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SABLE OFFSHORE CORP. and PACIFIC PIPELINE COMPANY

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SANTA BARBARA**

CENTER FOR BIOLOGICAL
DIVERSITY, et al.,

Petitioners and Plaintiffs,

v.

CALIFORNIA DEPARTMENT OF
FORESTRY AND FIRE PROTECTION, et
al.,

Respondents and Defendants,

and

SABLE OFFSHORE CORP., et al.,

Real Parties in Interest.

Case No. 25CV02244
[Coordinated with Case No. 25CV02247]

Assigned for all purposes to:
Hon. Donna D. Geck

**DECLARATION OF BRIEN VIERRA
IN SUPPORT OF REAL PARTIES'
OPPOSITION TO PRELIMINARY
INJUNCTION**

*[Filed concurrently with Opposition to
Preliminary Injunction; Declarations of
Michael A. Mische, Michael J. Rosenfeld,
Steve Rusch, and Bart Leininger]*

Date: July 18, 2025
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I. INTRODUCTION AND QUALIFICATIONS

A. Assignment and Scope of Work Performed

1. I, Brien Vierra, am a professional engineer with FJ Technologies, Inc. I have been retained to provide an opinion on the fitness for service of the Las Flores Pipeline system, which is owned by Pacific Pipeline Company and operated by Sable Offshore Corp (“the Pipelines”). The Pipelines are designed to transport crude oil from Las Flores Canyon (Santa Barbara County) to Pentland Station (Kern County), where crude oil is transported by other carriers to the end user. The lines are known as CA-324 (10.86 miles of 24-inch pipe, Las Flores to Gaviota), CA-325A (38.72 miles of 30-inch pipe, Gaviota to Sisquoc) and CA-325B (74.85 miles of 30-inch pipe, Sisquoc to Pentland).

B. Qualifications and Background

2. I have over 35 years of experience in the pipeline industry, and I established my consulting company in 1997. I have worked in several capacities from permitting and design of cross country pipelines, pressure vessel modifications, permitting and design of process and pumping facilities, design and installation of directional drill crossings, field construction observation, project management, project design, hydraulic analysis, pipe stress analysis (Caesar II/Coade), vessel design/fatigue analysis (Compress/Codeware), risk analysis, tank, vessel and pipeline internal/external inspection analysis, preparation of weld procedures and conceptual planning. I have a Bachelor’s Degree in Mechanical Engineering Technology from California Polytechnic State University, San Luis Obispo and have been licensed by the State of California as a Professional Engineer.

C. Materials and Evidence Considered

3. To form the below Opinions, I relied on direct field observations obtained by personally observing work being completed in compliance with State and Federal requirements, and I reviewed the following documents:

- a. Design documents both historical and current, as described below;

- b. Hydrostatic Spike Test Reports and Hydrotest Strength Reports, as described below;
- c. Corrosion Under Insulation Plan per State Waivers and Consent Decree, as described below;
- d. Consent Decree (CD) between Plains Pipeline, L.P. and the United States of America and the People of the State of California, entered in Case No. 2:20-cv-02415, filed on March 13, 2020 and attached as Exhibit B;
- e. State Waiver for CA-324 issued by Department of Forestry and Fire Protection, Office of the State Fire Marshal issued December 17, 2024, attached as Exhibit C;
- f. State Waiver for CA-325A/B issued by Department of Forestry and Fire Protection, Office of the State Fire Marshal issued December 17, 2024, attached as Exhibit D;
- g. U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) Docket No. PHMSA-2025-0002 letter responding to Office of the State Fire Marshal granting a waiver to Sable in which PHMSA states “Pursuant to 49 USC § 60118(d), PHMSA does not object to granting of this waiver by the OSFM for the Sable CA-324 pipeline,” dated February 11, 2025 and signed by Alan K. Mayberry, Associate Administrator for Pipeline Safety, attached as Exhibit E; and
- h. U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) Docket No. PHMSA-2025-0003 letter responding to Office of the State Fire Marshal granting a waiver to Sable in which PHMSA states “Pursuant to 49 USC § 60118(d), PHMSA does not object to granting of this waiver by the OSFM for the Sable CA-325A/B pipeline,” dated February 11, 2025 and signed by Alan K. Mayberry, Associate Administrator for Pipeline Safety, attached as Exhibit F.

D. Compensation

4. I have been compensated at a rate of \$150 per hour.

II. SUMMARY OF OPINIONS

- A. In my opinion, the Pipelines have been inspected, repaired, coated and tested per the Consent Decree (CD), State Waivers, State Regulations, PHMSA Regulations, and PHMSA Waiver Approvals.**
- B. In my opinion, the Las Flores Pipeline System was built to industry standards at the time of construction and adheres to the standards in place today.**
- C. In my opinion, the Pipelines can be operated and maintained in a safe manner based on the inspection requirements outlined in the State Waiver conditions as well as PHMSA Advisory Bulletin (ADB-2016-04).**
- D. In my opinion, the information provided in the Declaration of Richard B. Kuprewicz for Case No, 25CV02247 is misleading, overgeneralized or inaccurate.**

III. BACKGROUND

1. In May 2016, PHMSA issued a Failure Investigation Report on the Plains Pipeline LP (Plains) Line 901 Crude Oil Release that occurred on May 19, 2015.¹

The Executive Summary reads as follows:

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

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

- 1) Ineffective protection against external corrosion of the pipeline

¹https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/docs/PHMSA_Failure_Investigation_Report_Plains_Pipeline_LP_Line_901_Public.pdf. The lines at the time of the release were under federal jurisdiction (see 49 CFR Part 195) because they were considered interstate pipelines. As part of the Consent Decree signed by Plains in 2020, Lines CA-324, CA-325A and CA-325B (formerly Lines 901 and 903) are now under the regulatory oversight of the Office of the State Fire Marshal (OSFM).

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

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

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

IV. ANALYSIS

- A. In my opinion, the Pipelines have been inspected, repaired, coated and tested per the Consent Decree (CD), State Waivers, State Regulations, PHMSA Regulations, and PHMSA Waiver Approvals.**

1. Sable has completed over 200 repairs, installed over twenty-seven new valves, installed a new control center with Real Time Transient Modelling (RTTM) for leak detection with automated shutdowns, and implemented several procedures and processes to ensure the lines are safe to operate.
2. The Pipelines can be operated at a minimal risk to the environment due to the increased safety items that Sable has integrated into the pipeline system both technologically and training of personnel in conjunction with the significant Federal and State mitigation requirements.
3. In addition to other State and Federal regulations, OSFM has issued specific Waivers with which Sable is required to comply with prior to restart and during operations.
4. Sable acquired lines CA-324, CA-325A and CA-325B in early 2024, and they began making repairs as soon as doing so was allowed. In response to the PHMSA findings, the Consent Decree, and the State Waivers, Sable has completed all of the following items:

PHMSA FINDING	CHANGES COMPLETED BY SABLE
1) Ineffective protection against external corrosion of the pipeline	Sable has completed over 200 repairs to remove or repair areas of corrosion that were reported by the latest ILI tool runs that were 40% or greater. Two ILI tools were run through CA-324 and one tool through CA-325A and 325B. As per the State Waiver, Sable will continue inspecting the lines at routine time intervals for metal loss, twice annually for first 2 years of operation. Sable will utilize techniques
<ul style="list-style-type: none"> • The condition of the pipeline’s coating and insulation system fostered an environment that led to the external corrosion. 	
<ul style="list-style-type: none"> • The pipeline’s cathodic protection (CP) system was not effective in preventing corrosion from occurring beneath the pipeline’s coating/insulation system. 	

	<p>such as ultrasonic wall thickness for wall loss detection, quantification of data, and ultrasonic shear wave for crack detection. Data analysis will take into consideration tool tolerance, growth rate, and mitigation techniques to enhance the probability of success in effectively mitigating any external corrosion that occurs on the lines.</p>
<p>2) Failure by Plains to detect and mitigate the corrosion</p>	<p>In 2022 and 2023, additional ILI tools were ran through CA-324 and CA-325A/B to characterize the extent and depth of the external corrosion accurately. Sable based their repair program on these new tool runs as well as field review of actual conditions during the repair process.</p>
<ul style="list-style-type: none"> • The in-line inspection (ILI) tool and subsequent analysis of ILI data did not characterize the extent and depth of the external corrosion accurately. 	<p>Sable is currently planning the next ILI tool runs through the system within the first seven days of steady state operation in which the State Waiver Conditions require that Sable account for ILI tool tolerance and anomaly growth rates in scheduled response times, repairs, and future reassessment intervals. Sable must document and justify the values used as well as demonstrate ILI tool tolerance accuracy for each ILI tool run by using calibration, excavations, and unity plots that demonstrate ILI tool accuracy to meet the tool accuracy specification provided by the vendor (typical for depth within +10% accuracy for 80% of the time). Sable must compare previous indications to current indications that are significantly different. If</p>

	<p>a trend is identified where the tool has been consistently over-calling or under-calling, the remaining ILI features must be re-graded accordingly. In addition, under condition 28, prior to the ILI final report being received, Sable must perform at least four (4) separate validation digs that do not interact with each other. At a minimum, Sable must perform validation digs in accordance with Level 2 of API Standard 1163, “In-line Inspection System Qualification” (Second Edition, April 2013).</p>
<p>3) Lack of timely detection of and response to the rupture</p>	<p>Sable has taken comprehensive steps to enhance its pipeline monitoring, detection, and emergency response capabilities. These improvements are designed to prevent a recurrence of the incident and ensure the highest standards of operational safety. Key actions include:</p> <ul style="list-style-type: none"> • Enhanced Detection Infrastructure - <p>New meters have been installed at Gaviota and Sisquoc, along with additional meters at Las Flores and Pentland. These upgrades, combined with improved pressure and temperature monitoring, significantly increase detection capabilities across all pipeline segments.</p> <ul style="list-style-type: none"> • Advanced SCADA and Alarm Systems - <p>A new SCADA system has been deployed, featuring safety-related alarms calibrated to detect abnormal operating conditions. These alarms are designed to alert control room staff promptly and can automatically initiate a system shutdown using a Real-Time Transient Model (RTTM) for rapid response.</p>
<ul style="list-style-type: none"> • The pipeline supervisory control and data acquisition (SCADA) system did not have safety-related alarms established at values sufficient to alert the control room staff to the release at this location. 	
<ul style="list-style-type: none"> • Control room staff did not detect the abnormal conditions in regards to the release as they occurred. This resulted in a delayed shutdown of the pipeline. 	
<ul style="list-style-type: none"> • The pipeline controller restarted the Line 901 pipeline after the release occurred. 	
<ul style="list-style-type: none"> • The pipeline’s leak detection system lacked instrumentation and associated calculations to monitor line pack (the total volume of liquid present in a pipeline section) along all portions of the pipeline when it was operating or shut down. 	
<ul style="list-style-type: none"> • Control room staff training lacked formalized and succinct requirements, including emergency 	

shutdown and leak detection system functions such as alarms.

- SCADA Simulator for Realistic Training -

A comprehensive SCADA simulator has been developed to replicate the CA-324, CA-325A, and CA-325B pipeline segments. This simulator is used to train controllers in leak recognition, emergency response, and operational procedures under realistic conditions, significantly improving preparedness and decision-making.

- Targeted Training, Procedures, and Empowered Safety Culture –

Sable is implementing specialized training programs focused on the specific circumstances of the previous release. These include formalized protocols for emergency shutdowns, alarm response, and use of the leak detection system. In addition, the company has fostered a safety culture that empowers controllers to act decisively—prioritizing safety and enabling them to initiate shutdowns based on their training and judgment without hesitation.

- Revised Restart Protocols –

Sable is incorporating standard operating procedures to prohibit pipeline restarts following any suspected release until a full assessment is completed. This ensures that safety is prioritized over operational continuity and that no restart occurs without a verified safe operating condition.

In my opinion, these measures reflect Sable’s commitment to continuous improvement, environmental stewardship, and the safety of its operations.

- See section 5.a.5) SCADA and Appendix E for additional details on the

	RTTM system as well as other items to enhance the capabilities of the systems.
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Table 1 – Sable Response to Findings

B. In my opinion, the Las Flores Pipeline System was built to industry standards at the time of construction and adheres to the standards in place today.

1. The Pipelines can be operated at a minimal risk to the environment due to the increased safety items that Sable has integrated into the pipeline system both technologically and training of personnel in conjunction with the significant Federal and State mitigation requirements.
2. Installation Construction Specifications - Table 2 below provides a summary of the basic system design:

	CA-324: Las Flores Canyon to Gaviota	CA-325A: Gaviota to Sisquoc	CA-325B: Sisquoc to Pentland
<i>Year of Construction:</i>	1990	1986	1986
<i>Pipeline Diameter:</i>	24 inches	30 inches	30 inches
<i>Length of Pipeline:</i>	10.8 miles from Las Flores Pump Canyon Station to Gaviota Station. Flow diagrams for the Las Flores Canyon and Gaviota Stations are enclosed for reference in	38.7 miles in length from Gaviota Station to Sisquoc Pump Station. Flow diagrams for the Gaviota and Sisquoc Stations are enclosed for reference in	74.8 miles in length from Sisquoc Pump Station to Pentland Station. Flow diagrams for the Sisquoc and Pentland Stations are enclosed for reference in

	CA-324: Las Flores Canyon to Gaviota	CA-325A: Gaviota to Sisquoc	CA-325B: Sisquoc to Pentland
	<i>Attachment A – Flow Diagrams.</i>	<i>Attachment A – Flow Diagrams.</i>	<i>Attachment A – Flow Diagrams.</i>
<i>Predominant Pipe Grade:</i>	API 5L, Grade X-65	API 5L, Grade X-65, X-70	API 5L, Grade X-65, X-70
<i>Predominant Wall Thickness:</i>	0.344 inches	0.281, 0.344 inches	0.281, 0.344, 0.375, 0.438 inches
<i>Maximum Operating Pressure (MOP):</i>	1003 psig at low point	1000 psig at low point	1292 psig at low point up to CHK 37, then 1170 PSIG at low point between CHK 37 to Pentland
<i>Normal Operating Pressure (NOP):</i>	250 to 600 psig	500 to 650 psig	940 to 1150 psig
<i>Pipe Seam:</i>	High frequency electric resistance welded (HF-ERW) manufactured in 1985 and 1986.	Double submerged arc welded (DSAW) manufactured between 1984 and 1986.	Double submerged arc welded (DSAW) manufactured between 1984 and 1986.
<i>Existing and New Valves:</i>	4 valves (3 MOV, 1 check) 7 new valves (6 MOV, 1 Check)	8 valves (5 MOV, 3 check) 6 new valves (4 MOV, 2 Check)	8 valves (4 MOV, 3 check, 1 manual) 14 new valves (4 MOV, 10 check)

	CA-324: Las Flores Canyon to Gaviota	CA-325A: Gaviota to Sisquoc	CA-325B: Sisquoc to Pentland
<i>Elevations:</i>	Las Flores: 193 feet ASL Gaviota: 201 feet ASL Low point: 28 feet ASL High point: 764 feet ASL	Gaviota: 192 feet ASL Sisquoc: 832 feet ASL Low point: 42 feet ASL High point: 1,425 feet ASL	Sisquoc: 895 feet ASL Pentland: 694 feet ASL Low point: 668 feet ASL High Point: 3,004 feet ASL
<i>Original Coating:</i>	Coal Tar Urethane	Coal Tar Urethane	Coal Tar Urethane
<i>Insulation:</i>	1.5-inch-thick layer of rigid urethane foam insulation and an outer polyethylene tape. Replacement pipe and repairs coated with RD6 tape wrap system or Denso 7200 Protal	1.5-inch-thick layer of rigid urethane foam insulation and an outer polyethylene tape. Replacement pipe and repairs coated with RD6 tape wrap system or Denso 7200 Protal	1.5-inch-thick layer of rigid urethane foam insulation and an outer polyethylene tape. Replacement pipe and repairs coated with RD6 tape wrap system or Denso 7200 Protal
<i>General Condition of the Pipeline:</i>	The pipeline has been repaired as well as hydrotested per the State Waiver Requirements. The pipeline will be in compliance with all integrity	The pipeline has been repaired as well as hydrotested per the State Waiver Requirements. The pipeline will be in compliance with all integrity	The pipeline has been repaired as well as hydrotested per the State Waiver Requirements. The pipeline will be in compliance with all integrity

	CA-324: Las Flores Canyon to Gaviota	CA-325A: Gaviota to Sisquoc	CA-325B: Sisquoc to Pentland
	requirements set forth by the Consent Decree, State Waiver, and applicable regulations prior to recommissioning.	requirements set forth by the Consent Decree, State Waiver, and applicable regulations prior to recommissioning.	requirements set forth by the Consent Decree, State Waiver, and applicable regulations prior to recommissioning.
<i>Linefill Capacity in barrels (bbls):</i>	30,263	171,216.5	328,832.5
<i>Operating Temperature:</i>	The maximum operating temperature of this segment is 140°F. The system is expected to operate between 60°F and 130°F during steady state operation.	The maximum operating temperature of this segment is 125°F. The system is expected to operate between 60°F and 125°F during steady state operation.	The maximum operating temperature of this segment is 110°F. The system is expected to operate between 60°F and 110°F during steady state operation.

Table 2 – Las Flores Pipeline Information

C. In my opinion, the Pipelines can be operated and maintained in a safe manner based on the inspection requirements outlined in the State Waiver conditions as well as PHMSA Advisory Bulletin (ADB-2016-04).

1. Hydraulic Design per OSFM and PHMSA

- i. The hydraulic reports reviewed show the pipeline will operate below the maximum operating pressures established during the hydrotesting of the pipeline segments, and the temperatures will be below the maximum levels set by the OSFM State Waivers, which means that the Pipelines will be operating more safely than industry standards today.

2. Supervisory Control and Data Acquisition System (SCADA) System Design

- i. The CPM – Computational Pipeline Monitoring system that Sable is implementing is “State of the Art,” meaning that it incorporates all of the latest requirements for Leak Detection Systems (LDS) as outlined in API RP 1130 (American Petroleum Institute,) and implements rigid training requirements for all controllers. Additional details of the system are described below.

3. RTTM – Real Time Transient Modeling leak detection system

- i. PPC has installed a new control center with an enhanced leak detection system using Real Time Transient Model Computational Pipeline Monitoring (“RTTM CPM”) for the entire Las Flores Pipeline system integrated into the Supervisory Control and Data Acquisition (“SCADA”) system and Operations Control Center (“OCC”), located in Santa Maria, CA. RTTM CPM will enable the shortest release detection time, thereby, minimizing release volume compared to other LDS technologies.

- ii. RTTM CPM systems are recognized in the midstream industry as an effective Leak Detection System (LDS) in terms of sensitivity, accuracy, reliability, and robustness, and the operational aspects of CA-324 and CA-325A/B make RTTM CPM a feasible LDS. RTTM CPM provides the greatest degree of protection of the LDS technologies available.
- iii. Here, the RTTM CPM will be configured with multiple balance periods from short (5 minutes) to long (>1 day) to limit the quantity of release over a range of potential release rates from small to large. RTTM CPM is used extensively in similar liquid pipeline applications around the world with multiple reputable applications available on the market to implement. RTTM CPM is compatible with the geographic conditions along the Las Flores Pipeline System, particularly the elevation profile, and maintains the ability to accurately model and maintain detection, even during abnormal operating conditions.
- iv. RTTM CPM is compatible with the SCADA, measurement, and communications technology in use on this pipeline segment. RTTM CPM systems also maintain roughly equal performance from end to end of the pipeline regardless of operating pressure so long as the fluid in the line is kept in the liquid state, which is ensured by PPC operating procedures.
- v. By employing RTTM CPM, the system here will be more sensitive due to its advanced capabilities to model line-pack and consider hydraulic

gradient sensitivities compared to the previous system used by the previous owner. In particular, it will react much faster (lower leak detection time) to large rate releases characterized by rapid depressurization of the pipeline due to its higher sensitivity and ability to anticipate how the pipeline system hydraulics should behave versus reality.

- vi. Installing RTTM CPM on CA-324 and CA-325A/B will limit the volume of a release by detecting the event and alerting PPC's OCC to initiate response, including pipeline shut down. By using multiple balance periods, the system will respond appropriately to different release rates, alerting high-rate releases (rupture scenarios) very quickly with the capability to tie-in automatic commanded actions within the application, while still being sensitive enough to detect low-rate releases. Lastly, RTTM CPM fidelity will benefit from the corroborative effect of multiple field instruments, as detailed further in item 2 below.
- vii. PPC has installed additional pressure and temperature transmitters at existing and new motor-operated valve ("MOV") sites, as required for RTTM CPM LDS, to achieve reliable detection within performance standards. Generally, this will consist of installation of pressure and temperature sensors on both the upstream and downstream sides of MOV sites. Data from these sensors will be transmitted via SCADA to PPC's OCC and to the RTTM CPM.

- viii. Additional pressure transmitters for surveillance will limit the volume of release because they will confer advanced capability to model pipeline volumes and consider changes in hydraulic sensitivities, thereby alerting PPC's control center to initiate response to abnormal operating conditions, including pipeline shut down. While analog point analysis can identify full line ruptures very quickly and alert the OCC to an anomalous event, it does not support an accepted performance estimation methodology and, as a result, the performance may vary with position along the line. Nonetheless, analog point analysis via pressure and temperature transmitters have been included in the leak detection deployment for this line.
- ix. Installation of additional pressure instruments coupled with RTTM CPM, as described above, meet or exceed all criteria in 19 CCR § 2110.
- x. PPC has installed new flow meters at all of the stations in which Gaviota Station and Sisquoc Station did not have meters before. The additional meters will help to increase detection resolution of the LDS by providing flow data via SCADA to PPC's OCC. These will work in conjunction with RTTM CPM and existing flow meters. A map showing the location of the new and existing flow meters is shown below in figure 1.

**Pacific Pipeline (Line CA-324 and Line CA-325A/B)
System**

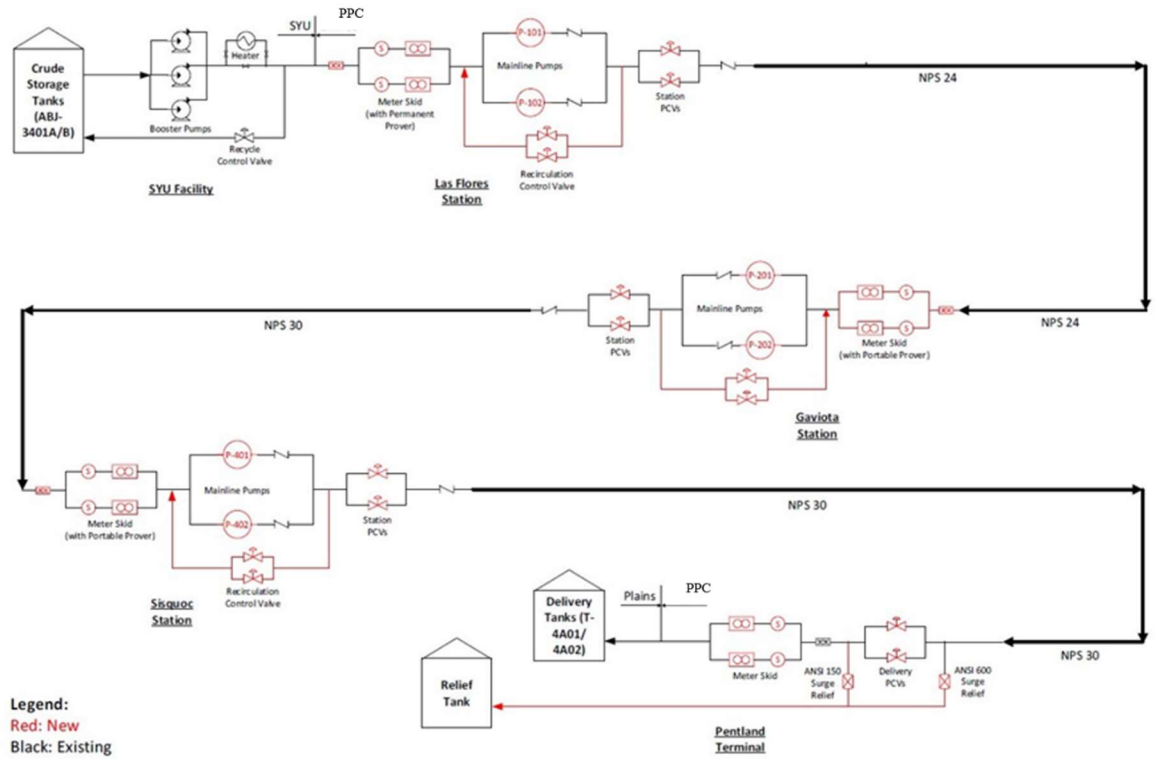


Figure 1

10. Distance Between Flow Meters used for Surveillance	Baseline Condition, miles	New Plan, miles	Reduction in Distance, %
CA-324	124.4	10.9	91%
CA-325A	124.4	38.7	69%
CA-325B	124.4	74.8	40%

Table 3: Distance Between Flow Meters

- xi. PPC has installed an automatic shutoff system (“ASOS”) that will automatically initiate a pump shutdown sequence along with

commanding MOV closures on the pipeline segment, upon receipt of a rupture alarm without human intervention.

