and between the undersigned, George J. Reeves, Vivian Y. Reeves, Arthur P. Reeves, Joan L. Reeves as Grantor, and CELEKON PIPELINE COMPANY OF CALIFORNIA as Grantee, and recorded on February 4, 1985 as Instrument No. 1985-005850 in the Official Records of Santa Barbara County, California, to which reference is made for all purposes, covering the following described land:

That portion of the Rancho San Carlos de Jonata, commonly known as the "Dry Canyon Rancho", in the County of Santa Barbara, State of California, and more fully described as PARCEL ONE in Deed dated May 10, 1982 from Rancho Royale Associates, a California limited partnership, to George J. Reeves, et al, recorded in Reel No. 82-20827 of the Official Records in the office of the County Recorder, Santa Barbara, County, State of California.

Also, that portion of tract conveyed to Oliver Bumpass, in the Division of the R.T. Busell Ranch, being a portion of the Rancho San Carlos de Jonata, according to the map thereof recorded in Book 14, at Page 65 of Maps and Surveys; said portion more fully described as PARCEL TWO in said Deed mentioned above.

WHEREAS, the parties to said Right-of-Way Grant now desire to amend the same as hereinafter set forth;

NOW, THEREFORE, for and in consideration of the sum of Thirty Thousand Dollars (\$30,000.00) and of the mutual covenants and agreements to be kept and performed by the parties hereto, the undersigned do hereby amend the above described Right-of-Way Grant by the addition of the following provision:

The Centerline of the fifty (50) foot Permanent Right-of-Way and Easement herein granted is more particularly described by Drawing No. PL-1041 dated May 10, 1986 labeled Exhibit "A" attached hereto and made a part hereof.

It is understood and agreed by all parties hereto that the provision and Drawing contained herein shall supersede any provisions to the contrary in the Right-of-Way Grant described herein; however, in all other respects, the Right-of-Way Grant and the prior provisions thereto, shall remain in full force and effect and each of the undersigned does hereby ratify and confirm such Right-of-Way Grant.

*MOVE ditch line on drawing PL 1041 AS shown into fence
line 10' from ditch to fence*

FURTHER, the provisions hereof shall be binding upon the parties hereto, their respective heirs, legatees, devisees, personal representatives, successors and assigns.

EXECUTED this 20th day of June, 1980.

WITNESS:

Allen A. Hebert, Jr.
Allen A. Hebert, Jr.

GRANTOR:

George A. Keever
George A. Keever

Vivian Y. Reeves
Vivian Y. Reeves

Arthur F. Keever
Arthur F. Keever

Joan L. Reeves
Joan L. Reeves

Witnesses:
Arthur F. Keever by Geo. J. Keever
Joan L. Reeves by Geo. J. Keever
the attorney in fact

GRANTEE:

CELERON PIPELINE COMPANY OF CALIFORNIA
A Delaware corporation

BY: Hurchel J. Murphy
Hurchel J. Murphy - Agent

STATE OF CALIFORNIA)
)
COUNTY OF Kern)

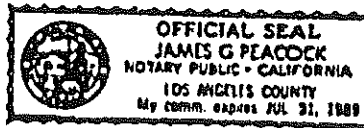
SS.

On June 26, 1986 before me, the undersigned, a
Notary Public in and for said State, personally appeared _____
Allen A. Hebert, Jr.

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 _____
Bakersfield, California and that said Witness was present and
saw _____
George J. Reeves

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 Attorney in Fact of Arthur F. Reeves and Joan L. Reeves
and acknowledged to me that _____ he _____ subscribed
the name of _____
Arthur F. Reeves and Joan L. Reeves
thereto as principal and _____ his _____ own name as Attorney in Fact, executed and
delivered the same, and that affiant subscribed his/her name to the within instrument
as a Witness.

WITNESS my hand and official seal.



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

STATE OF CALIFORNIA)
) SS.
COUNTY OF Kern)

On June 26, 1986 before me, the undersigned, a
Notary Public in and for said State, personally appeared _____
Hurchel J. Murphy
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 _____
Agent
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.