- a. The ASOS will safely shut off and isolate the pipeline system in response to identified alarm criteria, specifically a rupture alarm, from either the RTTM CPM system or other rupture detection systems deployed on the pipeline. The ASOS will consist of a sequence program using local Programmable Logic Controllers (“PLCs”) and SCADA software that will automatically de-energize the pumping equipment and initiate remote closure of MOVs to isolate the pipeline in response to the alarm condition. This includes automated closure of new and retrofitted MOVs as well as existing MOVs. The sequence will also be available for activation by the OCC controller to rapidly shut off the system any time the controller questions the integrity of the Pipelines.
- b. For ASOS to be effective, it requires reliable communications equipment and specialized logic programs to shutoff consistently and in a manner that maintains static leak detection and line pack in the event of a false alarm, as the ASOS will be unique to the particular pipeline operating parameters and physical characteristics. Technology advancements within the last decade have made a retrofit implementation on a hydraulically complex system such as the Las Flores Pipeline possible, with step changes in site-to-site satellite communications and quicker data transmittal protocols.
- c. PPC has installed redundant communications (two modes of communications) to each of the stations as well as the valve sites to meet the quicker communication requirements. ASOS will provide

the greatest degree of protection by not only reducing shutoff response time, but by supplementing human response with automation.

4. The Consent Decree – Compliance

- i. The Consent Decree between Plains Pipeline, L.P. and the United States of America and the People of the State of California, Case No. 2:20-cv-02415, filed on March 13, 2020 requires Plains or Sable to comply with nineteen (19) conditions in Article 1, twenty-six (26) conditions in Article 2 and ten (10) conditions in Appendix D.
- ii. These conditions vary in length and breadth in which have several sub-requirements or conditions. A majority of these conditions are carried over to the State Waivers for CA-324, CA-325A and CA-325B to ensure compliance. Sable has complied with, is in the process of complying with, or is prepared to comply with all of the Consent Decree conditions.
- iii. I have reviewed or been involved with a majority of the items required prior to operation of which in my opinion have met, meet or will meet the conditions outlined in the Consent Decree. Specifically, I was personally engaged with Sable staff and OSFM during the repair program in identifying anomalies and determining, with OSFM approval, methods of appropriate repair.

5. State Waiver CA-324 - Compliance

- i. The CA-324 State Waivers have sixty-seven (67) conditions. Twelve (12) of those conditions also carry subsections.

- ii. Sable has met, is in the process of meeting, or will be required to meet, all the State Waiver conditions per the OSFM.
- iii. I have reviewed or been involved with a majority of the items required prior to operation of which in my opinion have met or meet the conditions outlined in the Waiver. Specifically, I was personally engaged with Sable staff and OSFM during the repair program in identifying anomalies and determining, with OSFM approval, methods of appropriate repair.
- iv. The items required during operations will be an ongoing compliance requirement per the terms of the waiver.

6. State Waiver CA-325 – Compliance

- i. The CA-325A/B State Waivers have sixty-eight (68) conditions. Sixteen (16) of those conditions also carry subsections.
- ii. Sable has met, is in the process of meeting, or will be required to meet, all of the State Waiver conditions per the OSFM.
- iii. I have reviewed or been involved with a majority of the items required prior to operation of which in my opinion have met or meet the conditions outlined in the Waiver. Specifically, I was personally engaged with Sable staff and OSFM during the repair program in identifying anomalies and determining, with OSFM approval, methods of appropriate repair. The items required during operations will be an ongoing compliance requirement per the terms of the waiver.

7. PHMSA Approval of State Waivers - Compliance

- i. U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) Docket No. PHMSA-2025-0002 wrote letter in response to Office of the State Fire Marshal granting a waiver to Sable.
- ii. In this letter, PHMSA stated that, “[p]ursuant to 49 USC § 60118(d), PHMSA does not object to granting of this waiver by the OSFM for the Sable CA-324 pipeline.” The referenced waiver will allow Sable to manage the risk of corrosion. The letter also specifically explains the following:

The state waiver requires Sable comply with over 60 conditions, including this pipeline be hydrostatically tested using a “spike” hydrostatic test prior to putting the pipeline into operation, and the pipeline be inspected with ultrasonic thickness wall measurement and ultrasonic shear wave crack detection in-line inspection tools capable of assessing seam integrity and detecting corrosion, deformation, and cracking-type anomalies within seven days of achieving initial steady state operation of the pipeline. Thereafter, the pipeline must be reassessed at least every year.

Pursuant to 49 USC § 60118(d), PHMSA does not object to granting of this waiver by the OSFM for the Sable CA-325A&B pipeline. PHMSA requests that a copy of OSFM’s final waiver to Sable be forwarded to PHMSA within 30 days of the issuance.

- iii. Sable has successfully completed the “spike” hydrotest as well as the “Strength” Hydrotest and is in the process of planning the ultrasonic thickness wall measurement and ultrasonic shear wave crack detection in-line inspection tool runs which they will complete as soon as steady state operation of the pipeline is achieved.

8. In-Line Inspection - Compliance with Consent Decree

- i. Sable utilized Inline Inspection Reports from 2022 and 2023 as well as historical data to establish the minimum number of pipeline repairs required per the Consent Decree.
- ii. During the repair process, if additional anomalies were found in the area of exposed pipe, they were also repaired, in addition to the identified anomaly even though they did not meet the repair criteria threshold.
- iii. Examples of various In Line Inspection (ILI) tools commonly called “pigs.” These are only examples and not photos of the tools used.



Figure 2 – ILI tool

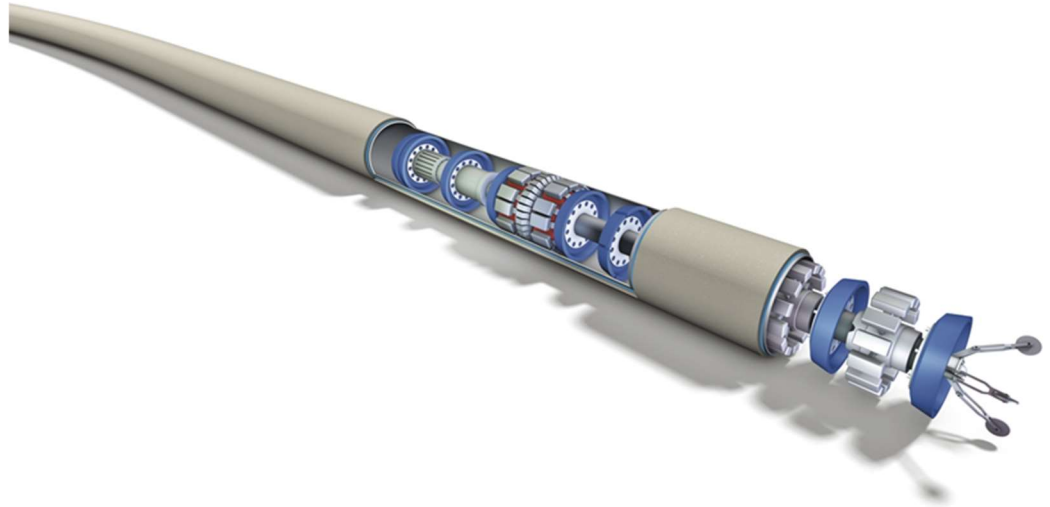


Figure 3 – ILI tool inside of pipe

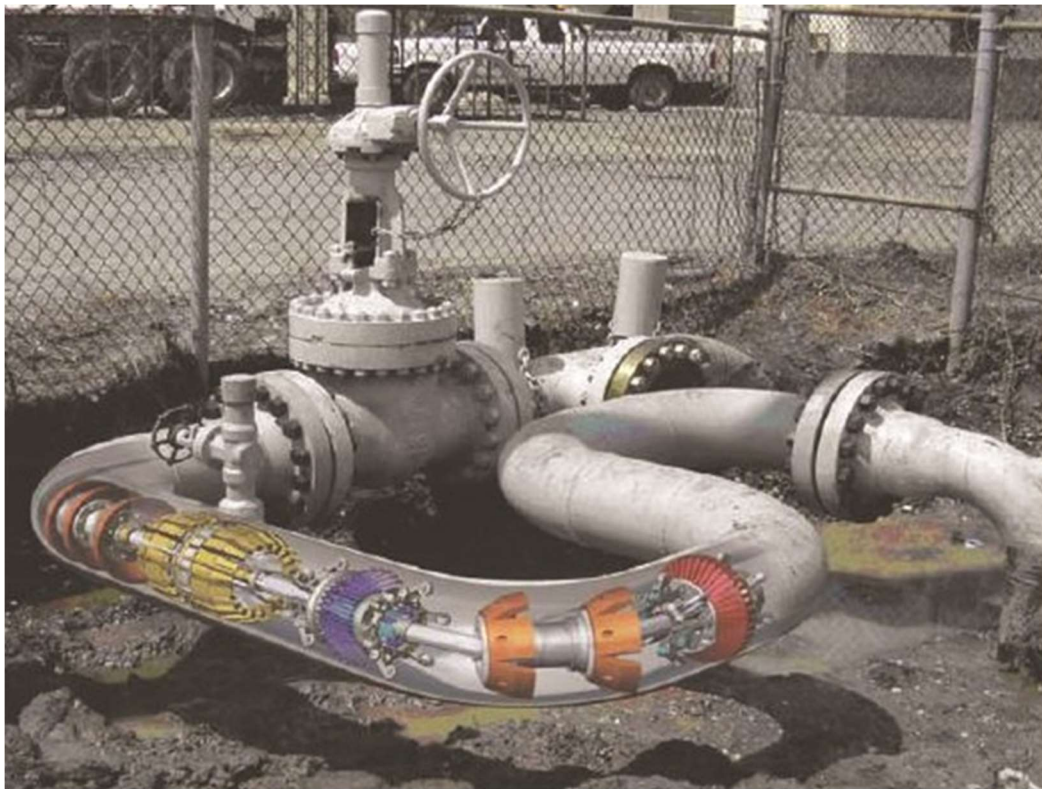


Figure 4 – ILI tool illustration inside of pipe

9. Repair & Hydrotest - Compliance with Consent Decree & State Waivers

- i. Sable has performed over 200 pipeline repairs from composite repairs to type B weld sleeves to complete pipe replacements in the last year.

- ii. Each repair has been documented and inspected per OSFM & PHMSA requirements.

- i. Examples of each repair type are shown below:

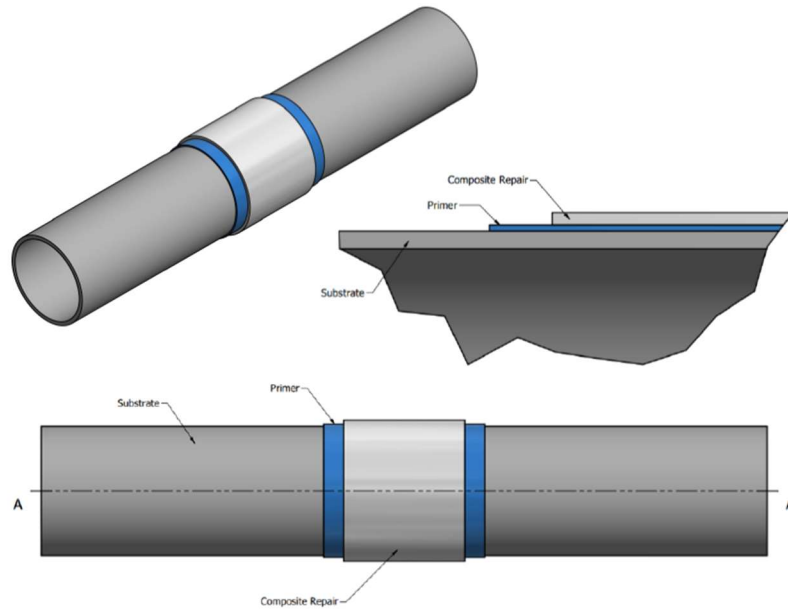


Figure 5 – Composite Sleeve Repair



Repair System Definition:

The ASME PCC-2 Article 401 and ISO 42817 each defined a "Repair System" as a combination or function of the following elements. The Repair System definition for the A+ Wrap™ repair system is provided according to this definition as follows:

Repair System Element	A+ Wrap System Definition
Substrate	Carbon Steel
Surface Preparation	Preferred: NACE 2 / SSPC-SP10 near white metal blast Minimum: SSPC-SP 11 – power tool clean to bare metal
Load Transfer Material	EPN-101 or EPN-242 or ESN-202
Primer	PPR-220 or PPR-290
Composite Wrap (saturated in factory)	FEB-530 Fiberglass <i>with</i> SPU-210 Moisture-cured Urethane Resin
Application Method	Per Detailed Installation Guide – Offset, Spiral, Layer-over-Layer (i.e., straight/weld wraps), and "Brick Stack" options
Curing Protocol	Approximately 24 hours at 75°F (24°C)

CSNRI Composite repair sleeves were used by Sable on CA-324 and CA-325A/B repairs in which the CSNRI repair definition is shown below:

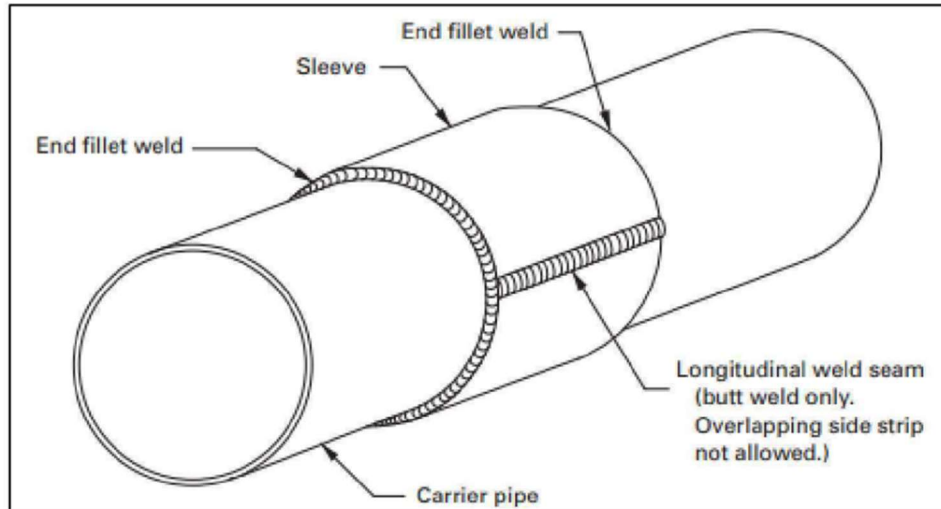


Figure 6 – Type B Sleeve (Welded)

A Type B sleeve is comprised of two pieces of steel rolled to fit the outside of the existing pipe. The two sleeves are fit up tight over the pipe then the longitudinal welds are made. Once the longitudinal welds are completed,

the one end fillet weld is completed, then the last end fillet weld is completed to create a “pressure containing” repair.



Figure 7 – Pipe Removal

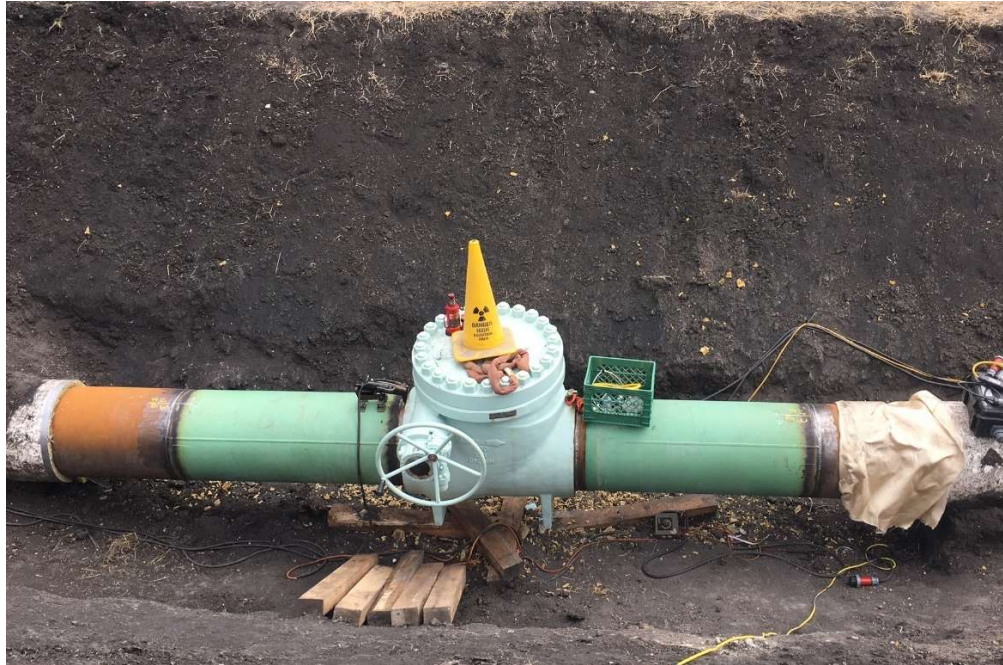


Figure 8 – Pipe Installation with EFRD

Process of starting a repair to completion of repair shown in Photos 1 through 11 below.



Photo 1 - Excavation with spotter

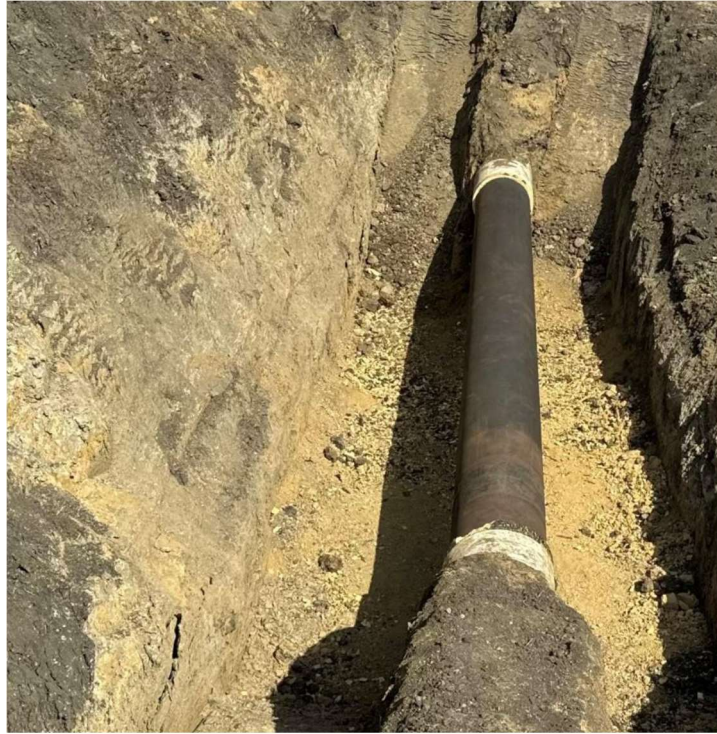


Photo 2 – Pipe Stripped of Insulation after Excavation

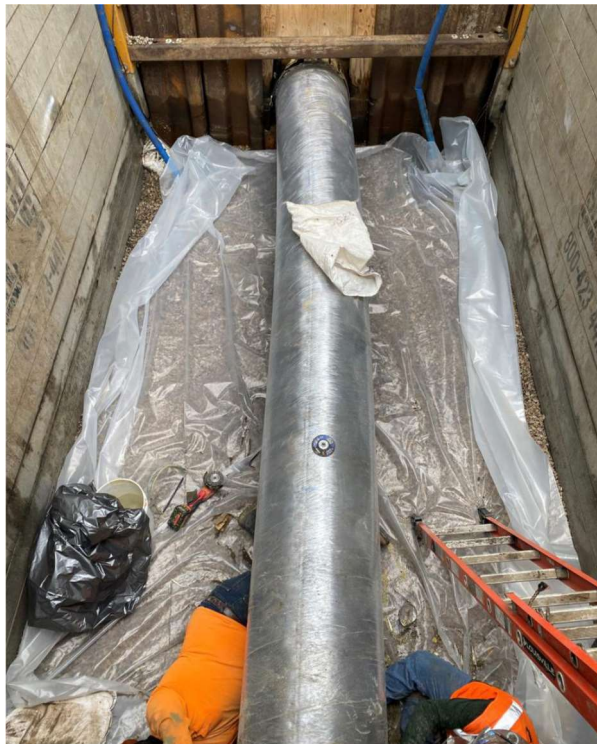


Photo 3 – Pipe Blasted and Ready for Evaluation

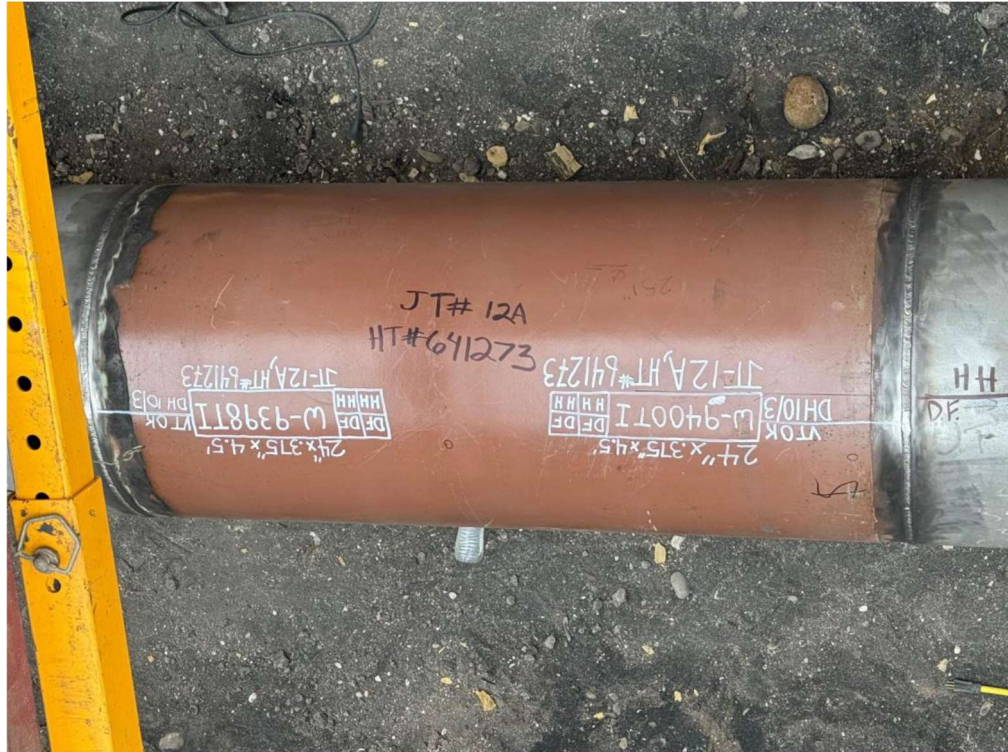


Photo 4 – Cutout Repair Complete with Markings and Inspection Data



Photo 5 – Pipeline Repair – Composite A+ Wrap



Photo 6 – Pipeline Repair – Composite A+ Wrap Cured and Initial Coating



Photo 7 – Coating Inspection using a Holiday Detector “jeep”



Photo 8 – A+ Wrap with final wrap post-final coating inspection prior to backfill



Photo 9 – Backfill operation with rock guard applied to pipe to protect coating



Photo 10 – Final Grading prior to revegetation with Pipeline Marker per 49 CFR 192.707



Photo 11 – Final Grading with revegetation and erosion control in place



Photo 12 – Final Grading with vegetation started and erosion control in place

10. Existing Mainline Valve Replacements and New Valve Installations

- i. A total of forty-seven (47) valves have been replaced, serviced or installed along the pipeline route with twenty-seven (27) of them being new. A full description of the valves is shown in Table 4 below.
- ii. The installation of the new valves has allowed the lines to be split into smaller segments thus minimizing potential drain down as well as provided additional monitoring along the line.

<i>Valve ID</i>	<i>Description</i>
MOV-109C - LFC	MOV - Existing - Replaced
324-MOV1	MOV-New
324-MOV2	MOV-New
324-MOV3-Refugio	MOV -Existing - Replaced
324-CHK4-Refugio	Chec - Replaced

324-MOV5	MO -New
324-CHK6	Check - New
324-MOV7	MOV - New
324-MOV8	MOV - New
324-MOV9	MOV - New
MOV-208C - Gav	MOV - Existing - Replaced
MOV-209C - Gav	MOV - Existing - Replaced
325A-MOV10-GC	MOV - Existing - Replaced
325A-CHK11-GC	Check - Existing
325A-CHK12	Check - New
325A-MOV13	MOV - New
325A-MOV14-SYR	MOV - Existing - Replaced
325A-CHK15-SYR	Check - Existing
325A-MOV16	MOV - New
325A-CHK17	Check - New
325A-MOV18	MOV - New
325A-MOV19	MOV - New
325A-MOV20 - SR	MOV - Existing - Replaced
325A-CHK21-SR	Check - Existing
MOV-408C - Sisq	MOV - Existing - Replaced
MOV-409C - Sisq	MOV - Existing - Replaced
325B-CHK22	Check - New
325B-MOV23	MOV - New
325B-CHK24-PCC	Check - Existing
325B-CHK25	Check - New
325B-MOV26-CR	MOV-Existing
325B-CHK27-CR	Check - Existing
325B-MOV28	Valve - Existing Rep. MOV
325B-CHK29	Check - New
325B-CHK30	Check - New
325B-CHK31	Check - New
325B-CHK32-SER	Check - Existing - Replaced
325B-CHK33	Check - New
325B-CHK34	Check - New
325B-CHK35	Check - New
325B-CHK36	Check - New
325B-CHK37	Check - New
325B-MOV38-SA	MOV - Existing
325B-MOV39-SA	New
325B-MOV40-SA	New
325B-MV41 -Pent	Valve - Replaced
MOV4A08C - Pent	MOV-Existing - Replaced

Table 4 – Valve Installations

11. Coating Repair Details

- i. Specifications for the various repairs were reviewed in which the following details are provided as an example of how the coating was repaired or replaced:

Appendix A: Coating Guideline for Insulated Pipe

- Step 1: Prepare bare steel section to SSPC SP-10 Near White Metal Blast. Bare steel shall be prepared up to existing coal tar primer.
- Step 2: Adjacent coal tar primer shall be SSPC SP-7 Brush Blasted to be exposed for a minimum of two (2) inches from adjoining polyurethane foam. Exposed coal tar primer shall be tightly adhered per SSPC SP-2 Hand Tool Cleaning. Tightly adhered is defined as “cannot be removed by scraping with a dull putty knife”.
- Step 3: Bevel polyurethane foam at a minimum 1:1 slope to allow for proper transition of pipe wrap.
- Step 4: Perform SSPC SP-7 brush blast of beveled polyurethane foam and minimum six (6) inches of existing polyethylene tape. Can be done with SSPC SP-2 or SSPC SP-3 if hand or power tooling is more practical.

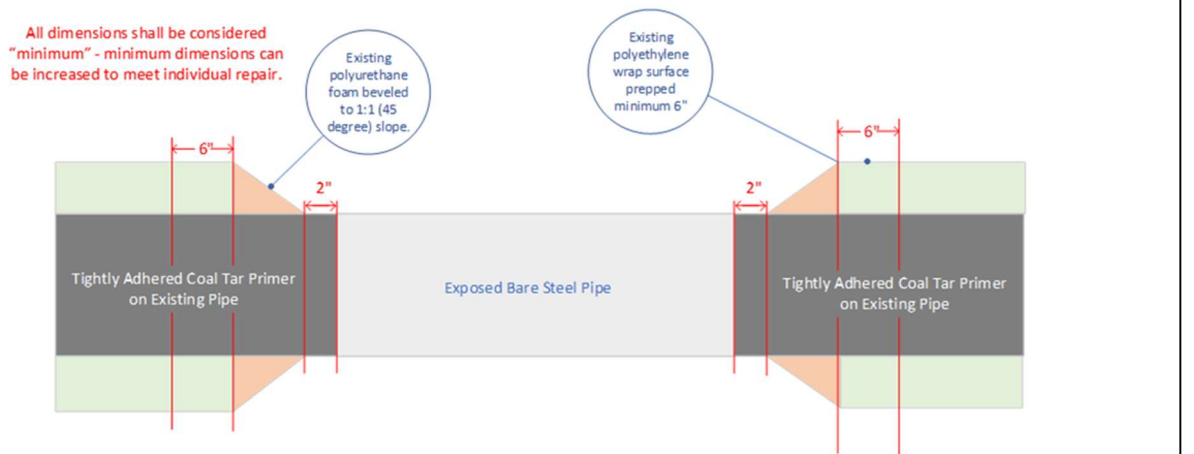


Image-1 Insulated Pipe Example

Figure 9 – Example of Coating Repair Methodology Prior to Coating from Sable Specifications

Application Sequence

1. Apply high solids epoxy to prepared bare steel.
 - a. High solids shall be applied over 100% of bare steel. Epoxy should not overlap existing coal tar primer, but should be as close as practical.
2. Allow high solids epoxy cure to minimum recoat window. See Denso Protol 7200 Technical Data Sheet for more information.
3. Apply Polyguard RD-6™ over the entire existing coating interface.
 - a. High solids epoxy, polyurethane foam, and polyethylene tape. Approx. 18" per side.
 - b. See Polyguard RD-6™ Technical Data Sheet for more information. See visual on next page.
4. Apply Polyguard SP-6™ Outer Wrap over Polyguard RD-6™.
 - a. Polyguard SP-6™ Outerwrap should extend to a ¼" from end of Polyguard RD-6™.
 - b. See Polyguard SP-6™ Technical Data Sheet for more information
 - c. See Polyguard 606 Filler Compound for irregular shapes as well as for application information

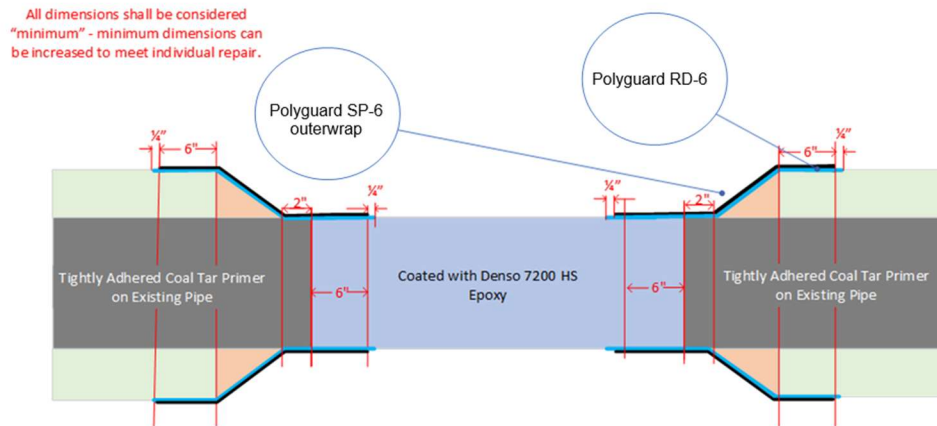


Image-2 Insulated Pipe Example with tape wrap

Figure 10 – Example of Coating Repair Methodology from Sable Specifications

Reference also Photo 8 above regarding final installation prior to back fill.

12. Hydrostatic Spike Test Reports and Hydrotest Strength Reports

- i. The pipeline system was broken up into eight (8) test segments. Hydrostatic and spike test values provide confidence well in excess of the expected operating pressures and provides confidence that failure is unlikely to occur between ILI runs, particularly with the much-shortened ILI timing set forth by OSFM (twice per year for the first 2 years).
- ii. With the successful hydrotest and spike tests on 324 and 325A as well as the successful hydrotest of 325B, Sable has demonstrated that the

repaired pipelines have the required integrity needed to operate without failure.

- iii. A copy of OSFM Report CA-324 (Test ID#25-07317) is pasted in below as reference to one of the eight completed tests.

Clear Form



OFFICE OF THE STATE FIRE MARSHAL
 PIPELINE SAFETY DIVISION
 3780 Kilroy Airport Way, Suite 500
 Long Beach, CA 90806

Appendix D – Test Results Form HYD-3
 Revision Date: 04/2020

HYDROSTATIC TEST RESULTS/ PIPELINE DATA				
Test Date:		CSFM Test ID #		
05/12/2025		25-07317		
Pipeline Operator:		Independent Testing Firm:		
Sable Offshore Corp/Pacific Pipeline Company		Milbar Hydro-Test Inc.		
Type of Test and Pipeline Identification (description, line number, name, pre-tested pipe, etc.)				
<input type="checkbox"/> 1 Year <input type="checkbox"/> 2 Year <input type="checkbox"/> 3 Year <input checked="" type="checkbox"/> 5 Year <input type="checkbox"/> IMP (Part 195.452) <input type="checkbox"/> OSFM High Risk <input type="checkbox"/> Pre-tested pipe <input type="checkbox"/> New Construction <input type="checkbox"/> Relocation <input type="checkbox"/> Facility (includes: Valves, Receivers, In-plant Piping)				
Comment: Testing Segment #1 from MP 0 to MP 10.87 (324-Sta. 0+00 (Lat. 34.478972, Long. -120.041829) to Sta. 573+75 (Lat. 34.476017, Lat. -120.198202). Test pressures shown are for the low point in the line and need to be adjusted for the test site. MOP at the low point in CA-324 is 1003 psig.				
Pipeline Location (mile post, street, station, etc.)				
From:		Sta. 0+00 (Lat. 34.478972, Long. -120.041829)		
To:		Sta. 573+75 (Lat. 34.476017, Lat. -120.198202)		
CSFM Line ID#:		0015 CA-324 -- 0445A -- Pacific Pipeline Company		
Product Normally Transported:		Crude Oil		
Test Medium :		<input checked="" type="checkbox"/> Water <input type="checkbox"/> Other (Specify)		
Location of Deadweight Tester: *			Deadweight Elevation (ft):*	
12000 Calle Real, Goleta, CA (Lat. 34.478972, Long. -120.041829)			223	
Elevation of Pipeline	High Point (ft):*	817'	Low Point (ft):*	12'
Test Pressure	High Point (psig):*	1166 - Spike 916 - Test	Low Point (psig):*	1514 - Spike 1264 - Test
Maximum Operating Pressure (psig):*		MOP at the low point in CA-324 is 1003 psig.		
PIPE DATA				
Pipe O.D. (in.)	Wall Thickness (in.)	Specification & Grade (SMYS)	Length of test segment (ft)	Volume (Barrels)
24"	.344	X-65	57.375'	~30,000
2"	.218	GRD. B	28.5'	
4"	.237	Grd. B	3'	
12"	.375	X-52	14.5'	
20"	.500	X-52	41.5'	
TEST EQUIPMENT				
Make of Deadweight Tester		Serial #	Date Last Calibrated	
Chandler		6106	03/06/2025	
Make of Pressure Chart Recorder (1) / Gauge (2)		Serial #	Date Last Calibrated	
1) Recorder: SignalFire		004199	12/18/2024	
2) Gauge: SignalFire		004199	12/18/2024	
Make of Temperature Recorder (1) / Gauge (2)		Serial #	Date Last Calibrated	
1) Recorder: SignalFire		004199, 004175, 004327	12/18/2024	
2) Gauge: SignalFire		004191	12/18/2024	
GPS	Beginning Location:		Ending Location:	
Latitude:	34.478972		34.476017	
Longitude:	-120.041829		-120.198202	
* N/A is not acceptable in these fields.				

TEST DATA FOR CSFM TEST ID #					25-07317		
Date	Time	Dead weight (psig)	Chart Pressure (psig)	Pipe Wall Temp. °F	Ambient Temp °F	Test Medium Change (+) Add/ (-) Drain (Gal.)	Comments
5/12/25	5:09AM	401	400	65	59		Start Pump
5/12/25	5:12	418	400	65	59		Stop Pump
5/12/25	5:25	417	400	65	58		Start Pump
5/12/25	5:56	710	700	65	58		Leak Check
5/12/25	6:46	708	700	65.4	58		Start Pump
5/12/25	7:09	1000	1000	65.4	60		Leak Check
5/12/25	7:26	1000	1000	65.4	60		Start Pump
5/12/25	7:36	1130	1125	65.4	61		Start Plot
5/12/25	7:59	1423	1420	65.4	61		Stop Plot
5/12/25	8:05	1423	1420	65.4	62		On Spike Test
5/12/25	8:10	1423	1420	65.4	63		
5/12/25	8:15	1423	1420	65.4	62		
5/12/25	8:20	1423	1420	65.4	63		Off Spike Test
5/12/25	8:25	1423	1420	65.5	63		Bleed to Strength Test
5/12/25	8:39	1173	1165	65.5	65		Stop Bleed
5/12/25	8:45	1173	1165	65.5	65		
5/12/25	9:00	1173	1165	65.5	68		On Test
5/12/25	9:15	1173	1165	65.5	73		
5/12/25	9:30	1173	1165	65.5	73		
5/12/25	9:45	1173	1165	65.5	73		
5/12/25	10:00	1173	1165	65.5	74		
5/12/25	10:15	1173	1165	65.5	73		
5/12/25	10:30	1173	1165	65.5	72		
5/12/25	10:45	1173	1165	65.5	68		
5/12/25	11:00	1173	1165	65.5	68		
5/12/25	11:15	1173	1165	65.5	71		
5/12/25	11:30	1173	1165	65.5	70		
5/12/25	11:45	1173	1165	65.5	71		
5/12/25	12:00PM	1173	1165	65.5	73		
5/12/25	12:15	1173	1165	65.5	74		
5/12/25	12:30	1173	1165	65.5	73		
5/12/25	12:45	1173	1165	65.5	74		
5/12/25	1:00	1173	1165	65.5	74		
5/12/25	1:15	1173	1165	65.5	73		
5/12/25	1:30	1173	1165	65.5	74		
5/12/25	1:45	1173	1165	65.5	74		
5/12/25	2:00	1173	1165	65.5	73		
5/12/25	2:15	1173	1165	65.5	73		
5/12/25	2:30	1173	1165	65.5	74		
5/12/25	2:45	1173	1165	65.4	73		
5/12/25	3:00	1173	1165	65.5	73		
Net Change:							

- i. During the field repairs and replacements, FJ Technologies, Inc. provided construction observation services periodically on an as needed basis. During all field observations, the field crews completing the work as well as all of the Non-Destructive Testing (NDT) crews provided full access to the sites and were following all repair/replacement requirements outlined and provided by Sable.

14. Corrosion Under Insulation Plan per State Waivers and Consent Decree

- i. Sable has submitted a plan to the OSFM to address the Corrosion Under Insulation (CUI).
- ii. Cathodic protection systems have been found to have reduced effectiveness on insulated pipelines like the Las Flores Pipeline.
- iii. However, in 2006 the National Association of Corrosion Engineers (“NACE”) issued a technical committee report that highlighted how to manage the reduced effectiveness with the following recommended. This report explained that, “[w]hen practical, the thermally insulated metallic surfaces need to be inspected at routine time intervals for metal loss (e.g., an internal pipeline inspection tool could be used).”
- iv. This is the approach mandated within the current OSFM waiver documents, with an emphasis that the shortened intervals (twice annually for first 2 years of operation), techniques (Ultrasonic wall thickness for wall loss detection and quantification and Ultrasonic shear wave for crack detection and quantification) data analysis (consideration of tool

tolerance and growth rate) and mitigation techniques enhance the probability of success in effectively mitigating any external corrosion that occurs on the lines.

- v. PHMSA has also provided guidance [Docket No. PHMSA-2016-0071, ADB-2016-04] such as the following:

Taking other special precautions if an operator suspects that adequate cathodic protection cannot be provided due to shielding resulting from insulated coatings that have become disbanded. Such precautions may include:

1. More frequent reassessments; (Waiver requires two ILI runs per year)
2. Usage of the appropriate assessment tools for all threats including stress corrosion cracking; (At least one of the ILI tools has to be a “crack” detection tool)
3. Coordination of data from the appropriate ILI technologies;
4. More stringent repair criteria targeted at CUI or corrosion under disbanded coatings for insulated and buried pipelines;
5. Usage of a leak detection system with instrumentation and associated calculations to monitor line pack (the total volume of liquid present in a pipeline section) along all portions of the pipeline when it is operating or shut down. To this point Sable has installed new metering at each station to monitor flow and line pack along with pressure and temperature monitoring at each valve site. Sable has also installed a RTTM CPM leak detection system to detect changes in the system then alarm or shutdown in the event there is an abnormal condition.
6. Valve spacing to limit any possible spill volumes with remotely operated valves and pressure monitoring at the valves. (Sable has installed seven new remotely operated block valves on Line 324, four new remotely operated block valves and two new check valves on Line 325A and four new remotely operated block valves and ten new check valves on Line 325B as per Sable’s Best Available Technology (BAT) plan (Compliance with AB864)
7. (3) Advanced ILI data analysis techniques to account for the potential growth of CUI, including interaction criteria for anomaly assessment.
8. (4) ILI data, subsequent analysis of the data, and pipeline excavations that:

- a. Confirm the accuracy of the ILI data to characterize the extent and depth of the external corrosion and ILI tolerances and unity charts;
- b. Follow the ILI guidelines of API Standard 1163, “In-Line Inspection Systems Qualification Standard” 2nd edition, April 2013, (API Std. 1163) for ILI assessments;
- c. Use additional or more frequent reassessment intervals and confirmations when the insulated and buried pipeline external coating shields the pipeline from CP, retains moisture on insulated coating systems, and operates at higher operating temperatures; and
- d. Assess and mitigate operational and environmental conditions in shielded and insulated coatings that lead to excessive corrosion growth rates, pipe steel cracking, and all other threats.” (Sable has implemented procedures to include subsequent analysis of the data to confirm accuracy of the ILI data as well as increased frequency of assessments)
- e. In addition to the above, an operator's operating and maintenance processes and procedures should be reviewed and updated at least annually, unless operational inspections for integrity warrant shorter review periods.” (End of Guidance data pulled from Docket No. PHMSA-2016-0071, ADB-2016-04)

vi. Sable follows this guidance as required, just as Sable does with all of the foregoing.

D. In my opinion, the information provided in the Declaration of Richard B. Kuprewicz for Case No, 25CV02247 is misleading, overgeneralized or inaccurate.

1. Mr. Kuprewicz has not taken into account the Consent Decree, State Waivers, PHMSA Guidance Documents for ineffective cathodic protection, or the work that Sable has completed to date.
2. The Center for Biological Diversity & The Environmental Defense Center asked Accufacts Inc. (“Accufacts” or “Richard B Kuprewicz”) to review documents related to the Las Flores Pipeline System for possible restart. In response, Mr.

Kuprewicz prepared a report called “Evaluation of Las Flores Pipeline System Startup Proposal,” dated December 20, 2024.

3. The Center for Biological Diversity & The Environmental Defense Center also asked Mr. Kuprewicz to provide an opinion on the Letters of Decision on the State Waivers for the startup of Line CA-324, CA-325A and CA-325B.
4. In response, Mr. Kuprewicz prepared a report called “Observations on OSFM Letters of Decision for State Waiver Requests on Line CA-324 and CA-325A/B Related to Possible Restart,” dated February 21, 2024.
5. Both of these documents were then incorporated into Mr. Kuprewicz’s Declaration, which dated June 3, 2025.
6. I have reviewed the above and formed the opinion that Mr. Kuprewicz’s reports and Declaration are misleading and inaccurate.
7. Exhibit A of the Declaration is Mr. Kuprewicz’s Curriculum Vitae. Exhibit B is a report prepared by Mr. Kuprewicz titled “Evaluation of Las Flores Pipeline System Startup Proposal, (Dec. 20, 2024).” Exhibit C is a report prepared by Mr. Kuprewicz titled “Observations on OSFM Letters of Decision for State Waiver Requests on Line CA-324 and CA-325A/B Related to Possible Restart (Feb. 21, 2025).”
8. All of the reports were prepared for “The Center for Biological Diversity” and “The Environmental Defense Center.”
9. Point-by-point rebuttals to Mr. Kuprewicz’s statements follow below. The statements within the body of the declaration are shown in the center column with

its reference point shown in the left column and my opinion/response is shown in the right column. It should be noted that declarations provided, are pulled directly from the reports, so my opinion applies to both the declaration document and the reports prepared by Mr. Kuprewicz.

Reference	Statement by Mr. Kuprewicz	Response
Page 3, Line 27, Item 8.a.	The design of the Pipelines renders the federal mandated cathodic protection system, intended to help address pipeline external corrosion, ineffective.	<p>The Las Flores Pipeline System was built to industry standards at the time of construction and adheres to the standards today. Cathodic protection systems, however, have been found to have reduced effectiveness on insulated pipelines like the Las Flores Pipeline. However, in 2006 the National Association of Corrosion Engineers, “NACE,” issued a technical committee report that highlighted how to manage the reduced effectiveness with the following recommended, as follows:</p> <p>“When practical, the thermally insulated metallic surfaces need to be inspected at routine time intervals for metal loss (e.g., an internal pipeline inspection tool could be used).”</p> <p>This is the approach mandated within the current OSFM waiver documents, with an emphasis that the shortened intervals (twice annually for first 2 years of operation), techniques (Ultrasonic wall thickness for wall loss detection and quantification and</p>

Reference	Statement by Mr. Kuprewicz	Response
		<p>Ultrasonic shear wave for crack detection and quantification) data analysis (consideration of tool tolerance and growth rate) and mitigation techniques enhance the probability of success in effectively mitigating any external corrosion that occurs on the lines. PHMSA has also provided guidance [Docket No. PHMSA-2016-0071] such as:</p> <p>“Taking other special precautions if an operator suspects that adequate cathodic protection cannot be provided due to shielding resulting from insulated coatings that have become disbanded. Such precautions may include:</p> <ul style="list-style-type: none"> - More frequent reassessments; (Waiver requires two ILI runs per year) - Usage of the appropriate assessment tools for all threats including stress corrosion cracking; (At least one of the ILI tools has to be a “crack” detection tool) - Coordination of data from the appropriate ILI technologies; - More stringent repair criteria targeted at CUI or corrosion under disbanded coatings for insulated and buried pipelines;

Reference	Statement by Mr. Kuprewicz	Response
		<p>- Usage of a leak detection system with instrumentation and associated calculations to monitor line pack (the total volume of liquid present in a pipeline section) along all portions of the pipeline when it is operating or shut down. (To this point, Sable has installed new metering at each station to monitor flow and line pack along with pressure and temperature monitoring at each valve site. Sable has also installed a RTTM CPM leak detection system to detect changes in the system then alarm or shutdown in the event there is an abnormal condition.)</p> <p>- Valve spacing to limit any possible spill volumes with remotely operated valves and pressure monitoring at the valves. (Sable has installed seven new remotely operated block valves on Line 324, four new remotely operated block valves and two new check valves on Line 325A and four new remotely operated block valves and ten new check valves on Line 325B as per Sable's Best Available</p>

Reference	Statement by Mr. Kuprewicz	Response
		<p>Technology (BAT) plan (Compliance with AB864)</p> <ul style="list-style-type: none"> - Advanced ILI data analysis techniques to account for the potential growth of CUI, including interaction criteria for anomaly assessment. - ILI data, subsequent analysis of the data, and pipeline excavations that: <ul style="list-style-type: none"> - Confirm the accuracy of the ILI data to characterize the extent and depth of the external corrosion and ILI tolerances and unity charts; - Follow the ILI guidelines of API Standard 1163, “In-Line Inspection Systems Qualification Standard” 2nd edition, April 2013, (API Std. 1163) for ILI assessments; - Use additional or more frequent reassessment intervals and confirmations when the insulated and buried pipeline external coating, shields the pipeline from CP, retains moisture on insulated coating

Reference	Statement by Mr. Kuprewicz	Response
		<p>systems, and operates at higher operating temperatures; and</p> <p>- Assess and mitigate operational and environmental conditions in shielded and insulated coatings that lead to excessive corrosion growth rates, pipe steel cracking, and all other threats.” (Sable has implemented procedures to include subsequent analysis of the data to confirm accuracy of the ILI data as well as increased frequency of assessments).</p>
<p>Page 4, Line 1, Item 8.b.</p>	<p>Current inline inspection (ILI) technologies cannot adequately assess all forms of external corrosion threats that most likely exist on the Pipelines.</p>	<p>This statement is wholly inaccurate; there are multiple ILI tools available within the industry that are suited to measure different potential defects depending on the tool that is run due to the difference in measurement techniques.</p> <p>No single ILI tool can detect all potential defects and as such the selection of ILI tools must include a technical evaluation of the most appropriate tool based on the potential anomalies to be identified.</p>

Reference	Statement by Mr. Kuprewicz	Response
		<p>Circumferential Magnetic Flux (C-MFL) tools can be used to determine wall loss defects but are not as reliable as Ultrasonic Shear Wave tools to detect potential cracks. Prior to 2015 the Las Flores Pipeline only had MFL ILI tool runs compared to the specified Ultrasonic ILI tools specified in the OSFM waivers.</p> <p>The ILI tool selection recommendations are based on the corrosion/cracking mechanisms per CFR Title 49 Subtitle B Chapter I Subchapter D Part 195.452.C.(1).(i). (A). The waivers granted by OSFM further define the tool detection and sizing limitations for the tools used to detect and quantify corrosion and cracks including requiring different types of ILI tools to be run within short time intervals to ensure all potential defects can be identified accurately.</p> <p>Furthermore, they apply conservative tool tolerances in the related repair criteria to ensure that potential repairs can be addressed well before reaching potential failure points.</p>
Page 4, Line 3, Item 8.c.	The high operating temperatures needed to reduce the viscosity of the heavy crude oil	This statement is an overgeneralization of the impact of temperature on the external corrosion rate. The relationship is not linear.