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

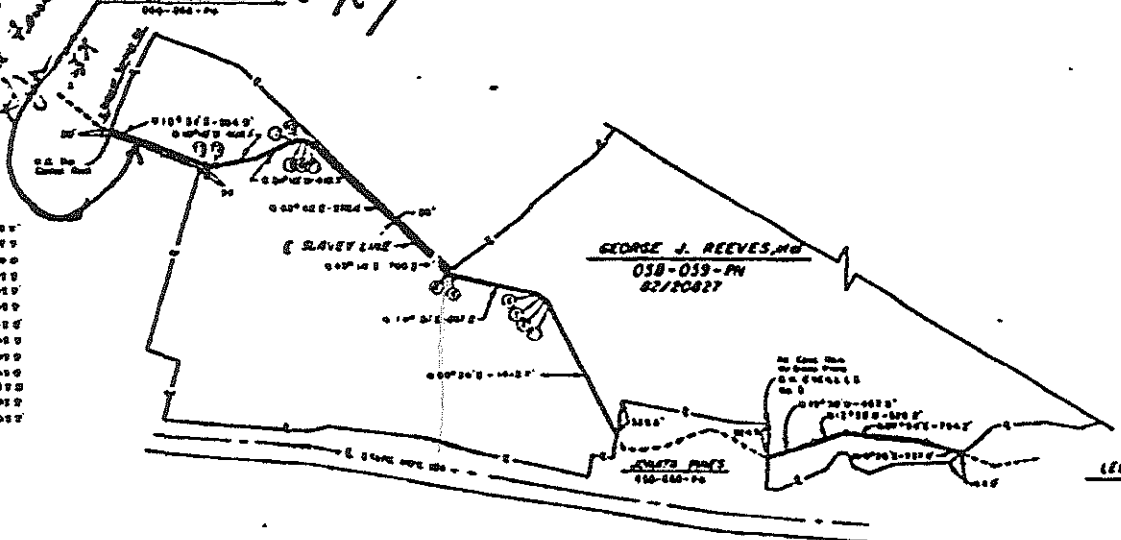
SANTA BARBARA COUNTY, CALIFORNIA
 POR. RANCHO SAN CARLOS DE JONATA

EXHIBIT "A"



*Mans Ditch line
 toward Ranch 10, Jan 22/27*
*By Joe Murphy
 At American Rps Co
 6-28-26
 Witnessed
 T. RIDDY*

- ① 00° 00' 0" - 00° 00' 0"
- ② 00° 00' 0" - 00° 00' 0"
- ③ 00° 00' 0" - 00° 00' 0"
- ④ 00° 00' 0" - 00° 00' 0"
- ⑤ 00° 00' 0" - 00° 00' 0"
- ⑥ 00° 00' 0" - 00° 00' 0"
- ⑦ 00° 00' 0" - 00° 00' 0"
- ⑧ 00° 00' 0" - 00° 00' 0"
- ⑨ 00° 00' 0" - 00° 00' 0"
- ⑩ 00° 00' 0" - 00° 00' 0"
- ⑪ 00° 00' 0" - 00° 00' 0"
- ⑫ 00° 00' 0" - 00° 00' 0"
- ⑬ 00° 00' 0" - 00° 00' 0"
- ⑭ 00° 00' 0" - 00° 00' 0"
- ⑮ 00° 00' 0" - 00° 00' 0"
- ⑯ 00° 00' 0" - 00° 00' 0"
- ⑰ 00° 00' 0" - 00° 00' 0"
- ⑱ 00° 00' 0" - 00° 00' 0"
- ⑲ 00° 00' 0" - 00° 00' 0"
- ⑳ 00° 00' 0" - 00° 00' 0"



LEON L. FERTON, Surveyor
 210-662-76

TRACT : 038-059 - P4
 FEET : 8258.9 ±
 ACRES : 8027 ±

NOTES:
 1. Bearings were obtained from Standard Meridian 100-00 of the
 Division of Highways, District 9.
 2. Refer to Plans 04, 0-029, Pg. 0-0 and Plan 04, 0-00,
 Pg. 71-29 for General Survey.

CELLERON PIPELINE COMPANY OF CALIFORNIA			
PROPOSED PIPELINE CROSSING PROPERTY OF GEORGE J. REEVES, et al			
DATE	DATE	PROJECT BY	DATE
TAC/SEC	04/1/26	PL 1041	4/1/26
SCALE:	DRAWING NUMBER		
1" = 1000'	PL - 1041		