Reference	Statement by Mr. Kuprewicz	Response
	significantly accelerate all forms of external pipeline corrosion that will not be mitigated by the ineffective cathodic protection system once the Pipelines go into operation.	Corrosion rates generally hold to an Arrhenius relationship governing the effect of chemical reactions due to temperature changes. This statement could only be shown to be true after determining the macroscopic reaction-specific parameters in the Arrhenius equation which has not been presented.
Page 4, Line 6, Item 8.d.	Segments at risk of corrosion related cracking (i.e., stress corrosion cracking or selective seam corrosion cracking) are at the highest risk of failure.	Previous C-MFL and Ultrasonic Shear Wave ILI tools have showed no indication of cracking in the pipeline. While Sable would agree that cracking consequences are higher than wall loss for external corrosion, the probability of cracking related failures is quite low in these pipelines.
Page 4, Line 8, Item 8.e.	The poorly designed Pipelines cannot be made as safe as new pipelines.	This statement is not only misleading; it is inaccurate. Due to the OSFM waiver conditions, the Las Flores Pipeline System will be operated safer compared to any new pipeline operated in accordance with normal industry standards. Industry and regulatory standards require immediate repair at 80% wall loss. At the growth rates reported in the PHMSA failure analysis of the Refugio spill, a corrosion rate of approximately 16 mils per year (MPY) was observed. Repairing at 25% wall loss for the .344" wall CA-

Reference	Statement by Mr. Kuprewicz	Response
		324, accelerates the repair by approximately 11 years based on OSFM requirements compared to industry standards. Any potential defects that could exist in the Las Flores Pipeline System will be identified faster due to increased ILI frequency and repaired sooner due to more stringent repair requirements.
Page 4, Line 26, Item 10.a.	The reliance on ILI technology to identify corrosion threats before failure is misplaced because such tools can miss a lot of cracks. There are multiple forms of corrosion on the Pipelines, and ILI is insufficient to detect some of them.	<p>Response - This statement is wholly inaccurate; there are multiple ILI tools available within the industry that are suited to measure different potential defects depending on the tool that is run due to the difference in measurement techniques. No single ILI tool can detect all potential defects and as such the selection of ILI tools must include a technical evaluation of the most appropriate tool based on the potential anomalies to be identified. Circumferential Magnetic Flux (C-MFL) tools can be used to determine wall loss defects but are not as reliable as Ultrasonic Shear Wave tools to detect potential cracks. Prior to 2015 the Las Flores Pipeline only had MFL ILI tool runs compared to the specified Ultrasonic ILI tools specified in the OSFM waivers.</p> <p>The ILI tool selection recommendations are based on the</p>

Reference	Statement by Mr. Kuprewicz	Response
		<p>corrosion/cracking mechanisms per CFR Title 49 Subtitle B Chapter I Subchapter D Part 195.452.C.(1).(i). (A). The waivers granted by OSFM further define the tool detection and sizing limitations for the tools used to detect and quantify corrosion and cracks including requiring different types of ILI tools to be run within short time intervals to ensure all potential defects can be identified accurately.</p> <p>Furthermore, they apply conservative tool tolerances in the related repair criteria to ensure that potential repairs can be addressed well before reaching potential failure points.</p>
Page 5, Line 1, Item 10.b.	The proposed hydrotests are also insufficient to address certain types of corrosion or predict corrosion growth. For example, MOP hydrotests are not adequate to test for crack forming potential on the Pipelines.	<p>This statement is misleading, performing hydrotests never directly detect corrosion—in effect, they use stress generated within the pipe to ensure that potentially damaged areas will not fail at the hydrostatic or spike test pressures. If corrosion exists within the pipeline that weakens its ability to contain pressure below the Maximum Allowable Operating Pressure (MAOP) the hydrotest will fail indicating the pipeline is no longer fit for service.</p> <p>With hydrostatic and spike test values well in excess of the expected</p>

Reference	Statement by Mr. Kuprewicz	Response
		<p>operating pressures, it provides confidence that failure is unlikely to occur between ILI runs, particularly with the much-shortened ILI timing set forth by OSFM.</p> <p>With the successful hydrotest and spike tests on 324 and 325A as well as the successful hydrotest of 325B, Sable has demonstrated that the repaired pipelines have the required integrity needed to operate without failure</p>
Page 5, Line 4, Item 10.c.	<p>The State Waivers do not assure adequate spike hydrotesting, which is a method to address various forms of crack forming potential. The values for the spike test on Line 324 are too low for corrosion cracking screening and evaluation.</p> <p>Hydrotesting for Lines 325 A and B must be conducted in segments given the elevation changes. It is unclear, however, whether the testing parameters are adequate for Line</p>	<p>State Waivers for Line 324 (line items 12 through 17) and Line 325A/325B (line items 12 through 18) provide specific language as to pressure testing the pipeline segments as well as utilizing an OSFM approved independent testing firm to certify the tests. All testing per the State Waivers and 49 C.F.R., Part 195 Subpart E – Pressure Testing was successfully completed.</p>

Reference	Statement by Mr. Kuprewicz	Response
	325A due to missing information. In addition, the Waivers do not appear to require any hydrotesting for Line 325B.	
Page 5, Line 11, Item 10.d.	A key corrosion performance tracking process set in the State Waivers for the Pipelines is missing. This information, which helps identify possible corrosion “hot spots,” is especially important given the history of extensive corrosion on the Pipelines.	<p>State Waivers for Line 324 (line items 18 through 28) and Line 325A/325B (line items 19 through 29) provide specific language as to In-Line Inspection (ILI) Assessment and Frequency. Under condition 27 and 28 (line 324) or 28 and 29 (line 325A/B):</p> <p>28. Sable must account for ILI tool tolerance and anomaly growth rates in scheduled response times, repairs, and future reassessment intervals. Sable must document and justify the values used. Sable must demonstrate ILI tool tolerance accuracy for each ILI tool run by using calibration, excavations, and unity plots that demonstrate ILI tool accuracy to meet the tool accuracy specification provided by the vendor (typical for depth within +10% accuracy for 80% of the time). Sable must compare previous indications to current indications that are significantly different. If a trend is identified where the tool has been consistently</p>

Reference	Statement by Mr. Kuprewicz	Response
		<p>over-calling or under-calling, the remaining ILI features must be re-graded accordingly.</p> <p>29. Prior to the ILI final report being received, Sable must perform at least four (4) separate validation digs that do not interact with each other. At a minimum, Sable must perform validation digs in accordance with Level 2 of API Standard 1163, “In-line Inspection System Qualification” (Second Edition, April 2013).</p> <p>Following receipt of the final report, additional validation exercises are identified by the Pipeline Integrity Manager and NDE is applied to prove up these areas. Another unity plot is generated in accordance with a Level II or III assessment in API 1163. Following this second validation of the tool run, corrosion growth estimation is performed in accordance with PRCI’s PR-331-063525, “PRCI EC 1-2: Development of Detailed Procedures for Comparing Successive ILI Runs to Establish Corrosion Growth Rates”. The Corrosion Growth Rate Analysis (CGRA) procedures include data matching methods to analyze data from successive ILI’s, methodologies for growth rate</p>

Reference	Statement by Mr. Kuprewicz	Response
		calculations and take into consideration any potential errors from comparing ILI data.
Page 5, Line 15, Item 10.e.	The State Waivers will not provide an equal or greater level of safety as if the Pipelines were equipped with an effective cathodic protection system to avoid pipeline failure due to external corrosion. The current design of the Pipeline renders the cathodic protection system ineffective. External corrosion on the Pipelines is exacerbated by operation of the Pipelines at elevated temperatures, which seriously increases the corrosion rate.	No single corrosion mitigation technique (cathodic protection, chemical treatment, materials selection, etc.) results in a comprehensive elimination of corrosion risk individually. Because of this, in all pipelines operated world-wide a number of mitigation techniques must be used. Relying solely on cathodic protection will not protect pipelines under all conditions, pipeline operators must validate the effectiveness of the corrosion control methodology via inspection, direct assessment, corrosion modelling, etc. The OSFM took account of the elevated operating temperatures when developing the waiver conditions.
Exhibits - Page 32, first Paragraph, line 8 and 9 (Exhibit C)	“Without effective cathodic protections, the pipeline is at particularly high risk of spilling again. (Kuprewicz Decl., ¶¶ 8, 10.)	Per the reasons discussed above, this statement is both misleading and not accurate. The risk of leakage from the Las Flores Pipeline System will be dramatically reduced due the OSFM waiver conditions compared to its prior operation under normal

Reference	Statement by Mr. Kuprewicz	Response
		<p>industry and regulatory standards. While corrosion is unavoidable in any pipeline, the conservative and comprehensive approach that the OSFM waiver conditions specify in responding to inspection results will result in an extremely low probability of leakage from the Las Flores Pipeline System.</p>

**Appendix A – Consent Decree Table – Summary with Status to Article I, II, and Appendix D of
Case 2:20-CV-02415**

Consent Decree (Case 2:20-CV-02415)		
Article I – California Specific Provisions (Case 2:20-CV-02415)		
Item #	Consent Decree Wording	Sable Status
1.	State Waivers for Lines 901, 903, and 2000 (not to include any replacement lines):	
A.	Prior to restarting Line 901, Plains shall apply for a State Waiver through the OSFM for the limited effectiveness of cathodic protection on Line 901. Plains must receive a State Waiver from the OSFM prior to restarting Line 901.	Sable has acknowledged the requirement of this waiver and taken all necessary steps to secure it, including coordination with OSFM and PHMSA. The applicable waiver was granted following the appropriate agency process, and Sable understands that no further approvals are outstanding with respect to Line 901’s cathodic protection.
B.	Prior to restarting non-operational segments of Line 903, Plains shall apply for a State Waiver through the OSFM for the limited effectiveness of cathodic protection on Line 903. Plains must receive a State Waiver from the OSFM prior to restarting Line 903.	Sable has similarly obtained the requisite State Waiver for non-operational segments of Line 903 through coordination with the relevant oversight agencies. Sable understands that no further approvals are outstanding with respect to Line 903’s cathodic protection.
C.	Within 90 days of entry of the Consent Decree (CD), Plains must apply for a State Waiver through the OSFM for the limited effectiveness of cathodic protection on Line 903. The State Waiver shall apply to the	This requirement pertains solely to infrastructure operated by Plains and does not implicate any portion of the Pipelines at issue here.

	currently operational segment of Line 903 from Pentland to Emidio.	
D.	Within 90 days of entry of the CD, Plains must apply for a State Waiver through the OSFM for the limited effectiveness of cathodic protection on Line 2000.	This requirement pertains solely to infrastructure operated by Plains and does not implicate any portion of the Pipelines at issue here.
E.	To the extent that a State Waiver directly incorporates terms identified in section 4 (Integrity Management) below, as being applicable to Lines 901, 903, or 2000, Plains shall not contest the inclusion of those terms in the relevant State Waiver. Plains reserves its rights to contest on any grounds any additional terms that the OSFM may require as part of each State Waiver if one is received. Nothing in this CD shall be construed to limit the authority of the OSFM to require additional terms or conditions in the State Waiver. Further, nothing in the State Waiver shall be construed to limit the applicability of the terms set forth in the CD.	Sable has acknowledged and complied with this condition.
2.	Replacement, Restart, or Abandonment of Lines 901 and 903:	
A.	Plains shall replace the existing Line 901 and segments of Line 903 from Gaviota to Sisquoc and Sisquoc to Pentland with non-insulated pipe, if Plains is able to timely obtain: (1) agreements from shippers to transport sufficient quantities of	Sable has acknowledged this condition but does not presently plan to pursue replacement of Line 901 and segments of Line 903 from Gaviota to Sisquoc and Sisquoc to Pentland.

	product to make the cost of replacing the segments economically viable; (2) the Federal, State, and Local permits that may be required; and (3) whatever additional rights are needed, including rights-of-way that may be needed from landowners. Obtaining required commercial commitments, permits, rights-of way, and any other rights necessary for replacement is the sole responsibility of Plains.	
1.	On any replacement segments of Lines 901 or 903, Plains shall, prior to commencing operation of such segment(s):	Refer to above.
a.	Test for potential AC/DC interference. Where potential AC/DC interference exists, proper mitigation of interference shall be designed and installed during construction of replacement lines.	Refer to above.
b.	Conduct a close interval survey (CIS) and AC/DC interference survey.	Refer to above.
c.	Based on the CIS and AC/DC interference surveys, place additional cathodic-protection test stations at locations where the surveys demonstrate potential cathodic-protection deficiencies, following review and consultation with the OSFM regarding proposed test station locations.	Refer to above.

B.	As an alternative to replacement of Line 901 and segments of Line 903 from Gaviota to Sisquoc and Sisquoc to Pentland, Plains may restart the existing pipelines in accordance with the CD (including Appendix D) and applicable law.	Sable has acknowledged and complied with this condition.
C.	As an alternative to replacement or restart of Line 901 and segments of Line 903 from Gaviota to Sisquoc and Sisquoc to Pentland, Plains may abandon all or any segments in accordance with all applicable laws and regulations.	Sable has acknowledged this condition but does not presently plan to pursue abandonment of any sections of CA-324 or CA-325A/B.
3.	Third-Party Analysis of Line 2000 ILI Data	Because this line is not part of the Sable system, Sable takes no position on the corresponding requirement.
	Conditions of text omitted being they only apply to Line 2000 which is not part of the Sable System	
4.	Integrity Management	Sable has acknowledged the requirement of an Integrity Management Plan and it is available for inspection and comment by OSFM.
A.	For any operating segments of Lines 901, 903, and 2000 (not to include any replacement lines):	Refer to above.
1.	Plains shall implement the following measures and amend its IMP, as needed, to include the requirements	Refer to above.

	of this section for the applicable lines:	
a.	In addition to other dig criteria specified by regulation or in its IMP, Plains shall remediate all internal or external metal loss anomalies that have an ILI reported depth of 40% or greater wall loss, within one year of discovery. If Plains is unable to remediate such anomalies within one year of discovery, Plains shall notify OSFM and temporarily reduce the operating pressure and/or take further remedial action in accordance with 49 C.F.R. § 195.452 until the anomaly is remediated (or until otherwise authorized by OSFM).	Sable has acknowledged and complied with this condition.
b.	Analyze a sample of additional anomalies of varying amounts of metal loss between 10% and 40% for validation. The sample size shall be at least ten, unless fewer than ten anomalies are reported within that range, in which case Plains would examine the number of anomalies called.	Sable has acknowledged and complied with this condition.
c.	When sizing anomalies, apply interaction/clustering criteria of 6t by 6t for applicable ILI tools;	Sable has acknowledged and complied with this condition.
d.	Require its ILI tool vendor to include in the vendor's inspection report all metal loss anomalies of 10% or greater, based on raw data, prior to adding in any correction for tool tolerance;	Sable has acknowledged and complied with this condition.

e.	Any time a shrink sleeve is exposed during an anomaly investigation, remove the shrink sleeve, investigate circumferentially and longitudinally along the pipe for external corrosion and coating deterioration, and recoat with two-part epoxy;	Sable has acknowledged and complied with this condition.
f.	Send all field measurements to the tool vendor within 90 days of completing all digs for any ILI, provided that available data must be submitted prior to the next ILI run, and conduct annual meetings with the tool vendor to discuss tool performance;	Sable has acknowledged and will comply with this condition.
g.	For any use of magnetic flux leakage (MFL) tools, require its ILI tool vendor to manually grade any metal loss anomalies initially identified by the ILI tool as greater than or equal to 20% of wall loss (i.e., have human eyes on the raw data and not simply rely on a computer algorithm), and require that the vendor's ILI report note any differences between what the computer algorithm reported and the vendor's manual grade;	Sable has acknowledged and complied with this condition.
h.	Where any ILI tool fails to record data for 5% or more of the external and/or internal surface area of the inspected segment, rerun the ILI tool to cover the area of failure;	Sable has acknowledged and will comply with this condition as necessary.
i.	Integrate and analyze available data in its P&M process, including:	Sable has acknowledged and complied with this condition.

i.	Assessment data from ILI tool runs;	Refer to above
ii.	Dig and repair data;	Refer to above
iii.	Corrosion data, such as survey results, chemical treatments, and cleaning-pig results;	Refer to above
iv.	Operational data, such as pressure and flow data;	Refer to above
v.	Emergency response data, such as tactical response plans and results of recent drills on the pipeline, including locations of conduits to water, as identified in emergency response plans;	Refer to above
vi.	Evaluation of the capability of the leak detection system, which shall include identification of each leak detection segment between block valves, consideration of length and size of the pipeline, type of product carried, proximity to high consequence areas, swiftness of leak detection (the time period required for a leak to be operationally isolated and/or the pipeline to be shut down), type and location of valves, valve closure time, EFRD analysis results, the location of nearest response personnel, leak history, and risk assessment results;	Refer to above
vii.	Other pipeline characteristics, such as length, diameter, presence in HCAs and Environmentally and Ecologically Sensitive Areas (as defined in regulations promulgated pursuant to California Government	Refer to above

	Code § 8574.7(d), including 14 CCR 817.04(k)(3)(A)), maximum operating pressure, normal operating pressure, coating type, elevation data, water crossings, proximity to water bodies, casings, geohazard threats, maximum flow rate, and maximum rupture volume.	
2.	ILI Measures	
a.	Initial ILI Runs. Each year during the first two years after entry of the CD, Plains shall conduct at least two ILIs using: (1) a high resolution MFL tool; and (2) a UT tool with an inertial measurement unit (IMU). Plains shall compare both runs and evaluate all available information, including these tool runs and corresponding IMU data. If a UT tool run is unsuccessful, Plains shall identify the limitations that prevented the UT tool run from being successful, consider changes to increase the likelihood of a successful UT tool run, and use best efforts to rerun the UT tool within six months (subject to tool availability).	Sable has acknowledged and complied with this condition.
i.	All ILI assessments in the first two years shall include a sizing tool and a tool capable of identifying dents.	Sable has acknowledged and will comply with this condition as necessary.
ii.	In each of the first two years, Plains shall run the second ILI tool as soon as practicable after running the first ILI tool, but no later than 90 days after completion of the first ILI tool	Sable has acknowledged and complied with this condition.

	run. If one of the two tool runs is unsuccessful, Plains shall re-run the tool that was unsuccessful (but need not re-run the tool that was successful) even if the re-run of the unsuccessful tool run would occur more than 90 days from the successful tool run.	
b.	Subsequent ILI Runs. After the first two years, Plains shall run at least one MFL or one UT tool every year, using a different ILI tool type (MFL or UT) in each alternating year. Alternatively, Plains may run a UT tool each year. If, however, any UT tool run is unsuccessful, Plains shall document the reasons why the UT tool was unsuccessful, consider changes to increase the likelihood of a successful UT tool run, and may use MFL technology to complete that year's ILI, but must run a UT tool the following year.	Sable has acknowledged and complied with this condition.
c.	All ILI Runs. Plains shall provide ILI results and reports to the OSFM within 30 days from its availability to Plains.	Sable has acknowledged and complied with this condition.
5.	Valves	
A.	Within one year after entry of the CD for any operating segments of Lines 901, 903, and 2000, and for any new pipeline segments replacing those lines, Plains shall conduct EFRD analyses, which shall include consideration of:	Sable has acknowledged and complied with this condition.

1.	Swiftness of leak detection and pipeline shutdown capabilities, type of commodity carried, rate of potential leakage, volume that can be released, topography or pipeline profile, potential for ignition (for spilled commodity), proximity to power sources, location of nearest response personnel, specific terrain between the pipeline and the HCA, and benefits expected by reducing the spill size.	Refer to above
2.	Valve placement and method of valve actuation for all valves (not including valves used for instrumentation purposes, such as on tubing on transmitter calibration manifolds).	Refer to above
B.	Plains shall submit the EFRD analyses to OSFM within one year of entry of the CD.	Refer to above
C.	Where practical, Plains shall confirm that check valves that are necessary for the safe operation of the pipeline are in good working order at intervals required by other valve maintenance activities and associated procedures.	Sable has acknowledged and complied with this condition.
6.	Risk Analysis	
A.	For any operating segments of Lines 901, 903, or 2000 (not to include any replacement lines):	Plains completed item prior to Sable ownership.
1.	Plains shall submit a risk analysis under proposed regulation 19 CCR§ 2111(c) to OSFM (dated January 17,	Refer to above

	2019 and publicly noticed in the California Regulatory Notice Register on February 15, 2019), or the final version of such regulation as it may be made effective in the future, regardless of whether or not those lines would otherwise be subject to the proposed regulations.	
a.	The information in the risk analysis shall be limited to the information listed in proposed regulation 19 CCR § 2111(c).	Refer to above
b.	Plains' responsibility under this subsection is limited to providing the risk analysis to OSFM; Plains will maintain discretion over whether and how to implement the results of the analysis. The OSFM may review and comment on the risk analysis submitted by Plains consistent with provisions found in the proposed regulations, 19 CCR 2100 et seq.	Refer to above
c.	The risk analysis shall be due within one year from entry of the CD.	Refer to above
7.	Leak Detection	
A.	For any operating segments of Lines 901, 903, or 2000 (not to include any replacement lines), Plains shall confirm in writing to the OSFM within 30 days of entry of the CD that it has installed a Computational Pipeline Monitoring (CPM) Real Time Transient Model (RTTM) that is compliant with API 1130.	Sable has acknowledged and complied with this condition.

B.	Within 12 months after initiating operation of any replacement lines for Lines 901 or 903, Plains shall verify and certify to the OSFM that all Pipeline and Instrumentation Drawings (P&IDs) reflect correct “as-built” information.	Sable has acknowledged and is complying with this condition.
8.	Non-waiver	
A.	Nothing in this CD shall excuse Plains from otherwise complying with the AB864 regulations when they are promulgated.	Sable has acknowledged and complied with this condition.
ARTICLE II – COMPANY-WIDE PROVISIONS ON REGULATED PIPELINES (Case 2:20-CV-02415)		
9.	Integrity Management	
A.	New Procedures for Interim Reviews and Assessments	Sable has an approved IMP plan in place and will update as needed to comply with the CD and State Waivers.
1.	Plains shall modify Section 9.5 of its Integrity Management Plan (“Continual Evaluation and Assessment of Pipeline Integrity”) to provide for an annual, but not to exceed 15 months, Interim Review of each pipeline segment it operates to determine whether, since the last assessment (whether it was an Interim Assessment or a full periodic assessment under Section 6), conditions have changed or new information has been obtained that	Refer to above.

	<p>could significantly impact already-identified threats</p> <p>or create new threats for that segment. If so, Plains shall evaluate whether it should implement any P&M measure(s) to address that threat prior to the next regularly-scheduled assessment. Section 9.5 shall list all the categories of potential threats to be considered as part of the Interim Review and the types of conditions, information and data that will be included in the information analysis conducted under 49 CFR §195.452(g).</p>	
2.	<p>Plains shall modify Section 9.5 of its IMP to provide new forms for P&M measures or actions to be taken as a result of an Interim Review. Section 9.5 shall provide that Plains' Integrity Engineer may recommend any P&M measures that may be appropriate, including any P&M measures that could be recommended following a full assessment performed under Section 6 of its IMP.</p>	Refer to above.
3.	<p>Plains shall submit its proposed modifications of Section 9.5 to PHMSA no later than 60 days after entry of the CD. If PHMSA does not object or request any modification within 60 days, Plains shall proceed to implement the revised procedures in Section 9.5, which shall be</p>	Refer to above.

	completed within 18 months from entry of the CD.	
B.	Documentation for P&M Recommendations	Refer to above.
1.	Within 90 days from entry of the CD, Plains shall revise Part B of its P&M Recommendation form (F11-2), to expand the scope and content of comments in the “Basis of Recommendation” field to provide a narrative explanation that reflects, at a minimum:	Refer to above.
a.	What drew the engineer’s attention and caused him or her to make the recommendation (such as an anomaly, pattern, trend or potential correlation observed in the data, a particular event or occurrence, a particular change in the operation or configuration of the line or in its surrounding environment, “lessons learned” from another event or occurrence, a corporate goal or initiative, etc.);	Refer to above.
b.	The specific risk (likelihood or consequence of failure, or both) or concern that the recommended measure is intended to investigate or address; and	Refer to above.
c.	The goal or intended outcome that the recommended P&M measure is intended to achieve with regard to that specific risk or concern.	Refer to above.
2.	In the new forms for the Interim Review procedure described in	Refer to above.

	Paragraph A above, Plains shall likewise provide a narrative explanation of the bases for any recommended P&M measures.	
3.	In Part B of its Preventive and Mitigative Evaluation Recommendation Form (F11-2), Plains shall continue to identify the anticipated completion date for the P&M measure in the column titled "Deadline Date."	Refer to above.
C.	Tracking of P&M Measures Plains shall document P&M measures recommended but not implemented. Plains shall document implemented P&M measures through to completion, whether undertaken pursuant to an Interim Review under Section 9.5 or a full assessment under Section 6, such that these actions will be properly documented under 49 CFR § 195.452(l).	Refer to above.
10.	Valves and O&M	
A.	Within two years after entry of the CD, Plains shall conduct EFRD analyses for all Regulated Pipelines for which it has not previously completed an EFRD analysis.	This requirement pertains solely to other infrastructure operated by Plains and does not implicate any portion of the Pipelines at issue here.
B.	Within two years of entry of the CD, Plains shall develop and implement procedures to:	

1.	If a valve fails to respond properly on first actuation command, document the failure and review historical records for that valve to identify any systemic issues.	Sable has acknowledged and complied with this condition.
2.	Adjust Plains' surge analyses and Emergency Response Plans, if necessary, to account for identified systemic issues associated with valve closure times.	Sable has acknowledged and complied with this condition.
3.	Timely communicate to the Control Room the status of valve maintenance activity for those valves on Regulated Pipelines that are capable of being operated by the Control Room.	Sable has acknowledged and will comply with this condition as necessary.
4.	Verify that personnel assigned to operator qualification tasks for valve maintenance are qualified to perform those tasks.	Sable has acknowledged and complied with this condition.
C.	Plains shall make all repairs necessary to keep valves in good working order within one year of discovery that the valve is not operating as intended, or, if not possible, Plains shall provide timely notification (including justification) to PHMSA or OSFM as applicable.	Sable has acknowledged and complied with this condition.
D.	For all field personnel who perform maintenance on facilities, equipment, or devices, Plains shall provide training:	Sable has acknowledged and complied with this condition.
1.	Within two years of entry of the CD, that addresses the importance of complying with Plains' policy	Sable has acknowledged and is in compliance with this condition.

	requiring notification of Control Room personnel before beginning maintenance activities on any such facility, equipment, or device that could change the status of any pump, valve, CPM device, SCADA device, pressure or flow metering or rate that is monitored by the Control Room. Plains shall include in the training a requirement that employees shall notify the Control Room before entering a facility to perform maintenance, or, if not possible, immediately after entering.	
E.	Plains shall improve existing valve maintenance recordkeeping to include confirmation whether the valve has been actually operated during maintenance.	Sable has acknowledged and complied with this condition.
11.	Leak Detection	
A.	Within 90 days after entry of the CD, Plains shall create and maintain a list of its regulated mainline pipelines, excluding gathering lines and Delivery Lines, to indicate which of the following three rupture-detection methods, if any, are used on each line: (1) Rate of Change Combination alarm; (2) low discharge pressure alarm; or (3) 5-minute computational pipeline monitoring (CPM) alarm.	Sable has acknowledged and complied with this condition.
1.	Within one year after entry of the CD, for any regulated mainline pipeline identified in the list created pursuant to this paragraph that does	This condition is specific to the Plains system at the time of the CD.

	not utilize at least one of the three rupture detection methods, Plains shall implement at least one.	
B.	For the term of the CD, Plains shall conduct annual training for controllers on attributes and benefits of various methods of leak detection, including Analog High/Low Threshold, Alarm Deadband, Creep Deviation, and Analog Rate of Change.	Sable has acknowledged and complied with this condition.
C.	Within 18 months of entry of the CD, for its CPM systems, Plains shall analyze and evaluate the use of accumulated deviation rolling time periods longer than 24 hours.	Sable has acknowledged and complied with this condition.
1.	Plains shall document its analysis and provide it to PHMSA for comment, but Plains shall maintain discretion over what actions to take, if any, and how to implement the results of its analysis.	Sable has acknowledged and will comply with this condition as required.
D.	Within six months of entry of the CD, Plains shall have in place a written procedure for Selection of Leak Detection Method for its Regulated Pipelines.	This condition is specific to the Plains system at the time of the CD.
1.	Plains shall provide the Selection of Leak Detection Method procedure to PHMSA for comment, but Plains shall maintain discretion over and be responsible for the final content and implementation of the Selection of Leak Detection Method procedure.	This condition is specific to the Plains system at the time of the CD.

E.	Plains will hold periodic (at least annual) meetings to solicit feedback from Control Room and operations maintenance personnel regarding potential improvements to leak detection. The results of the meetings will be documented and shared with appropriate personnel. The recommendations will be evaluated and documented.	This condition is specific to the Plains system at the time of the CD.
F.	Instrumentation and Display	
1.	To minimize and prevent false operating conditions from being displayed, Plains shall, per API 1175 (Pipeline Leak Detection – Program Management (1st Edition, December 2015)), within three years from entry of the CD or such earlier time as required by regulations:	This condition is specific to the Plains system at the time of the CD.
a.	Provide a procedure by which operations maintenance personnel and/or Control Room personnel identify and record when instrumentation has been impeded on an unplanned basis and is no longer providing accurate and updated values on pressure, flow, or temperature due to scheduled or planned maintenance activities.	This condition is specific to the Plains system at the time of the CD.
b.	Track these conditions through to resolution, including instrumentation relocation when necessary.	This condition is specific to the Plains system at the time of the CD.
12.	Control Room Management	

A.	For Lines 901 and 903, prior to resuming operations on segments currently not in service or commencing operations on any replacement for those lines, Plains shall:	Sable has acknowledged this condition, which will be completed prior to operation.
1.	Complete point-to-point verification reviews for all components of its SCADA system, including displays, alarm setpoint values, and alarm log descriptors;	Refer to above.
2.	Update its piping and instrumentation diagrams, software, manuals, and operating procedures to accurately reflect the existing field configuration;	Refer to above.
3.	Confirm that all Lo-Lo and Hi-Hi SCADA alarms are configured and programmed as critical safety related alarms for pressures and flows, and that alert notifications are correct and accurate; and	Refer to above.
4.	Update the names of all facilities, equipment, devices, measurement points and locations in console displays, the Control Room Management Plan and Control Center General Procedures, shift reports, and form templates to reflect current operating conditions (updating or removing out-of-date names).	Refer to above.
B.	For Line 2000, within six months after entry of the CD, Plains shall confirm to the OSFM that all Alarm	This is a Plains specific condition and does not apply to CA-324, CA-325A/B

	Descriptors on the control console are accurate.	
C.	Plains shall implement the Control Room Management Plan measures and Control Center General Procedures measures referenced in paragraph 23(a) of the CD.	This is a Plains specific condition and does not apply to CA-324, CA-325A/B
13.	Emergency Response and Oil Spill Response Plans	
A.	California-Specific Provisions:	
1.	Plains shall review and update its Bakersfield District Response Zone Plan periodically, as required by applicable regulations, including 14 CCR 816.05. Plains' review shall include the portions of its Response Plan that address identification of culverts along the pipelines' rights-of-way, potential receptors, access to potential spill sites, and procedures to assure protection of the environment from oil spills. To the extent that Plains has a Tactical Response Plan, Plains shall make it available to the Governments upon reasonable request and as needed in connection with a drill or response to a spill.	Sable has an Integrated Contingency Plan that has been approved by CA OSPR.
B.	Company-Wide Provisions	
1.	Plains shall, at least once before two years from the date of entry of the CD, and at least one additional time prior to termination of the CD, survey its rights-of-way for all regulated mainline pipelines of at	Sable has acknowledged and complied with this condition.

	<p>least 24” diameter, by foot or air patrol, to identify all culverts and shall ensure the emergency response plans covering those pipelines (a) reflect the locations of all culverts identified, and (b) address potential containment and recovery techniques for spills that may occur near identified culverts.</p>	
2.	<p>Within 180 days of entry of the CD (or within 180 days of a new employee being hired, or an existing employee being assigned to relevant duties) Plains shall provide or confirm that it has provided all employees who may reasonably be involved in spill response with NIMS ICS training at the 100 and 200 levels. Within 180 days of entry of the CD, Plains shall also provide or confirm that it has provided ICS training at the 300 and 400 level to any employee who may reasonably be expected to coordinate with the Incident Management Team during a spill response. Plains shall provide refresher training to employees within two years after initial training and shall maintain certification of such training and make such documents available to Plaintiffs upon request.</p>	<p>Sable has acknowledged and complied with this condition.</p>
3.	<p>Going forward from the date of the CD, Plains shall include in its contracts with all Oil Spill Response Organizations (OSROs) a requirement that the OSROs’</p>	<p>Sable has acknowledged and complied with this condition.</p>

	<p>employees and contract employees receive training at the same level specified for Plains employees, based on their responsibilities, prior to participating in any incident response on behalf of Plains. Plains shall require its OSRO contractors and subcontractors to register with a third-party online compliance verification system and shall use that online verification system to spot check the NIMS ICS Training histories for randomly-selected OSRO personnel who participate in Plains' table-top drills. Plains' spot-check shall include a reasonable number of OSRO personnel participating in the drills to help ensure that all OSRO personnel participating in incident response are trained at the ICS levels specified herein.</p>	
4.	<p>Within 180 days of entry of the CD, Plains shall provide or confirm that it has provided all Control Room supervisors with training regarding the Control Room's emergency response responsibilities and procedures. Plains shall provide this training annually thereafter. Plains shall maintain auditable documentation that supervisors have received such training and shall make such documentation available to PHMSA upon request.</p>	<p>Sable has acknowledged and complied with this condition.</p>
5.	<p>Plains shall notify PHMSA (and, for California Lines, California OSPR</p>	<p>Sable has acknowledged and is in compliance with this condition.</p>

	and OSFM) of company-sponsored and organized drills in accordance with applicable regulations, including table tops (either with or without equipment deployment). Plains shall provide PHMSA (and, for California Lines, California OSPR and OSFM) with after-action reports for each table-top drill involving equipment deployment within 90 days of completion of the drill. Plains shall include lessons learned in such after action reports and shall consider such lessons learned for incorporation into future drills or exercises.	
6.	For the term of the CD, a representative of Plains' Control Room management team shall participate in any after-action or "hot wash" activity designed to identify areas of improvement following a release, and shall share, in documented form, the information obtained with relevant Control Room personnel.	Sable has acknowledged and will comply with this condition as necessary.
14.	Safety Management System (SMS)	
A.	Plains shall continue to implement its SMS, which is based on recommended practices in American Petroleum Institute (API) RP 1173 (Pipeline Safety Management Systems (1st Edition, July 2015)).	This is a Plains specific condition.
1.	Prior to the termination of the CD, Plains shall hire a third party to assess the conformance of its SMS	This is a Plains specific condition.

	to API RP 1173. Plains shall direct the third party to transmit a copy of the final report to PHMSA. Plains' responsibility under this paragraph shall be limited to engaging the third party to prepare the report and providing the report to PHMSA. Any nonconformance identified by the third party shall not be a violation of the CD.	
B.	Plains shall participate in the API Pipeline SMS Group to exchange ideas, information, and lessons learned about implementation of API RP 1173.	This is a Plains specific condition.
15.	Drug and Alcohol Program	
A.	Within one year of entry of the CD, Plains shall review and revise its drug and alcohol misuse plans to comply with post-accident and random drug and alcohol testing required by 49 C.F.R. §§ 199.105(b), (c), and 49 C.F.R. § 199.225(a). This shall include a review of all covered positions among Control Room personnel and field personnel for inclusion in the plans for post-accident testing. Covered positions shall include any person with authority to shut down a pipeline, including Control Room shift supervisors. Plains shall ensure adequate implementation and documentation for all post accident drug/alcohol tests as required by 49 C.F.R. § 199.117(a)(5) and 49 C.F.R. §§ 199.227(b)(4), (c)(1)(v) and in	Sable has acknowledged and complied with this condition.

	<p>accordance with its procedures. Should Plains determine that it is not possible to administer a post-accident drug/alcohol test on a covered employee whose performance of a covered function either contributed to the accident or could not be completely discounted as a contributing factor within the time specified in the regulations, Plains shall document why the test was not administered within such time.</p>	
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Appendix D – Remaining Corrective Actions from PHMSA CAO (Case 2:20-CV-02415)

1.	<p>All outstanding corrective actions in PHMSA’s closed Corrective Action Order (CAO), CPF No. 5-2015-5011H, as amended, are hereby merged into this Consent Decree, as outlined below, and subject to the sole regulatory oversight of the OSFM.</p>	<p>Sable has acknowledged and complied with this condition.</p>
a.	<p>Line 901 Shutdown. Plains shall not operate Line 901 until authorized to do so by the OSFM.</p>	<p>Sable has acknowledged and will comply with this condition when necessary.</p>
b.	<p>Restart Plan for Line 901. If Plains seeks to restart Line 901, Plains shall develop and submit, at least 60 days in advance of a scheduled restart, a written Restart Plan for Line 901 to the OSFM for review and approval. Once approved by the OSFM, the Restart Plan shall be incorporated by reference into this</p>	<p>Sable has acknowledged and is complying with this condition.</p>

	Consent Decree. The Restart Plan shall include:	
1)	Documentation of the completion of all mandated actions, and a management of change plan to ensure that all procedural modifications are incorporated into Plains' operations and maintenance procedures manual;	Sable has acknowledged and is complying with this condition.
2)	Provisions for adequate patrolling of Line 901 during the restart process and shall include incremental pressure increases during start-up, with each increment to be held for at least two hours;	Sable has acknowledged and is complying with this condition.
3)	Sufficient surveillance of the pipeline during each pressure increment to ensure that no leaks are present when operation of the line resumes;	Sable has acknowledged and is complying with this condition.
4)	A specific day-light restart that includes advance communications with local emergency response officials;	Sable has acknowledged and is complying with this condition.
5)	Master Control Room enhancements, including: a) Implementation of advanced leak-detection capabilities that include mass balance and line pack calculations (the total volume of liquid present in a pipeline section). The leak-detection improvements shall include:	Sable has acknowledged and is complying with this condition.

	<p>1. Revised alarm threshold adjustments;</p> <p>2. Additional required instrumentation; installation of additional safety valves as a result of Plains' EFRD evaluation;</p> <p>b) Review and update of the alarm set-point values of pressures and flows to account for hydraulics and the interaction of topography, pipeline status (running and shutdown), sensor location, and historical pressure and flow values by configuration, in order to provide a basic level of leak detection when the pipeline is down and not running. Dynamic alarm limits based on pipeline status shall be used if hydraulically required;</p> <p>c) Implementation of modifications to the existing alarm priority/severity system to incorporate low and high pressure and flow values in major or safety-related alarm (SRA) categories;</p> <p>d) Implementation of emergency shutdown programming associated with Line 901 that can be executed by the Shift Supervisor or Controller;</p> <p>e) Development and implementation of training</p>	
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	<p>associated with the emergency shutdown programming described above; and</p> <p>f) Provision of additional controller training that incorporates awareness of abnormal operations and reduced-pressure operational characteristics, including alarm set-point revisions for conditions similar to the Refugio Incident.</p>	
6)	Elimination and documentation of actions taken to prevent inappropriate uncommanded Valve 460 (Sisquoc Conoco) status and position changes;	Sable has acknowledged and complied with this condition.
7)	Installation of additional safety valves as a result of Plains' EFRD evaluation;	Sable has acknowledged and complied with this condition.
8)	Installation of additional pressure sensors as a result of Plains' surge study;	Sable has acknowledged and complied with this condition.
9)	Initiation of a UT ILI within seven days after steady-state operation is achieved in accordance with an ILI schedule approved by the OSFM. The tool run shall be initiated during daylight hours. If the tool run does not collect a complete data set, the UT tool shall be promptly re-run. A report from the ILI tool vendor shall be completed within 30 days of running the tool. Plains shall complete its review and analysis of the ILI report within 15 days of receiving the report. Provisions shall	Sable has acknowledged and is complying with this condition.

	be made to address any immediate repairs that result from an initial data analysis of the UT ILI run; and	
10)	<p>Corrosion Prevention. Plains shall include a long-term plan to address corrosion under insulation (CUI) on Line 901 that meets the requirements of 49 C.F.R. Part 195, Subpart H,</p> <p>in any Restart Plan. Plains may address the inadequate corrosion prevention through any method approved by the OSFM, including but not limited to the provisions contained in</p> <p>CAO Amendment No. 3, Section 2(a)-(c).</p>	A Corrosion Under Insulation plan (CUI) has been submitted to the OSFM, which is part of the State Waivers.
c.	<p>Return to Service of Line 901. After the OSFM approves the Restart Plan, Plains may return Line 901 to service but the operating pressure shall not exceed eighty percent (80%) of the</p> <p>actual operating pressure in effect immediately prior to the Refugio Incident on May 19, 2015.</p>	Sable has acknowledged and will comply with this condition.
d.	<p>Removal of Pressure Restriction of Line 901. The OSFM may allow the removal or modification of the pressure restriction upon a written request from Plains demonstrating that restoring the pipeline to its pre-Refugio Incident operating pressure is justified, based on a reliable engineering analysis showing that</p>	Sable has acknowledged and will comply with this condition.

	<p>the pressure increase is safe, considering all known defects, anomalies, and operating parameters of the pipeline. The OSFM</p> <p>may allow the temporary removal or modification of the pressure restriction upon a written request from Plains demonstrating that</p> <p>temporary Preventive and Mitigative (P&M) measures will be implemented prior to and during the temporary removal or modification of the pressure restriction. The OSFM's</p> <p>determination shall be based on consideration of the Refugio Incident's cause and Plains' evidence that P&M measures provide for the safe operation of Line 901 during the temporary removal or modification of the pressure restriction.</p>	
e.	Line 903 Shutdown. After purging Line 903, Plains shall not operate Line 903 between Gaviota and Pentland stations until authorized to do so by the OSFM.	Sable has acknowledged and complied with this condition.
f.	Restart Plan for Line 903. If Plains seeks to restart the Gaviota-to-Pentland segment of Line 903, Plains shall develop and submit, at least 60 days in advance of a scheduled restart, a written Restart Plan for the Gaviota-to-Pentland segment of Line 903 to the OSFM	Sable has acknowledged and is complying with this condition.

	<p>for review and approval. Once approved by the OSFM, the Restart Plan shall be incorporated by reference</p> <p>into this Consent Decree. In addition to all the requirements set forth in the above subparagraphs 1.b.1)-11), excluding subparagraph 1.b.6), the Restart Plan shall include:</p> <p>1) Provisions for adequate patrolling during the restart process and the inclusion of incremental pressure increases during start-up, with each increment to be held for at least two hours;</p> <p>2) Sufficient surveillance of the pipeline during each pressure increment to ensure that no leaks are present when operation of the line resumes; and</p> <p>3) Provisions for a daylight restart and advance communications with local emergency response officials.</p>	
g.	<p>Line 903 Return to Service. After the OSFM approves the Restart Plan for the Gaviota-to-Pentland segment of Line 903, Plains may return that segment to service, but the operating pressure shall not exceed eighty percent (80%) of the highest pressure sustained for a continuous 8-hour period between April 19, 2015, and May 19, 2015, for Line</p>	<p>Sable has acknowledged and will comply with this condition.</p>

	903 (Gaviota-to-Sisquoc and Sisquoc-to-Pentland segments).	
h.	Removal of Pressure Restriction for Line 903. After a return to service, Plains may request the OSFM to remove the pressure restriction for the Gaviota-to-Pentland segment of Line 903.	Sable has acknowledged and will comply with this condition.
1)	The OSFM may allow removal or modification of the pressure restriction upon a written request from Plains demonstrating that restoring the pipeline to its pre-Refugio Incident operating pressure is justified, based on a reliable engineering analysis showing that the pressure increase is safe, considering all known defects, anomalies, and operating parameters of the pipeline.	Sable has acknowledged and will comply with this condition.
2)	The OSFM may allow the temporary removal or modification of the pressure restriction upon a written request from Plains demonstrating that temporary P&M measures will be implemented prior to and during the temporary removal or modification of the pressure restriction. The OSFM's determination shall be based on consideration of the Refugio Incident's cause and Plains' evidence that P&M measures provide for the safe operation of Line 903 during the temporary removal or modification of the pressure restriction. Requests for	Sable has acknowledged and is complying with this condition.

	removal of the pressure restriction may be submitted by pipeline segment.	
i.	Notifications. Plains shall provide notification to the OSFM within five business days of any of the following events: any investigation and remediation field actions for identified anomalies (i.e., digs and repairs), ILI tool runs, and/or startup dates.	Sable has acknowledged and will comply with this condition.
j.	Reporting Requirements for Lines 901 and 903. If and when Plains has concluded all items in this Appendix D, Plains shall submit a final Appendix D Documentation Report to the OSFM for review and approval.	Sable has acknowledged and will comply with this condition.
1)	The OSFM may approve the Appendix D Documentation Report incrementally without approving it in its entirety.	Sable has acknowledged this condition.
2)	Once approved by the OSFM, the Appendix D Documentation Report shall be incorporated by reference into this Consent Decree.	Sable has acknowledged this condition.
3)	The Appendix D Documentation Report shall include but not be limited to: A. Table of Contents; B. [intentionally left blank.] C. [intentionally left blank.] D. Summary of all tests, inspections, assessments, evaluations, and	Sable has acknowledged this requirement.

	analysis to the extent required under this Appendix D; E. [intentionally left blank.] F. [intentionally left blank.] G. Lessons learned while fulfilling the requirements of this Appendix D.	

Appendix B – CA-324 State Waiver Summary with Status

CA-324 State Waiver Summary Chart		
Date of Letter:	12/17/24	
Subject:	LETTER OF DECISION ON THE STATE WAIVER REQUEST FOR LIMITED EFFECTIVENESS OF CATHODIC PROTECTION ON THERMALLY INSULATED PIPELINE AND CORROSION OF OR ALONG A LONGITUDINAL SEAM WELD (CA-324)	
Pipeline:	OSFM Line ID 0015 - 10.86 miles (Las Flores Canyon to Gaviota) of Sable Offshore Corp CA-324 (OSFM Line ID 0015) located in Santa Barbara County, California as described in the request of state waiver dated April 24, 2024	
Item	State Waiver Condition	Sable Status
General Conditions		
1	The pipeline can only be used to transport crude oil as stated in the application.	Sable has acknowledged and will comply with this condition.
2	The maximum operating pressure (MOP) of CA-324 cannot exceed 1003 pounds per square inch gauge (psig).	Sable has acknowledged and will comply with this condition.
3	The maximum operating temperature of the crude oil that transports in CA-324 must not exceed 140 Fahrenheit for more than 12 consecutive hours.	Sable has acknowledged and will comply with this condition.
4	Prior to startup, Sable must develop and implement procedures for the conditions and requirements described in the state waiver.	Sable has acknowledged and will comply with this condition.
5	This state waiver does not relieve Sable from other requirements under 49 C.F.R. Part 195 or the	Sable has acknowledged this condition.

	Elder California Pipeline Safety Act of 1981 other than contained herein.	
6	This state waiver does not relieve Sable from any requirements imposed by the Consent Decree (United States District Court Central District of California Civil Action No. 2:20-cv-02415).	Sable has acknowledged this condition.
7	In-line inspection must include: a. Use of a tool that is at least capable of reliably detecting and identifying cluster corrosion and general corrosion. Definition of cluster and general corrosion is as follows: i. Cluster means two or more adjacent metal loss features in the wall of the pipe or weld that may interact based on interaction criteria. ii. General corrosion means uniform or gradually varying loss of wall thickness over an area. b. Use of a tool that is at least capable of reliably detecting and sizing corrosion at a 90 percent probability of detection (POD) and probability of identification (POI). c. Use of a tool that is at least capable of reliably detecting and sizing cracks or crack-like anomalies at a 90 percent POD and POI.	Sable has acknowledged and is complying with this condition.
8	Prior to placing CA-324 in operation, Sable must perform	Sable has acknowledged and is in

	<p>fracture toughness tests on the existing 24” pipe from CA-324 in accordance with ASTM E1820-23B Standard Test Method for Measurement of Fracture Toughness. All of the test specimens must be from the predominant existing 24” pipe, specifically API 5L X65 HF-ERW pipe with a nominal thickness of 0.344” that was manufactured by Nippon Steel Corp. in the 1980s. At least three (3) separate tests must be performed to obtain the fracture toughness values of the pipe body, heat affected zone (HAZ)¹, and the HF-ERW long seam weld on the pipe to represent the fracture toughness of its CA-324 (i.e. three (3) samples for pipe body, three (3) samples for HAZ, and three (3) samples for the HF-ERW long seam weld). The lowest fracture toughness value must be applied to conditions 10, 30, 33, and 48. Sable may use pipe samples taken opportunistically during ongoing pipeline maintenance and repair efforts.²</p>	<p>compliance with this condition.</p>
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9	<p>All immediate and 180-day repair conditions that are listed in this state waiver must be evaluated and remediated prior to restarting CA-324. Sable must utilize Ultrasonic Thickness Wall Measurement (UTWM) and Ultrasonic Shear Wave Crack Detection (USCD) in-line inspection (ILI) tools within seven (7) days of achieving initial steady state operation in accordance with an ILI survey schedule approved by OSFM. Sable must utilize the most recent Ultrasonic Thickness Wall Measurement (UTWM) and Ultrasonic Shear Wave Crack Detection (USCD) in-line inspection (ILI) results when identifying these repair conditions.</p>	<p>Sable has acknowledged and complied with this condition.</p>
10	<p>Remaining strength of pipe calculation for all metal loss anomalies must be in accordance with the Modified B31G method as described in ASME B31G Manual for Determining the Remaining Strength of Corroded Pipelines. If ASME B31G 2012 Edition is used, then it must comply with the conditions in accordance with Section 1.2 and exclusions in accordance with Section 1.3 of ASME B31G 2012 Edition. However, if the metal loss anomaly intersects or is within one (1) inch</p>	<p>Sable has acknowledged and complied with this condition.</p>

	(circumferentially) of the longitudinal seam weld, Sable must also calculate the predicted failure pressure of the anomaly by using the crack-like flaw evaluation method ASME FFS-1/API 579-1.	
11	Sable must utilize cleaning pigs at regular intervals not to exceed a biweekly basis to maintain adequate cleanliness on the internal pipe wall of its CA-324.	Sable has acknowledged and will comply with this condition as necessary.
Pressure Testing		
12	Prior to placing the pipeline in operation, Sable must conduct a spike hydrostatic pressure test of the state waiver pipeline segments at a minimum pressure that is at least 1.5 times the MOP or 100% SMYS, for a minimum of 15 minutes after the spike test pressure is stabilized. Sable must field evaluate and remediate the following anomalies before performing the spike hydrostatic test on CA-324:	Sable has acknowledged and complied with this condition.
	a. All metal loss anomalies that have an ILI reported depth of 40% and greater wall loss.	Sable has acknowledged and complied with this condition.
	b. All anomalies that have a predicted failure pressure less than or equal to 1.6 times MOP.	Sable has acknowledged and complied with this condition.
13	Immediately following the spike hydrostatic pressure test, Sable must conduct an 8-hour hydrostatic pressure test of the	Sable has acknowledged and complied with this condition.

	state waiver pipeline segments at a minimum of 1.25 times the MOP.	
14	Sable must obtain the Test ID from the OSFM for each hydrostatic pressure test and have the approved independent testing firm forward separately the certified test results to the OSFM.	Sable has acknowledged and complied with this condition.
15	Each hydrostatic pressure test must be performed in accordance with the applicable requirements of 49 C.F.R., Part 195 Subpart E – Pressure Testing and monitored by an independent testing firm listed under the OSFM approved hydrostatic testing companies.	Sable has acknowledged and complied with this condition.
16	Failures resulting from the spike hydrostatic pressure test or the 8-hour strength test shall be immediately reported ³ to the OSFM via email at PipelineNotification@fire.ca.gov	Sable has acknowledged and complied with this condition.
17	Section(s) of the state waiver pipeline segments that failed during the required hydrotesting must be repaired by removing and replacing the failed section. The OSFM reserves the right to revoke the state waiver if failure(s) raise the concern that the pipeline cannot be safely operated.	Sable has acknowledged and complied with this condition.

In-Line Inspection (ILI) Assessment and Frequency

18	<p>At least 90 days prior to performing in-line inspections of the state waiver segment, Sable shall provide the OSFM with a written notification to PipelineNotification@fire.ca.gov describing its assessment plan with the following information:</p> <p>a) Dates for integrity assessment</p> <p>b) In-line inspection tool(s) selected, in accordance with API Standard 1163 Section 5 and NACE SP0102⁴ to assess the integrity of the subject pipe segment(s) in which ILIs must be capable to detect and size wall loss, dents, internal corrosion, external corrosion, cracks and crack-like indications</p> <p>c) In-line inspection tool vendor(s)</p> <p>d) Required tool specifications including operational specifications and anomaly sizing tolerances</p> <p>e) Tool validation methodology</p> <p>f) Anomaly feature identification criteria and reporting thresholds – wall loss, dents, internal corrosion, external corrosion, cracks, and crack-like indications</p> <p>g) Criteria used to identify locations for excavation and field verification</p> <p>h) Non-destructive examination</p>	Sable has acknowledged and will comply with this condition.
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19	<p>Within seven (7) days prior to any anticipated ILI tool run, Sable must utilize extensive brush pigs and solvents (xylene or other chemicals) to ensure that the internal pipe wall does not have any corrosive products, wax, and bacteria buildup that may affect the ILI tool performance.</p>	<p>Sable has acknowledged and will comply with this condition.</p>
20	<p>Metal Loss Tool(s)</p> <p>a. Initial ILI tool runs – Each year, during the first two (2) years of operating CA-324, Sable shall conduct at least two (2) ILIs using a UTWM tool with an inertial measurement unit (IMU). Sable shall compare both runs and evaluate all available information, including these tool runs and corresponding IMU data. Sable shall perform the UTWM tool run every six (6) months not to exceed nine (9) months. If a UTWM tool run is unsuccessful, Sable shall identify the limitations that prevented the UTWM tool run from being successful, consider changes to increase the likelihood of a successful UTWM tool run, and use best efforts to rerun the UTWM tool within 30 days.</p>	<p>Sable has acknowledged and will comply with this condition.</p>

	<p>b. Subsequent ILI tool runs – After the first two (2) years of operating CA-324, Sable shall conduct at least one (1) Ultrasonic Wall Measurement tool (UTWM) each calendar year, not to exceed 15 months or the ILI assessment must be assessed at more frequent intervals if the remaining Failure Pressure Ratio will be less than 1.39 times MOP prior to the next ILI assessment, based upon anomaly growth estimates and pressure cycling. If any UTWM tool run is deemed to be unsuccessful, Sable shall document the reasons why the UTWM tool was unsuccessful, consider changes to increase the likelihood of a successful UTWM tool run, and must reassess the pipeline within 30 days after it was deemed to be unsuccessful. All metal loss tool runs must also utilize an Inertial Measurement Unit (IMU).</p>	
21	<p>Crack Detection Tools - Sable shall conduct at least one (1) Ultrasonic Shear Wave Crack Detection (USCD) tool each calendar year, not to exceed 15 months⁵ or ILI assessment must be assessed at more frequent intervals if condition 48 determined a shorter assessment interval.</p>	<p>Sable has acknowledged and will comply with this condition.</p>

	<p>a. These crack tool runs must utilize an Inertial Measurement Unit (IMU) and must be able to detect and size axial and circumferential cracks.</p> <p>b. USCD Performance Specification Requirements</p> <p>i. The USCD tools must have a probability of detection that is $\geq 90\%$ for axial and circumferential cracks.</p> <p>ii. The minimum crack depth that can be detected must be at least 1 mm for axial and circumferential cracks that are located in the base material.</p> <p>iii. The minimum crack depth that can be detected must be at least 2 mm for axial and circumferential cracks that are located in the weld.</p> <p>iv. The depth sizing accuracy for cracks must be ± 0.8 mm for axial cracks and ± 1 mm for circumferential cracks.</p>	
22	Dents and Pipe Deformation: Sable shall conduct a high-resolution deformation ILI tool with each UTWM.	Sable has acknowledged and will comply with this condition.
23	Where any ILI tool fails to record data for 5% or more of the external and/or internal surface area of the inspected segment, reassess with the ILI tool to cover the area that is deemed to be inadequate data of the inspected segment. In addition, if the ILI tool travels at a speed that is	Sable has acknowledged and will comply with this condition.

	outside the range of the tool velocity listed in the tool specification for 2% or more of the length of the inspected segment, Sable must rerun the ILI tool to reassess the pipeline segment in which the ILI tool velocity was outside of the specified tool velocity range.	
24	All ILI tool runs must obtain the Test ID from the OSFM prior to run.	Sable has acknowledged and will comply with this condition.
25	Sable must require its ILI tool vendor(s) to include in the vendor's inspection report all metal loss indications of 10% or greater, based on raw data, prior to adding in any correction for tool tolerance.	Sable has acknowledged and will comply with this condition.
26	Sable must incorporate ILI tool accuracy by ensuring that each ILI tool service provider determines the tolerance of each tool, in accordance with API Standard 1163 Second Edition and includes that tolerance in determining the size of each indication reported to Sable.	Sable has acknowledged and will comply with this condition.

27	<p>Sable must account for ILI tool tolerance and anomaly growth rates in scheduled response times, repairs, and future reassessment intervals. Sable must document and justify the values used.</p> <p>Sable must demonstrate ILI tool tolerance accuracy for each ILI tool run by using calibration, excavations, and unity plots⁶ that demonstrate ILI tool accuracy to meet the tool accuracy specification provided by the vendor (typical for depth within +10% accuracy for 80% of the time). Sable must compare previous indications to current indications that are significantly different. If a trend is identified where the tool has been consistently over-calling or under-calling, the remaining ILI features must be re-graded accordingly.</p>	Sable has acknowledged and will comply with this condition.
28	<p>Prior to the ILI final report being received, Sable must perform at least four (4) separate validation digs that do not interact with each other. At a minimum, Sable must perform validation digs in accordance with Level 2 of API Standard 1163, “In-line Inspection System Qualification” (Second Edition, April 2013).</p>	Sable has acknowledged and will comply with this condition.

Discovery of Condition

29	The discovery date must be within 180 days of any ILI tool run for each type of ILI tool.	Sable has acknowledged and will comply with this condition as necessary.
Immediate Repair Conditions		
30	A crack or crack-like anomaly that meets any of the following criteria:	Sable has acknowledged and will comply with this condition as necessary.
	a. Crack or crack-like anomaly that is equal to or greater than 50% of pipe wall thickness.	
	b. Crack or crack-like anomaly that has predicted failure pressure of less than 1.39 times the MOP as calculated using crack-like flaw evaluation method ASME FFS-1/API 579-1.	
31	Internal or external metal loss anomalies where the remaining strength of pipe shows a predicted failure pressure less than 1.39 times the MOP.	Sable has acknowledged and will comply with this condition as necessary.
32	Any external cluster corrosion or external general corrosion that is located on the bottom half of the pipeline (below the 3 and 9 o'clock positions) where the remaining strength of pipe shows a predicted failure pressure less than 1.5 times the MOP. ⁸	Sable has acknowledged and will comply with this condition as necessary.
180-Day Repair Conditions⁹		
33	A crack or crack-like anomaly that has predicted failure pressure of less than 1.5 times the MOP.	Sable has acknowledged and will comply with this condition as necessary.
34	Internal or external metal loss anomalies where the remaining strength of pipe shows a	Sable has acknowledged and will

	predicted failure pressure less than 1.5 times the MOP.	comply with this condition as necessary.
35	All internal or external metal loss anomalies that have an ILI reported depth of 40% or greater wall loss, including tool sizing tolerance for depth.	Sable has acknowledged and will comply with this condition as necessary.
36	For any crack (likely crack or possible crack) or crack-like anomaly, regardless of its dimensions, that interacts with metal loss anomalies and are within one (1) inch (circumferentially) of the longitudinal seam weld, Sable must integrate the ILI results from the most recent crack tool run and the most recent metal loss tool run before the discovery date deadline.	Sable has acknowledged and will comply with this condition as necessary.
Corrosion Growth Rate Analysis (CGRA)		
37	Sable must develop a CGRA procedure to annually calculate corrosion growth rates between successive ILI's (using most recent ILI compared to prior ILI) and perform pipeline remediations needed to assure the integrity of the pipeline is maintained. ¹¹ The timing of pipeline remediations under this condition shall be based on the most recent calculation of short-term corrosion rates.	Sable has acknowledged and will comply with this condition.
38	The CGRA procedure must include ILI data matching methods ¹² to analyze data from successive ILI's, methodologies	Sable has acknowledged and will comply with this condition.

	for growth rate calculations and errors from comparing ILI data.	
39	Sable must identify the projected date when remaining metal loss indications will reach a depth of 70% or greater wall loss.	Sable has acknowledged and will comply with this condition.
40	When determining the projected date when remaining metal loss indications will reach a depth of 70% or greater wall loss, Sable must account for reported ILI depth, tool tolerance and corrosion growth rates ¹³ .	Sable has acknowledged and will comply with this condition.
41	All metal loss indications that are projected to reach a depth of 70% or greater wall loss prior to the next ILI, will become actionable and must be remediated before the next ILI.	Sable has acknowledged and will comply with this condition.

Pressure Reduction

42	If Sable is unable to perform field evaluation and remediation of any required conditions within the time limit conditions specified in the state waiver, Sable must temporarily implement a minimum 20 percent or greater operating pressure reduction, based on actual operating pressure for two (2) months prior to the date of inspection, until the anomaly is repaired.	Sable has acknowledged and will comply with this condition as necessary.
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In Field Direct Examination of Pipe

43	<p>Direct examinations¹⁴ of pipe must include appropriate non-destructive examination methods for cracking such as magnetic particle inspection (MPI), shear wave technology or phased array ultrasonic testing (PAUT).¹⁵ PAUT must be used for sizing any crack or crack-like anomaly lengths and depths.</p>	Sable has acknowledged and will comply with this condition as necessary.
44	<p>Permanent repairs of metal loss anomalies are required for any section of pipe with wall loss equal to or greater than 40% in accordance with repair method 1, 4b, or 5 of Table 451.6.2(b)-1 of ASME B31.4 2006 Edition. However, the following additional conditions are applied if Sable chooses repair method 5 for metal loss anomalies:</p> <p>a. Method 5 must not be used on metal loss anomalies that are in the HAZ, girth weld, or longitudinal seam weld.</p> <p>b. Sable must increase the metal loss anomaly's depth by 20% when they input it into the formula for calculating the number of wraps needed for repair method 5.</p> <p>c. After the anomaly is repaired via repair method 5, Sable must monitor the anomaly's wall loss depth in subsequent UTWM tool runs. If the anomaly's wall loss depth increases by more than 15% of the wall thickness in the</p>	Sable has acknowledged and will comply with this condition as necessary.

	subsequent UTWM tool runs, Sable must repair this anomaly via repair method 1 or 4b of Table 451.6.2(b)-1 of ASME B31.4 2006 Edition.	
45	Permanent repairs are required for all cracks and/or crack-like anomalies discovered during direct examination, regardless of crack depth or crack length in accordance with repair method 1 or 4b of Table 451.6.2(b)-1 of ASME B31.4 2006 Edition.	Sable has acknowledged and will comply with this condition as necessary.
46	Sable must develop a coating repair procedure for excavated or remediated corrosion anomalies that prevents further external corrosion and seals transition areas from currently insulated pipe to newly coated sections. Any time a shrink sleeve or coating is exposed, remove the shrink sleeve and coating, investigate circumferentially and longitudinally along the pipe for external corrosion and coating deterioration, and recoat with two-part epoxy. Sable must recoat in accordance with their coating repair procedure. ¹⁶	Sable has acknowledged and is complying with this condition.
47	All external polyurethane foam and the polyethylene tape wrap on buried pipe that are exposed during the field evaluation must not be replaced with new insulation or polyethylene tape wrap.	Sable has acknowledged and is complying.

Integrity Management

48	<p>A fracture mechanics and pressure cycling evaluation is required for un-remediated cracks and crack-like indications detected by ILI or indirect inspection tools.</p> <p>a. Sable must determine the predicted failure pressure, failure stress pressure and crack growth of un-remediated cracks and crack-like anomalies in accordance with 49 C.F.R. §192.712(d)(1).</p> <p>b. Sable must perform a fatigue analysis using an applicable fatigue crack growth law or other technically appropriate engineering methodology in accordance with 49 C.F.R. §192.712(d)(2).</p>	Sable has acknowledged and is complying with this condition.
49	Sable must analyze a sample of additional indications of varying amounts of metal loss between 10% and 40% for validation. The sample size shall be at least ten (10), unless fewer than ten (10) indications are reported within that range, in which case Sable would examine the number of indications called.	Sable has acknowledged and is complying with this condition.
50	When sizing metal loss indications, apply interaction/clustering criteria of 6t by 6t for applicable ILI tool(s).	Sable has acknowledged and is complying with this condition.
51	Sable must send all field measurements to the ILI tool vendor within 90 days of completing direct examinations	Sable has acknowledged and is complying with this condition.

	and require the ILI vendor to validate the accuracy of the tool. Sable must conduct annual meetings with the ILI tool vendor to discuss tool performance and incorporate lessons learned.	
52	Sable must utilize a third-party expert to review all ILI reports, verification of digs, data integration, ILI tool tolerances, development of unity plots, measured field findings, failure pressure ratios and any other finding that could affect the integrity of the pipeline. The review must be conducted within six (6) months of each ILI assessment. The third-party expert must be approved by the OSFM prior to being selected.	Sable has acknowledged and is complying with this condition.
53	Within one (1) year from date of issuance, Sable must use a NACE-certified expert to conduct an evaluation and determine if alternating current (AC) interference or direct current (DC) interference or shorting that could contribute to external corrosion is occurring. The expert must recommend the frequency of subsequent interference surveys. All evaluations must be approved and signed by the NACE-certified expert.	Sable has acknowledged and is complying with this condition.

Data Requirements for Predicted Failure Analysis

54	Unless the defect dimensions have been verified using a direct examination measurements, Sable must explicitly analyze uncertainties in reported assessment results including but not limited to tool tolerance, detection threshold, probability of detection, probability of identification, sizing accuracy, conservative anomaly, interaction criteria, location accuracy, anomaly findings, and unity chart plots or equivalent for determining uncertainties and verifying tool performance, in identifying and characterizing the type and dimensions of anomalies or defects used in the analyses.	Sable has acknowledged and is complying with this condition.
55	The analyses performed in accordance with this state waiver must utilize pipe and material properties of the pipe body and longitudinal weld seam that are documented in traceable, verifiable, and complete records.	Sable has acknowledged and is complying with this condition.
Recordkeeping		
56	Procedures, records of investigations, data, analyses, and other actions made in accordance with the requirements of this state waiver shall be kept for the life of the pipeline and must be submitted to the OSFM, in the manner requested (electronic, hardcopy, or other format) within 30 days.	Sable has acknowledged and will comply with this condition.

57	Sable must maintain the following records:	Sable has acknowledged and will comply with this condition.
	a. Technical approach used for the analysis	
	b. All data used and analyzed	
	c. Pipe and longitudinal weld seam properties	
	d. Procedures used to implement state waiver conditions	
	e. Evaluation methodology used	
	f. Models used	
	g. Direct in situ examination data	
	h. All in-line inspection tool assessments information evaluated	
	i. Pressure test data and results	
	j. All in-the-ditch assessments performed on the pipeline segments	
	k. All measurement tool, assessment, and evaluation accuracy specifications and tolerances used in technical and operations results	
	l. All finite element analysis results	
	m. The number of pressure cycles to failure, the equivalent number of annual pressure cycles, and the pressure cycle counting methodology	
n. The predicted fatigue life and predicted failure pressure from the required fatigue life models and fracture mechanics evaluation methods		

	o. Safety factors used for fatigue life and/or predicted failure pressure calculations	
	p. Reassessment time interval and safety factors	
	q. The date of the review	
	r. Confirmation of the results by qualified technical subject matter expert(s)	
	s. Approval by responsible Sable management personnel	
	t. Records of additional preventive and mitigative (P&M) measures performed	
	u. Reports required by this State Waiver.	

Reporting

58	Any release on the pipeline shall be reported to the OSFM at the earliest practicable moment following discovery but no later than 24 hours from the time of discovery via email at PipelineNotification@fire.ca.gov, <i>Subject: OSFM State Waiver – Accident Notification.</i> ¹⁷	Sable has acknowledged and will comply with this condition as necessary.
59	An email notification shall be made at least three (3) days prior to the pipeline being exposed for non-emergency purposes of field evaluation and repair via email at PipelineNotification@fire.ca.gov, <i>Subject: OSFM State Waiver – Pipeline Repair CA-324.</i> The email notification shall include, if applicable: a. Tool type and run date	Sable has acknowledged and will comply with this condition.

	<p>b. Unique identifier (e.g. Dig Number, Joint Number, Flaw ID, Condition Type)</p> <p>c. Dig sheets</p> <p>d. Field contact information for Sable</p> <p>e. Time and location of the field evaluation and repair.</p>	
60	<p>Sable shall provide a Summary of Conditions Report within 210 days of the last date of an ILI run via email at PipelineNotification@fire.ca.gov, <i>Subject: OSFM State Waiver – Summary of Conditions CA-324</i> and include:</p> <p>a. Tool type</p> <p>b. Run date</p> <p>c. Summary of Conditions Report¹⁸</p> <p>d. Final Vendor Report and Pipe Tally</p>	Sable has acknowledged and will comply with this condition.
61	<p>Sable shall provide a report to the OSFM by June 15th of every year for the duration of the state waiver. The report shall be addressed to the OSFM Assistant Deputy Director, Chief of Pipeline Safety via email at PipelineNotification@fire.ca.gov, Subject: OSFM State Waiver – Annual Report CA-324. At a minimum, the annual report shall contain the following, if applicable:</p>	Sable has acknowledged and will comply with this condition.

	<p>a. A Closure Report for the previous calendar (CY) which contains:</p> <p>i. Features that were remediated in previous CY</p> <p>1. Provide documentation for the in-the-ditch assessments and repairs</p> <p>ii. Identify features that remain to be assessed</p> <p>iii. Unity Plots for previous ILI runs</p> <p>b. Fracture mechanics and pressure cycling analyses in accordance with Condition 48</p> <p>c. The third-party ILI expert reviews in accordance with Condition 52</p> <p>d. AC and DC Interference surveys that are due in accordance with Condition 53</p> <p>e. A copy of the CGRA for prior year including:</p> <p>i. Mean corrosion growth rate for the pipeline</p> <p>ii. Distribution graph of the corrosion growth rate for the pipeline (e.g. occurrences (#) vs. corrosion rate (mpy))</p>	
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Limitations

62	<p>This state waiver is limited to a term of no more than (10) years from the date of issuance. If Sable elects to seek renewal of this state waiver, it must submit a renewal request to the OSFM at least 180 days prior to the expiration date, including a</p>	<p>Sable has acknowledged and will comply with this condition as necessary.</p>
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	justification for continuation of the waiver.	
63	Should Sable fail to comply with any conditions of this state waiver or should the OSFM determine that this state waiver is no longer appropriate or is inconsistent with pipeline safety, the OSFM may revoke the state waiver and require Sable to comply with all appropriate regulatory requirements.	Sable has acknowledged this condition.
64	The OSFM may order the pipeline shutdown at any time.	Sable has acknowledged this condition.
65	The OSFM may issue a compliance order or may initiate proceedings to determine the nature and extent of the violations and appropriate civil penalty for failure to comply with this state waiver. The terms and conditions of any compliance order shall take precedence over the terms of the state waiver.	Sable has acknowledged this condition.
66	In the event of conflict between the state waiver conditions and industry standards, the state waiver conditions shall prevail.	Sable has acknowledged this condition.
67	If Sable sells, merges, transfers or otherwise disposes of all or part of the assets covered by the state waiver, Sable must provide the OSFM written notice of the change within 30 days of the consummation date. In the event	Sable has acknowledged this condition.

	<p>of such transfer, the OSFM reserves the right to revoke, suspend, or modify the state waiver.</p>	
<p>Footnotes:</p>	<p>1 The heat affected zone (HAZ), as used in the state waiver, is defined as a 1-inch-wide area on either side of the longitudinal weld seam.</p> <p>2 Sable must submit all fracture toughness results to the OSFM prior to restarting the pipeline.</p> <p>3 In addition to the OSFM reporting, Sable shall follow all additional state reporting requirements.</p> <p>4 Industry standards that are referenced in this state waiver must utilize the editions that are incorporated by referenced in Title 49 Part 195.3 unless another edition was explicitly specified.</p> <p>5 Sable may petition the OSFM to revise the reassessment interval for Crack Detection Tool(s) when sufficient evidence is available to determine if crack growth rates could support a longer reassessment interval. Changes to the reassessment interval are subject to OSFM and PHMSA approval.</p> <p>6 A minimum of four (4) independent direct examination excavations must be used for unity plots.</p> <p>7 The criteria outlined in the state waiver is supplemental to the requirements set forth in §195.452(h)(4)(i) Immediate repair conditions and does not relieve Sable from complying with §195.452(h)(4)(i). All immediate repair conditions must be remediated with a permanent repair method.</p> <p>8 Cluster means two or more adjacent metal loss features in the wall of the pipe or weld that may interact based on interaction criteria. General corrosion means uniform or gradually varying loss of wall thickness over an area.</p> <p>9 The criteria outlined in the state waiver is supplemental to the requirements set forth in §195.452(h)(4)(iii) 180-day conditions and does not relieve Sable from complying with §195.452(h)(4)(iii). All 180-day repair conditions must be remediated with a permanent repair method.</p>	

	<p>10 For example, if the ILI tool reports a 31% metal loss anomaly and the tool sizing tolerance is ± 10 for depth, then this anomaly is a 180-day repair condition since it can be considered as an external metal loss anomaly with 41% metal loss depth. If Sable is unable to remediate such indications within 180 days of discovery, Sable must notify the OSFM, temporarily reduce the operating pressure, and take further remedial action in accordance with 49 C.F.R. §195.452 until the indication is remediated or until otherwise authorized by OSFM.</p>
	<p>11 At a minimum, Sable must include signal matching between ILI data sets.</p>
	<p>12 If there are several matching techniques that can be used, Sable must utilize the most accurate method of comparing ILI data sets.</p>
	<p>13 Growth projections must use corrosion rates determined in accordance with the CGRA procedure. A default corrosion rate of 32 mpy must be used in determining projections, if corrosion rates determined by CGRA are less than the default value.</p>
	<p>14 Any time the pipeline is exposed for direct examination of an indication or to perform a repair, Sable must document the condition of the coating and carrier pipe (including anomalies) with photographs.</p>
	<p>15 Direct examinations for ILI reported crack or crack-like indications must include a magnetic particle inspection complimented by shear wave technology or inspection by phased array ultrasonic testing.</p>
	<p>16 The coating procedure must be submitted to the OSFM prior to the prior to the effective date of the state waiver.</p>
	<p>17 This requirement does not relieve Sable from spill reporting requirements that might exist under local, state or federal regulations.</p>
	<p>18 The OSFM may stipulate specific formatting or other information (e.g. Condition Type, Anomaly Details, Remaining Strength Calculation Method, Failure Pressure, CGRA, etc.) to be included in the Summary of Conditions</p>

	Reports, Closure Report and Annual Reports if information provided is not deemed sufficient.
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Appendix C – CA-325A and CA-325B State Waiver Summary with Status

<i>CA-325A/B State Waiver Summary Chart</i>		
Date of Letter:	12/17/24	
Subject:	LETTER OF DECISION ON THE STATE WAIVER REQUEST FOR LIMITED EFFECTIVENESS OF CATHODIC PROTECTION ON THERMALLY INSULATED PIPELINE AND CORROSION OF OR ALONG A LONGITUDINAL SEAM WELD (CA-325A/B)	
Pipeline:	OSFM Line ID 0001 - 113.56 miles (Gaviota to Sisquoc to Pentland) of Sable Offshore Corp CA-325A/B (OSFM Line ID 0001) located in Santa Barbara County, San Luis Obispo County, and Kern County, California as described in the request of state waiver dated April 24, 2024	
Item	State Waiver Condition	Sable Status
General Conditions		
1	The pipeline can only be used to transport crude oil as stated in the application.	Sable has acknowledged and is in compliance with this condition.
2	The maximum operating pressure (MOP) cannot exceed: a. 1000 pounds per square inch gauge (psig) for CA-325A. b. 1292 pounds per square inch gauge (psig) for CA-325B.	Sable has acknowledged and is in compliance with this condition.
3	The maximum operating temperature of the crude oil that transports must not exceed: a. 125 Fahrenheit for more than 12 consecutive hours for CA-325A. Temperature transmitters must be installed on CA-325A at Gaviota Station to monitor the temperature of CA-325A/B at this facility. b. 110 Fahrenheit for more than 12 consecutive hours for CA-325B. Temperature transmitters must be installed on CA-325A at Sisquoc Station to monitor the temperature of CA-325A/B at this facility.	Sable has acknowledged and is in compliance with this condition.
4	Prior to startup, Sable must develop and implement procedures for the conditions and	Sable has acknowledged and will comply with this condition.

	requirements described in the state waiver.	
5	This state waiver does not relieve Sable from other requirements under 49 C.F.R. Part 195 or the Elder California Pipeline Safety Act of 1981 other than contained herein.	Sable has acknowledged this condition.
6	This state waiver does not relieve Sable from any requirements imposed by the Consent Decree (United States District Court Central District of California Civil Action No. 2:20-cv-02415).	Sable has acknowledged this condition.
7	In-line inspection must include:	Sable has acknowledged and is complying with this condition.
	a. Use of a tool that is at least capable of reliably detecting and identifying cluster corrosion and general corrosion. Definition of cluster and general corrosion is as follows:	
	i. Cluster means two or more adjacent metal loss features in the wall of the pipe or weld that may interact based on interaction criteria.	
	General corrosion means uniform or gradually varying loss of wall thickness over an area.	
	b. Use of a tool that is at least capable of reliably detecting and sizing corrosion at a 90 percent probability of detection (POD) and probability of identification (POI).	
	c. Use of a tool that is at least capable of reliably detecting and sizing cracks or crack-like anomalies at a 90 percent POD and POI.	

8	<p>Prior to placing CA-325A/B in operation, Sable must perform fracture toughness tests on the existing 30” pipe from CA-325A/B in accordance with ASTM E1820-23B Standard Test Method for Measurement of Fracture Toughness. All of the test specimens must be from both of the two following predominant existing 30” pipe specifications:</p> <ul style="list-style-type: none"> a. API 5L X70 pipe with a nominal thickness of 0.281” that was manufactured by the various pipe mills in the 1980s. b. API 5L X65 pipe with a nominal thickness of 0.344” that was manufactured by the various pipe mills in the 1980s. <p>At least three (3) separate tests must be performed from each pipe mill, for both of the two pipe specifications listed above, to obtain the fracture toughness values of the pipe body, heat affected zone (HAZ)¹, and the DSAW long seam weld on the pipe to represent the fracture toughness of CA-325A/B (i.e. three (3) samples for pipe body, three (3) samples for HAZ, and three (3) samples for the DSAW long seam weld). The lowest fracture toughness value must be applied to conditions 10, 31, 34, and 49. Sable may use pipe samples taken opportunistically during ongoing pipeline maintenance and repair efforts.</p>	Sable has acknowledged and is in compliance with this condition.
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9	<p>All immediate and 180-day repair conditions that are listed in this state waiver must be evaluated and remediated prior to restarting CA-325A/B. Sable must utilize Ultrasonic Thickness Wall Measurement (UTWM) and Ultrasonic Shear Wave Crack Detection (USCD) in-line inspection (ILI) tools within seven (7) days of achieving initial steady state operation in accordance with an ILI survey schedule approved by the OSFM. Sable must utilize the most recent Ultrasonic Thickness Wall Measurement (UTWM) and Ultrasonic Shear Wave Crack Detection (USCD) in-line inspection (ILI) results when identifying these repair conditions.</p>	<p>Sable has acknowledged and is in compliance with this condition.</p>
10	<p>Remaining strength of pipe calculation for all metal loss anomalies must be in accordance with the Modified B31G method as described in ASME B31G Manual for Determining the Remaining Strength of Corroded Pipelines. If ASME B31G 2012 Edition is used, then it must comply with the conditions in accordance with Section 1.2 and exclusions in accordance with Section 1.3 of ASME B31G 2012 Edition. However, if the metal loss anomaly intersects or is within one (1) inch (circumferentially) of the longitudinal seam weld, Sable must also calculate the predicted failure pressure of the anomaly by using the crack-like flaw</p>	<p>Sable has acknowledged this condition, is in compliance with it, and will comply in the future as necessary.</p>

	evaluation method ASME FFS-1/API 579-1.	
11	Sable must utilize cleaning pigs at regular intervals not to exceed a biweekly basis to maintain adequate cleanliness on the internal pipe wall of its CA-325A/B.	Sable has acknowledged and will comply with this condition.
Pressure Testing		
12	Prior to placing the pipeline in operation, Sable must conduct a spike hydrostatic pressure test of the state waiver pipeline segment CA-325A at a minimum pressure that is at least 1.39 times the MOP, for a minimum of 15 minutes after the spike test pressure is stabilized. Sable must ensure that the spike hydrostatic pressure at the highest elevation of each testable segment is at least 1.39 times the MOP. Sable must field evaluate and remediate the following anomalies before performing the spike hydrostatic test on CA-325A:	Sable has acknowledged and is in compliance with this condition.
	a. All metal loss anomalies that have an ILI reported depth of 40% and greater wall loss.	Sable has acknowledged and is in compliance with this condition.
	b. All anomalies that have a predicted failure pressure less than or equal to 1.5 times MOP.	Sable has acknowledged and is in compliance with this condition.
13	Immediately following the spike hydrostatic pressure test, Sable must conduct an 8-hour hydrostatic pressure test of the state waiver pipeline segment CA-325A at a minimum of 1.25 times the MOP.	Sable has acknowledged and is in compliance with this condition.
14	Prior to placing the pipeline in operation, Sable must conduct a hydrostatic pressure test of the	Sable has acknowledged and is in compliance with this condition.

	state waiver pipeline segment CA-325B at a minimum pressure of 1.25 times the MOP, for a minimum of 8 hours. Sable must ensure that the hydrostatic pressure at the highest elevation of each testable segment is at least 1.25 times the MOP. Sable must field evaluate and remediate the following anomalies before performing the hydrostatic test on CA-325B:	
	a. All metal loss anomalies that have an ILI reported depth of 40% and greater wall loss.	Sable has acknowledged and is in compliance with this condition.
	b. All anomalies that have a predicted failure pressure less than or equal to 1.4 times MOP.	Sable has acknowledged and is in compliance with this condition.
15	Sable must obtain the Test ID from the OSFM for each hydrostatic pressure test and have the approved independent testing firm forward separately the certified test results to the OSFM.	Sable has acknowledged and is in compliance with this condition.
16	Each hydrostatic pressure test must be performed in accordance with the applicable requirements of 49 C.F.R., Part 195 Subpart E – Pressure Testing and monitored by an independent testing firm listed under the OSFM approved hydrostatic testing companies.	Sable has acknowledged and is in compliance with this condition.
17	Failures resulting from the spike hydrostatic pressure test or the 8-hour strength test shall be immediately reported ³ to the OSFM via email at PipelineNotification@fire.ca.gov Subject: OSFM State Waiver - Hydrotest Failure.	Sable has acknowledged and is in compliance with this condition.

18	Section(s) of the state waiver pipeline segments that failed during the required hydrotesting must be repaired by removing and replacing the failed section. The OSFM reserves the right to revoke the state waiver if failure(s) raise the concern that the pipeline cannot be safely operated.	Sable has acknowledged and is in compliance with this condition.
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In-Line Inspection (ILI) Assessment and Frequency

19	At least 90 days prior to performing in-line inspections of the state waiver segment, Sable shall provide the OSFM with a written notification to PipelineNotification@fire.ca.gov describing its assessment plan with the following information:	Sable has acknowledged and will comply with this condition.
	a) Dates for integrity assessment	
	b) In-line inspection tool(s) selected, in accordance with API Standard 1163 Section 5 and NACE SP0102 ⁴ to assess the integrity of the subject pipe segment(s) in which ILIs must be capable to detect and size wall loss, dents, internal corrosion, external corrosion, cracks and crack-like indications	
	c) In-line inspection tool vendor(s)	
	d) Required tool specifications including operational specifications and anomaly sizing tolerances	
	e) Tool validation methodology	
	f) Anomaly feature identification criteria and reporting thresholds – wall loss, dents, internal corrosion, external	

	corrosion, cracks, and crack-like indications	
	g) Criteria used to identify locations for excavation and field verification	
	h) Non-destructive examination	
20	Within seven (7) days prior to any anticipated ILI tool run, Sable must utilize extensive brush pigs and solvents (xylene or other chemicals) to ensure that the internal pipe wall does not have any corrosive products, wax, and bacteria buildup that may affect the ILI tool performance.	Sable has acknowledged and will comply with this condition.
21	Metal Loss Tool(s)	Sable has acknowledged and will comply with this condition.
	a. Initial ILI tool runs – Each year, during the first two (2) years of operating CA-325 A/B, Sable shall conduct at least two (2) ILIs using a UTWM tool with an inertial measurement unit (IMU). Sable shall compare both runs and evaluate all available information, including these tool runs and corresponding IMU data. Sable shall perform the UTWM tool run every six (6) months not to exceed nine (9) months. If a UTWM tool run is unsuccessful, Sable shall identify the limitations that prevented the UTWM tool run from being successful, consider changes to increase the likelihood of a successful UTWM tool run, and use best efforts to rerun the UTWM tool within 30 days.	

	<p>b. Subsequent ILI tool runs – After the first two (2) years of operating CA-325 A/B, Sable shall conduct at least one (1) Ultrasonic Wall Measurement tool (UTWM) each calendar year, not to exceed 15 months or the ILI assessment must be assessed at more frequent intervals if the remaining Failure Pressure Ratio will be less than 1.39 times MOP prior to the next ILI assessment, based upon anomaly growth estimates and pressure cycling. If, any UTWM tool run is deemed to be unsuccessful, Sable shall document the reasons why the UTWM tool was unsuccessful, consider changes to increase the likelihood of a successful UTWM tool run, and must reassess the pipeline within 30 days after it was deemed to be unsuccessful. All metal loss tool runs must also utilize an Inertial Measurement Unit (IMU).</p>	
22	<p>Crack Detection Tools - Sable shall conduct at least one (1) Ultrasonic Shear Wave Crack Detection (USCD) tool each calendar year, not to exceed 15 months or ILI assessment must be assessed at more frequent intervals if condition 48 determined a shorter assessment interval.</p> <p>a. These crack tool runs must utilize an Inertial Measurement Unit (IMU) and must be able to detect and size axial and circumferential cracks.</p> <p>b. USCD Performance Specification Requirements</p>	Sable has acknowledged and will comply with this condition.

	<p>i. The USCD tools must have a probability of detection that is $\geq 90\%$ for axial and circumferential cracks.</p>	
	<p>ii. The minimum crack depth that can be detected must be at least 1 mm for axial and circumferential cracks that are located in the base material.</p>	
	<p>iii. The minimum crack depth that can be detected must be at least 2 mm for axial and circumferential cracks that are located in the weld.</p>	
	<p>iv. The depth sizing accuracy for cracks must be ± 0.8 mm for axial cracks and ± 1 mm for circumferential cracks.</p>	
23	<p>Dents and Pipe Deformation: Sable shall conduct a high-resolution deformation ILI tool with each UTWM.</p>	<p>Sable has acknowledged and is in compliance with this condition.</p>
24	<p>Where any ILI tool fails to record data for 5% or more of the external and/or internal surface area of the inspected segment, reassess with the ILI tool to cover the area that is deemed to be inadequate data of the inspected segment. In addition, if the ILI tool travels at a speed that is outside the range of the tool velocity listed in the tool specification for 2% or more of the length of the inspected segment, Sable must rerun the ILI tool to reassess the pipeline segment in which the ILI tool velocity was outside of the specified tool velocity range.</p>	<p>Sable has acknowledged this condition and will comply as necessary.</p>
25	<p>All ILI tool runs must obtain the Test ID from the OSFM prior to run.</p>	<p>Sable has acknowledged and will comply with this condition.</p>

26	Sable must require its ILI tool vendor(s) to include in the vendor's inspection report all metal loss indications of 10% or greater, based on raw data, prior to adding in any correction for tool tolerance.	Sable has acknowledged and will comply with this condition.
27	Sable must incorporate ILI tool accuracy by ensuring that each ILI tool service provider determines the tolerance of each tool, in accordance with API Standard 1163 Second Edition and includes that tolerance in determining the size of each indication reported to Sable.	Sable has acknowledged and will comply with this condition.
28	Sable must account for ILI tool tolerance and anomaly growth rates in scheduled response times, repairs, and future reassessment intervals. Sable must document and justify the values used. Sable must demonstrate ILI tool tolerance accuracy for each ILI tool run by using calibration, excavations, and unity plots ⁶ that demonstrate ILI tool accuracy to meet the tool accuracy specification provided by the vendor (typical for depth within +10% accuracy for 80% of the time). Sable must compare previous indications to current indications that are significantly different. If a trend is identified where the tool has been consistently over-calling or under-calling, the remaining ILI features must be re-graded accordingly.	Sable has acknowledged and will comply with this condition.

29	Prior to the ILI final report being received, Sable must perform at least four (4) separate validation digs that do not interact with each other. At a minimum, Sable must perform validation digs in accordance with Level 2 of API Standard 1163, "In-line Inspection System Qualification" (Second Edition, April 2013).	Sable has acknowledged and will comply with this condition.
Discovery of Condition		
30	The discovery date must be within 180 days of any ILI tool run for each type of ILI tool.	Sable has acknowledged this condition and will comply as necessary.
Immediate Repair Conditions⁷		
31	A crack or crack-like anomaly that meets any of the following criteria:	Sable has acknowledged this condition and will comply as necessary.
	a. Crack or crack-like anomaly that is equal to or greater than 50% of pipe wall thickness.	
	b. Crack or crack-like anomaly that has predicted failure pressure of less than 1.39 times the MOP as calculated using crack-like flaw evaluation method ASME FFS-1/API 579-1.	
32	Internal or external metal loss anomalies where the remaining strength of pipe shows a predicted failure pressure less than 1.39 times the MOP.	Sable has acknowledged this condition and will comply as necessary.
33	Any external cluster corrosion or external general corrosion that is located on the bottom half of the pipeline (below the 3 and 9 o'clock positions) where the remaining strength of pipe shows a predicted failure pressure less than 1.5 times the MOP.	Sable has acknowledged this condition and will comply as necessary.
180-Day Repair Conditions⁹		

34	A crack or crack-like anomaly that has predicted failure pressure of less than 1.5 times the MOP.	Sable has acknowledged this condition and will comply as necessary.
35	Internal or external metal loss anomalies where the remaining strength of pipe shows a predicted failure pressure less than 1.5 times the MOP.	Sable has acknowledged this condition and will comply as necessary.
36	All internal or external metal loss anomalies that have an ILI reported depth of 40% or greater wall loss, including tool sizing tolerance for depth.	Sable has acknowledged this condition and will comply as necessary.
37	For any crack (likely crack or possible crack) or crack-like anomaly, regardless of its dimensions, that interacts with metal loss anomalies and are within one (1) inch (circumferentially) of the longitudinal seam weld, Sable must integrate the ILI results from the most recent crack tool run and the most recent metal loss tool run before the discovery date deadline.	Sable has acknowledged this condition and will comply as necessary.
Corrosion Growth Rate Analysis (CGRA)		
38	Sable must develop a CGRA procedure to annually calculate corrosion growth rates between successive ILI's (using most recent ILI compared to prior ILI) and perform pipeline remediations needed to assure the integrity of the pipeline is maintained. ¹¹ The timing of pipeline remediations under this condition shall be based on the most recent calculation of short-term corrosion rates.	Sable has acknowledged and will comply with this condition.

39	The CGRA procedure must include ILI data matching methods ¹² to analyze data from successive ILI's, methodologies for growth rate calculations and errors from comparing ILI data.	Sable has acknowledged and will comply with this condition.
40	Sable must identify the projected date when remaining metal loss indications will reach a depth of 70% or greater wall loss.	Sable has acknowledged and will comply with this condition.
41	When determining the projected date when remaining metal loss indications will reach a depth of 70% or greater wall loss, Sable must account for reported ILI depth, tool tolerance and corrosion growth rates ¹³ .	Sable has acknowledged and will comply with this condition.
42	All metal loss indications that are projected to reach a depth of 70% or greater wall loss prior to the next ILI, will become actionable and must be remediated before the next ILI.	Sable has acknowledged and will comply with this condition.
Pressure Reduction		
43	If Sable is unable to perform field evaluation and remediation of any required conditions within the time limit conditions specified in the state waiver, Sable must temporarily implement a minimum 20 percent or greater operating pressure reduction, based on actual operating pressure for two (2) months prior to the date of inspection, until the anomaly is repaired.	Sable has acknowledged this condition and will comply as necessary.
In Field Direct Examination of Pipe		
44	Direct examinations ¹⁴ of pipe must include appropriate non-destructive examination methods for cracking such as magnetic particle inspection	Sable has acknowledged this condition and will comply as necessary.

	(MPI), shear wave technology or phased array ultrasonic testing (PAUT). ¹⁵ PAUT must be used for sizing any crack or crack-like anomaly lengths and depths.	
45	<p>Permanent repairs of metal loss anomalies are required for any section of pipe with wall loss equal to or greater than 40% in accordance with repair method 1, 4b, or 5 of Table 451.6.2(b)-1 of ASME B31.4 2006 Edition. However, the following additional conditions are applied if Sable chooses repair method 5 for metal loss anomalies:</p> <p>a. Method 5 must not be used on metal loss anomalies that are in the HAZ, girth weld, or longitudinal seam weld.</p> <p>b. Sable must increase the metal loss anomaly's depth by 20% when they input it into the formula for calculating the number of wraps needed for repair method 5.</p> <p>c. After the anomaly is repaired via repair method 5, Sable must monitor the anomaly's wall loss depth in subsequent UTWM tool runs. If the anomaly's wall loss depth increases by more than 15% of the wall thickness in the subsequent UTWM tool runs, Sable must repair this anomaly via repair method 1 or 4b of Table 451.6.2(b)-1 of ASME B31.4 2006 Edition.</p>	Sable has acknowledged this condition and will comply as necessary.
46	Permanent repairs are required for all cracks and/or crack-like anomalies discovered during direct examination, regardless of crack depth or crack	Sable has acknowledged this condition and will comply as necessary.

	length in accordance with repair method 1 or 4b of Table 451.6.2(b)-1 of ASME B31.4 2006 Edition.	
47	Sable must develop a coating repair procedure for excavated or remediated corrosion anomalies that prevents further external corrosion and seals transition areas from currently insulated pipe to newly coated sections. Any time a shrink sleeve or coating is exposed, remove the shrink sleeve and coating, investigate circumferentially and longitudinally along the pipe for external corrosion and coating deterioration, and recoat with two-part epoxy. Sable must recoat in accordance with their coating repair procedure.	Sable has acknowledged and complied with this condition, and will comply in the future as necessary.
48	All external polyurethane foam and the polyethylene tape wrap on buried pipe that are exposed during the field evaluation must not be replaced with new insulation or polyethylene tape wrap.	Sable has acknowledged and complied with this condition.
Integrity Management		
49	A fracture mechanics and pressure cycling evaluation is required for un-remediated cracks and crack-like indications detected by ILI or indirect inspection tools.	Sable has acknowledged and complied with this condition, and will comply in the future as necessary.
	a. Sable must determine the predicted failure pressure, failure stress pressure and crack growth of un-remediated cracks and crack-like anomalies in accordance with 49 C.F.R. §192.712(d)(1).	

	b. Sable must perform a fatigue analysis using an applicable fatigue crack growth law or other technically appropriate engineering methodology in accordance with 49 C.F.R. §192.712(d)(2).	
50	Sable must analyze a sample of additional indications of varying amounts of metal loss between 10% and 40% for validation. The sample size shall be at least ten (10), unless fewer than ten (10) indications are reported within that range, in which case Sable would examine the number of indications called.	Sable has acknowledged and is complying with this condition.
51	When sizing metal loss indications, apply interaction/clustering criteria of 6t by 6t for applicable ILI tool(s).	Sable has acknowledged and complied with this condition, and will comply in the future as necessary.
52	Sable must send all field measurements to the ILI tool vendor within 90 days of completing direct examinations and require the ILI vendor to validate the accuracy of the tool. Sable must conduct annual meetings with the ILI tool vendor to discuss tool performance and incorporate lessons learned.	Sable has acknowledged and is complying with this condition.
53	Sable must utilize a third-party expert to review all ILI reports, verification of digs, data integration, ILI tool tolerances, development of unity plots, measured field findings, failure pressure ratios and any other finding that could affect the integrity of the pipeline. The review must be conducted within six (6) months of each ILI assessment. The third-party	Sable has acknowledged and is complying with this condition.

	expert must be approved by the OSFM prior to being selected.	
54	Within one (1) year from date of issuance, Sable must use a NACE-certified expert to conduct an evaluation and determine if alternating current (AC) interference or direct current (DC) interference or shorting that could contribute to external corrosion is occurring. The expert must recommend the frequency of subsequent interference surveys. All evaluations must be approved and signed by the NACE-certified expert.	Sable has acknowledged and is complying with this condition.
Data Requirements for Predicted Failure Analysis		
55	Unless the defect dimensions have been verified using a direct examination measurements, Sable must explicitly analyze uncertainties in reported assessment results including but not limited to tool tolerance, detection threshold, probability of detection, probability of identification, sizing accuracy, conservative anomaly, interaction criteria, location accuracy, anomaly findings, and unity chart plots or equivalent for determining uncertainties and verifying tool performance, in identifying and characterizing the type and dimensions of anomalies or defects used in the analyses.	Sable has acknowledged and is complying with this condition.

56	The analyses performed in accordance with this state waiver must utilize pipe and material properties of the pipe body and longitudinal weld seam that are documented in traceable, verifiable, and complete records.	Sable has acknowledged and is complying with this condition.
Recordkeeping		
57	Procedures, records of investigations, data, analyses, and other actions made in accordance with the requirements of this state waiver shall be kept for the life of the pipeline and must be submitted to the OSFM, in the manner requested (electronic, hardcopy, or other format) within 30 days.	Sable has acknowledged and will comply with this condition as necessary.
58	<p>Sable must maintain the following records:</p> <ul style="list-style-type: none"> a. Technical approach used for the analysis b. All data used and analyzed c. Pipe and longitudinal weld seam properties d. Procedures used to implement state waiver conditions e. Evaluation methodology used f. Models used g. Direct in situ examination data h. All in-line inspection tool assessments information evaluated i. Pressure test data and results j. All in-the-ditch assessments performed on the pipeline segments 	Sable has acknowledged and will comply with this condition.

	<p>k. All measurement tool, assessment, and evaluation accuracy specifications and tolerances used in technical and operations results</p> <p>l. All finite element analysis results</p> <p>m. The number of pressure cycles to failure, the equivalent number of annual pressure cycles, and the pressure cycle counting methodology</p> <p>n. The predicted fatigue life and predicted failure pressure from the required fatigue life models and fracture mechanics evaluation methods</p> <p>o. Safety factors used for fatigue life and/or predicted failure pressure calculations</p> <p>p. Reassessment time interval and safety factors</p> <p>q. The date of the review</p> <p>r. Confirmation of the results by qualified technical subject matter expert(s)</p> <p>s. Approval by responsible Sable management personnel</p> <p>t. Records of additional preventive and mitigative (P&M) measures performed</p> <p>u. Reports required by this State Waiver.</p>	
Reporting		
59	<p>Any release on the pipeline shall be reported to the OSFM at the earliest practicable moment following discovery but no later than 24 hours from the time of discovery via email at PipelineNotification@fire.ca.gov, <i>Subject: OSFM State Waiver – Accident Notification.</i>¹⁷</p>	<p>Sable has acknowledged and will comply with this condition as necessary.</p>

60	<p>An email notification shall be made at least three (3) days prior to the pipeline being exposed for non-emergency purposes of field evaluation and repair via email at PipelineNotification@fire.ca.gov, <i>Subject: OSFM State Waiver – Pipeline Repair CA-324</i>. The email notification shall include, if applicable:</p> <p>d. Tool type and run date</p> <p>e. Unique identifier (e.g. Dig Number, Joint Number, Flaw ID, Condition Type)</p> <p>f. Dig sheets</p> <p>g. Field contact information for Sable</p> <p>h. Time and location of the field evaluation and repair.</p>	Sable has acknowledged and will comply with this condition.
61	<p>Sable shall provide a Summary of Conditions Report within 210 days of the last date of an ILI run via email at PipelineNotification@fire.ca.gov , <i>Subject: OSFM State Waiver – Summary of Conditions CA-325A/B</i> and include:</p> <p>i. Tool type</p> <p>j. Run date</p> <p>k. Summary of Conditions Report¹⁸</p> <p>l. Final Vendor Report and Pipe Tally</p>	Sable has acknowledged and will comply with this condition.
62	<p>Sable shall provide a report to the OSFM by June 15th of every year for the duration of the state waiver. The report shall be addressed to the OSFM Assistant Deputy Director, Chief of Pipeline Safety via email at PipelineNotification@fire.ca.gov, <i>Subject: OSFM State Waiver – Annual Report CA-325A/B</i>. At a minimum, the annual report shall</p>	Sable has acknowledged and will comply with this condition as necessary.

	<p>contain the following, if applicable:</p> <p>a. A Closure Report for the previous calendar (CY) which contains:</p> <p>i. Features that were remediated in previous CY</p> <p>1. Provide documentation for the in-the-ditch assessments and repairs</p> <p>ii. Identify features that remain to be assessed</p> <p>iii. Unity Plots for previous ILI runs</p> <p>b. Fracture mechanics and pressure cycling analyses in accordance with Condition 49</p> <p>c. The third-party ILI expert reviews in accordance with Condition 53</p> <p>d. AC and DC Interference surveys that are due in accordance with Condition 54</p> <p>e. A copy of the CGRA for prior year including:</p> <p>i. Mean corrosion growth rate for the pipeline</p> <p>Distribution graph of the corrosion growth rate for the pipeline (e.g. occurrences (#) vs. corrosion rate (mpy))</p>	
Limitations		
63	<p>This state waiver is limited to a term of no more than (10) years from the date of issuance. If Sable elects to seek renewal of this state waiver, it must submit a renewal request to the OSFM at least 180 days prior to the expiration date, including a</p>	<p>Sable has acknowledged and will comply with this condition as necessary.</p>

	justification for continuation of the waiver.	
64	Should Sable fail to comply with any conditions of this state waiver or should the OSFM determine that this state waiver is no longer appropriate or is inconsistent with pipeline safety, the OSFM may revoke the state waiver and require Sable to comply with all appropriate regulatory requirements.	Sable has acknowledged and will comply with this condition as necessary.
65	The OSFM may order the pipeline shutdown at any time.	Sable has acknowledged this condition.
66	The OSFM may issue a compliance order or may initiate proceedings to determine the nature and extent of the violations and appropriate civil penalty for failure to comply with this state waiver. The terms and conditions of any compliance order shall take precedence over the terms of the state waiver.	Sable has acknowledged this condition.
67	In the event of conflict between the state waiver conditions and industry standards, the state waiver conditions shall prevail.	Sable has acknowledged this condition.
68	If Sable sells, merges, transfers or otherwise disposes of all or part of the assets covered by the state waiver, Sable must provide the OSFM written notice of the change within 30 days of the consummation date. In the event of such transfer, the OSFM reserves the right to revoke, suspend, or modify the state waiver.	Sable has acknowledged this condition.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 7th day of July, 2025, in Los Angeles, California.



FJ Technologies, Inc.

Brien Vierra, President

Exhibit A - CV



Statement of Services and Qualifications

FJ Technologies is a full service consulting firm serving the pipeline, telecommunications and petroleum industries. The company received its corporation status in the State of California and is based in Atascadero, CA.

FJ Technologies, Inc. offers a full range of services specializing in the following areas:

- Project Management
- Technical Support (drafting, exhibit drawings, graphics,)
- Design Services (hydraulics, piping, directional drill, facility layout, stress analysis, etc.)
- Mechanical Engineering (Civil and Structural Engineering provided through partnering program)
- Construction Observation and Management
- Consulting
- Conceptual Planning
- Procurement

Experience Summary

Mr. Vierra is registered mechanical engineer in the State of California and has over 32 years of experience in the petroleum industry. His experience includes a diverse area such as; permitting and design of cross country pipelines, pressure vessel modifications, permitting and design of process and pumping facilities, design and installation of directional drill crossings, field construction monitoring, project management, project design, hydraulic analysis, pipe stress analysis (Caesar II/Coade), vessel design/fatigue analysis (Compress/Codeware), risk analysis, tank, vessel and pipeline internal/external inspection analysis, preparation of weld procedures and conceptual planning.

Representative Experience

4.1 mile Natural Gas Pipeline Project with High Pressure Meter Stations and Facilities - California

Involved in the planning, engineering, installation and operation of a new 10-inch natural gas pipeline to transport natural gas from an existing major supplier to the end user. This project included facility design, pipeline design, facility tie-ins, pig launching and receiving traps, material specifications, material inspections, bid specifications, procurement and field construction support.

Pipeline Directional Drill Project - Alaska



Statement of Services and Qualifications

Provide permitting assistance, engineering, design, specifications and tie-in procedures for a 20-inch crude oil pipeline relocation. The design involved a 5600 foot directional drill through muskeg and moraine material in the Kenai Burrough of Alaska.

1.2 Mile Products Pipeline - California

Involved in the planning, engineering, installation of a new 16" products pipeline to transport jet fuel from an existing major supplier to the end user. This project included pipeline design, a 5,200 foot directional drill, pig launcher and receiver facilities, facility tie-ins, material specifications, bid specifications and field construction support.

Pipeline Repair/Replacement Project - Alaska

Provide engineering design, project management and hydraulic analysis to retrofit existing 30-inch tanker loading lines for internally inspecting the two lines. The project involved revising the existing onshore piping and platform piping. The onshore piping required a new pig trap design with the offshore piping requiring extensive piping modifications to allow temporary pipe spools to be installed. A review and analysis of the internal inspection report was performed, then recommendations for further investigation/repairs were provided.

Pipeline Repair/Replacement Project - Alaska

Provide engineering design, specifications, bid preparation, project management and construction support to replace one mile of 20-inch pipe via two directional drills and repair 30 other sites via standard open cut methods. All construction work was conducted during winter conditions which required building over 18 miles of ice roads to access the sites.

Pipeline Close Interval Survey - Alaska

Perform close interval surveys (pipe to soil) for 41.5 miles of 20-inch pipeline and 2.5 miles of 12-inch pipe. Survey included providing a written report discussing potential areas of concern with graphical printout of survey.

Relocation of two 8-Inch Pipelines Across Highway 101 - California

This project involved installing two directional drilled casings under Highway 101 as well as the nearby creek. Mr. Vierra provided engineering and permitting services to facilitate the construction of the pipeline replacement. Permitting services included Caltrans Encroachment permit, San Luis Obispo County Encroachment permit, DFG Streambed Alteration Permit, Army Corp. of Engineer Permit and RWQCB Permit.

23 mile Pipeline and Facility Design Project - Louisiana

Involved the planning, engineering, installation and operation of 23 miles of 6" pipe to transport crude oil from Offshore Louisiana to tie-in with an existing pipe system. Project included facility design, three directionally drilled crossings, offshore pipelaying in approximately 45 feet of water, inshore pipelaying through marsh and tying in pipeline to existing system. Responsibilities included complete project management, environmental compliance, material acquisition, contracts, permitting, acquisition of right of way, overall final design, training of personnel for operations and startup troubleshooting. Total overall cost of the project was approximately \$7.5 MM.

Statement of Services and Qualifications

10.2 mile Pipeline Project with High Pressure Meter Stations and Facilities - California

Project involved preparing and submitting permit requests to Santa Barbara County and various other agencies. Overseeing the planning, engineering, environmental review of the project with various consultants and field construction. Writing of several manuals for Operations, Emergency Response, Oil Spill Response, Environmental Manuals, Etc.. Designated on-site engineer during construction and startup. Total overall cost of the project was approximately \$7.2 MM.

20-inch Pipeline Replacement Project – Alaska

This project involved installing approximately 1800 feet of 20-inch pipe via a directional drilled crossing under a river where the old pipe had been damaged. Mr. Vierra provided preliminary engineering, directional drill layout and permitting services as well as construction support during the installation of the pipe replacement. Once the project was complete as-built drawings were provided to the client.

Crude & Product Storage Tank Retrofits – Alaska, California, Illinois, Louisiana, and Texas

Projects performed involved preparing specifications for cleaning, coating, installing double bottoms, and performing API 653 inspections. Additional work to complete tank repairs involved preparation of procedures to repair tank floors, replace nozzles not in compliance with API 650/653 and verification of weld procedures.

1.2-mile Transmission Line Renewal - California:

Mr. Vierra was the project manager responsible for overseeing this 1.2-mile, 12-inch steel oil transmission line renewal through the main business district of a beach community. He prepared preliminary hydraulic calculations, as well as hired and managed outside engineering, environmental and risk analysis consultants. Mr. Vierra worked with consultants and agencies to obtain permits and agency approvals from the City, Department of Fish and Game, and the Regional Water Quality Control Board. Construction costs on the project were approximately \$1 million.

3.5-mile Transmission Line Replacement - California:

Mr. Vierra was the project manager responsible for overseeing the replacement of a 3.5-mile section of two, 8 inch-steel oil transmission lines located near the town of Santa Margarita. These lines were located adjacent to a perennial stream and crossed it in four locations. Each of these crossings required permit approval by the Army Corps of Engineers, RWQCB and the Department of Fish and Game. The project involved preparing engineering packages, environmental documents (archaeological and biological), permit packages, field monitoring for compliance and updating of response plans. Construction costs on the project were approximately \$1.5 million.

Heating, Separating & Pumping Facility Retrofit and Upgrade - California

Install new 8.9 MM BTU Burners in existing heater treaters for compliance with new NOx and SOx emission requirements. Source test equipment and demonstrate compliance with regulating agency. Work involved replacing heat exchanger's with updated more efficient models. Install new water shipping pumps capable of handling higher flow rates and injection pressures.



Statement of Services and Qualifications

Crude and Product Pipeline Installation, Operation and Relocation Work – Alaska, California, Illinois, Louisiana, and Texas

Work involved modifying existing operations, troubleshooting mechanical/electrical problems, pipeline tie-ins, writing of procedures, compliance plans, directional drilling plans, response plans and project specifications. Field engineering and installation of various pieces of equipment. Hydrotesting of lines for DOT and State Fire Marshall compliance. Running of internal inspection tools on various pipeline's to determine remaining wall thickness and operational safety of the entire system.

Corrosion Control and Repair of CP System at VAFB

Mr. Vierra reviewed site data and prepared design drawings/specifications/cost benefit analysis to repair an existing cathodic protection system as well as control existing surface corrosion on various pieces of equipment subject to a harsh environment.

Education

Colorado School of Mines, Golden, CO

Economic Evaluation and Investment Decision Methods Certificate - September, 1996

California Polytechnic State University, San Luis Obispo, CA

Bachelor of Science in Mechanical Engineering Technology - June, 1990

- Registered Professional Engineer (Lic. # M 32330 California)
- Incident Command System. Emergency Management Training
- Fire Protection Training Academy. University of Nevada-Reno
- Confined Space Entry Supervisor
- Hazard Analysis Training Course
- Hazmat 40 Hour Training Certified May 1995, Refresher Oct. 1997
- Threatened and Endangered Species Preliminary Survey Protocols Training Class, LFR - 1999
- Storm Water Regulations, Erosion and Sediment Control Training Class, RWQCB - 2000

For additional information contact Brien Vierra at 805-235-7943.

Exhibit B – Consent Decree

1 BRUCE S. GELBER
 2 Deputy Assistant Attorney General
 Environment and Natural Resources Division
 3 United States Department of Justice
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13 **UNITED STATES DISTRICT COURT**
CENTRAL DISTRICT OF CALIFORNIA

14 UNITED STATES OF AMERICA, and the PEOPLE
 15 OF THE STATE OF CALIFORNIA, *ex rel.*
 DEPARTMENT OF FISH AND WILDLIFE,
 16 PEOPLE OF THE STATE OF CALIFORNIA, *ex rel.*
 CENTRAL COAST REGIONAL WATER QUALITY
 CONTROL BOARD, *ex rel.* CALIFORNIA
 18 DEPARTMENT OF PARKS AND RECREATION, *ex*
 19 *rel.* CALIFORNIA STATE LANDS COMMISSION,
ex rel. CALIFORNIA DEPARTMENT OF
 20 FORESTRY AND FIRE PROTECTION'S OFFICE
 OF STATE FIRE MARSHAL, and THE REGENTS
 21 OF THE UNIVERSITY OF CALIFORNIA,

22 Plaintiffs,

23 v.
 24

25 PLAINS ALL AMERICAN PIPELINE, L.P. and
 26 PLAINS PIPELINE, L.P.,

27 Defendants.
 28

Civil Action No.
 2:20-cv-02415

CONSENT DECREE

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1 A. WHEREAS, on or about May 19, 2015, a hazardous liquid pipeline
2 known as the Line 901 pipeline (“Line 901”) owned and operated by Plains
3 Pipeline, L.P., a wholly owned subsidiary of Plains All American Pipeline, L.P.,
4 (jointly, “Plains” or “Defendants”), failed and discharged approximately 2,934
5 barrels of heavy crude-oil (“Refugio Incident”) in Santa Barbara County,
6 California. A portion of the oil reached the Pacific Ocean and coastal areas such
7 as Refugio State Beach. The Refugio Incident adversely impacted Natural
8 Resources belonging to, managed by, held in trust by, appertaining to, or
9 otherwise controlled by the United States and the State of California
10 (“California” or the “State”).

11 B. WHEREAS, cleanup actions began immediately after the Refugio
12 Incident at the direction of a Unified Command established by the United States
13 Coast Guard (“USCG”) and the State of California Department of Fish and
14 Wildlife (“CDFW”), Office of Spill Prevention and Response (“OSPR”). The
15 Unified Command was comprised of the United States, State agencies, the
16 County of Santa Barbara, and Plains.

17 C. WHEREAS, on May 21, 2015, the United States Department of
18 Transportation’s Pipeline and Hazardous Materials Safety Administration
19 (“PHMSA”) issued Plains a Corrective Action Order (“Original CAO”), CPF No.
20 5-2015-5011H, which was subsequently amended on June 3, 2015 (“CAO
21 Amendment No. 1”), November 12, 2015 (“CAO Amendment No. 2”), and June
22 16, 2016 (“CAO Amendment No. 3”), (collectively, “the PHMSA CAO”). The
23 PHMSA CAO directed Plains, among other things, to purge Line 901 and a
24 portion of the adjoining Line 903 pipeline (“Line 903”), between Plains’ Gaviota
25 and Pentland pump stations, and to keep Line 901 and the purged sections of
26 Line 903 shut down until the actions required by the PHMSA CAO were
27 satisfactorily completed.
28

1 D. WHEREAS, on May 19, 2016, PHMSA issued a Failure
2 Investigation Report, which included PHMSA’s findings of the “proximate or
3 direct” causes and the “contributing” causes of the Refugio Incident.

4 E. WHEREAS, Defendants reimbursed Plaintiffs’ costs incurred for
5 cleanup, and Plaintiffs have no known unreimbursed claims for cleanup costs
6 arising from the Refugio Incident.

7 F. WHEREAS, CDFW incurred certain additional costs arising from
8 the administration and civil enforcement of pollution laws, including attorneys’
9 fees that have been reimbursed by Plains.

10 G. WHEREAS, Plains represents that it has implemented and will
11 continue to utilize an electronic tracking tool and software for maintenance
12 activities, including those activities related to mainline valves. The software
13 tracks which maintenance activities are performed, who performs the activity,
14 when prior notifications of maintenance activities by field personnel are received,
15 when problems requiring maintenance are first discovered, and when
16 maintenance problems are corrected. Plains maintains a separate software
17 program to track the training and qualifications of all maintenance personnel.

18 H. WHEREAS, Plains represents that, following the Refugio Incident
19 and pursuant to PHMSA’s CAO, Plains performed a comprehensive review of its
20 Emergency Response Plan and Training Program, and revised and updated its
21 Response Plan for Onshore Oil Pipelines for Line 901 and Line 903 (“Bakersfield
22 District Response Zone Plan”) to reflect modifications resulting from the review
23 and the incorporation of lessons learned. As part of the revision, Plains identified
24 the locations of culverts along the pipelines’ rights-of-way and provided
25 containment and recovery techniques for responding to spills that may occur near
26 those culverts. Plains provided drafts of the updated Bakersfield District
27 Response Zone Plan to PHMSA, incorporated comments provided by PHMSA,
28 and received approval of the revised plan from PHMSA on September 26, 2017.

1 I. WHEREAS, Plains represents that it also created a more detailed
2 Geographic Information System (“GIS”) based online Tactical Response Plan for
3 its onshore oil pipelines in Southern California, including Line 2000 and the
4 operational portion of Line 903, that, among other things, identifies culverts
5 along the pipelines’ rights-of-way, potential receptors and the equipment,
6 supplies and resources that would be necessary to respond to a spill occurring at
7 any given location along those pipelines, identifies the sources and locations for
8 obtaining those resources, and, in some instances, establishes stored inventories
9 of those resources in specific locations. Plains represents that it intends to keep
10 its Tactical Response Plan updated and available for use in drills and spill
11 response, and that it will make the Tactical Response Plan available to the
12 Plaintiffs upon reasonable request and as needed in connection with a drill or
13 response to a spill.

14 J. WHEREAS, Plains represents that Plains personnel responding to
15 incidents that trigger the standup of an incident command structure (“ICS”) have
16 been provided ICS training appropriate to their responsibilities.

17 K. WHEREAS, the relevant Natural Resources trustees (“Trustees”) for
18 the Refugio Incident are the United States Department of the Interior (“DOI”);
19 United States Department of Commerce, on behalf of the National Oceanic and
20 Atmospheric Administration (“NOAA”); CDFW; California Department of Parks
21 and Recreation (“CDPR”); California State Lands Commission (“CSLC”); and
22 The Regents of the University of California (“UC”).

23 L. WHEREAS, pursuant to Section 1006 of the Oil Pollution Act
24 (“OPA”), 33 U.S.C. 2701, *et seq.*, the United States and the State Trustees
25 allege that oil from the Refugio Incident caused injuries to Natural Resources,
26 including birds, marine mammals, shoreline and subtidal habitats, and also had
27 an impact upon human uses of Natural Resources and other public resources.
28 The Federal Trustees are designated pursuant to the National Contingency Plan,

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1 40 C.F.R. § 300.600 and Executive Order 12777. CDFW and CDPR are
2 designated state trustees pursuant to the National Contingency Plan, 40 C.F.R.
3 § 300.605, and the Governor's Designation of State Natural Resource Trustees
4 pursuant to Section 1006(b)(3) of OPA and the Comprehensive Environmental
5 Response, Compensation and Liability Act of 1980. In addition, CDFW has state
6 natural resource trustee authority pursuant to California Fish and Game Code
7 §§ 711.7 and 1802 and the Lempert-Keene-Seastrand Oil Spill Prevention and
8 Response Act (California Government Code § 8670.1 *et seq.*). CDPR and UC
9 have jurisdiction over natural resources within the state park system and the UC
10 Natural Reserve System, respectively, which are held in trust for the people of
11 the State of California. CSLC is a state trustee pursuant to its jurisdiction under
12 Public Resources Code § 6301 and Civil Code § 670.

13 M. WHEREAS, after the Refugio Incident, the Trustees and Defendants
14 entered into a cooperative Natural Resource Damage Assessment process
15 pursuant to 15 C.F.R. § 990.14, whereby the Trustees and Defendants jointly and
16 independently planned and conducted a number of injury assessment activities.
17 These activities included gathering and analyzing data and other information that
18 the Trustees used to determine and quantify resource injuries and damages. As a
19 result of this process and other activities, the Trustees identified several
20 categories of injured and damaged Natural Resources, including birds, marine
21 mammals, and shoreline and subtidal habitats, as well as effects to human
22 use/recreation resulting from impacts on these Natural Resources, and determined
23 the cost to restore, rehabilitate, replace, or acquire the equivalent of injured
24 Natural Resources. By entering this Consent Decree, Defendants do not admit or
25 agree that the Trustees' NRD findings and determinations are accurate.

26 N. WHEREAS, due to the specific facts surrounding the Refugio
27 Incident, including the timing, degree, and nature of the spill and the affected
28

1 environment, the Trustees will not seek additional damages, costs, or expenses
2 for Natural Resources resulting from the Refugio Incident.

3 O. WHEREAS, Plains agrees to reimburse costs incurred by the
4 Trustees in connection with the NRDA through November 15, 2018, and will not
5 reimburse costs incurred by the Trustees in connection with the NRDA after that
6 date.

7 P. WHEREAS, by entering into this Consent Decree, Plains does not
8 admit the allegations in the Complaint filed in this action, or any liability to the
9 Plaintiffs.

10 Q. WHEREAS, on January 28, 2019, PHMSA initiated a regularly-
11 scheduled “Integrated Inspection” of a portion of Defendants’ Regulated
12 Pipelines, as described below, and other pipeline facilities and records, pursuant
13 to 49 U.S.C. § 60117.

14 R. WHEREAS, the Parties agree that settlement of this matter without
15 further litigation is in the public interest and that the entry of this Consent Decree
16 is the most appropriate means of resolving this action.

17 S. WHEREAS, the Parties agree and the Court by entering this Consent
18 Decree finds, that this Consent Decree: (1) has been negotiated by the Parties at
19 arm’s-length and in good faith; (2) will avoid prolonged litigation between the
20 Parties; (3) is fair and reasonable; and (4) furthers the objectives of the federal
21 and state environmental protections, and the federal and state pipeline safety
22 laws.

23 **I. BACKGROUND**

24 The United States, on behalf of PHMSA, the United States Environmental
25 Protection Agency (“EPA”), DOI, NOAA, and USCG; and the People of the
26 State of California *Ex Relazione* CDFW, CDPR, CSLC, UC, the California
27 Central Coast Regional Water Quality Control Board (“RWQCB”), and the
28 California Department of Forestry and Fire Protection’s - Office of the State Fire

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1 Marshal (“OSFM”), filed a Complaint in this matter pursuant to the Clean Water
2 Act (“CWA”), 33 U.S.C. §§ 1251 *et seq.*, and associated regulations and orders;
3 OPA, 33 U.S.C. §§ 2701 *et seq.*, and associated regulations and orders; the
4 federal Pipeline Safety Laws, 49 U.S.C. §§ 60101 *et seq.*, and associated
5 regulations and orders; the Lempert-Keene-Seastrand Oil Spill Prevention and
6 Response Act, California Government Code §§ 8670.1 *et seq.* and associated
7 regulations; California Fish and Game Code §§ 2014, 5650, 5650.1, 12016,
8 13013; California Water Code §§ 13350, 13385; and the Elder California
9 Pipeline Safety Act of 1981, California Government Code §§ 51010 *et seq.* The
10 Complaint against Plains, *inter alia*, asserts allegations of violations, and seeks
11 penalties, injunctive relief, and Natural Resource Damages.

12 NOW, THEREFORE, before the trial of any claims and without
13 adjudication or admission of any issue of fact or law and with the consent of the
14 Parties, IT IS HEREBY ADJUDGED, ORDERED, AND DECREED as follows:

15 **II. JURISDICTION AND VENUE**

16 1. This Court has jurisdiction over the subject matter of the United
17 States’ claims in this action pursuant to Section 311(b)(7)(E) and (n) of the CWA,
18 33 U.S.C. § 1321(b)(7)(E) and (n), Section 1017(b) of OPA, 33 U.S.C. § 2717(b);
19 Sections 60120 and 60122 of the Pipeline Safety Laws, 49 U.S.C. §§ 60120 and
20 60122; and 28 U.S.C. §§ 1331, 1345, and 1355. This Court has supplemental
21 jurisdiction over the State law claims pursuant to 28 U.S.C. § 1367. To the extent
22 the OPA presentment requirement described in 33 U.S.C. § 2713 applies, the
23 United States and the State Agencies have satisfied the requirement.

24 2. Venue is proper in this District pursuant to Section 311(b)(7)(E) of
25 the CWA, 33 U.S.C. § 1321(b)(7)(E), Section 1017(b) of OPA,
26 33 U.S.C. § 2717(b); Section 60120 of the Pipeline Safety Laws,
27 49 U.S.C. § 60120; and 28 U.S.C. §§ 1391 and 1395(a), because Plains
28

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1 does business in this District and the alleged claims occurred in this District.

2 3. For purposes of this Consent Decree or any action to enforce this
3 Consent Decree, Defendants consent to the Court's jurisdiction over this Consent
4 Decree for such action and Defendants consent to venue in this judicial district.
5 For purposes of this Consent Decree and without admission of liability,
6 Defendants agree that the Complaint states claims upon which relief may be
7 granted.

8 **III. APPLICABILITY**

9 4. Subject to the terms herein, the obligations of this Consent Decree
10 apply to and are binding upon the Parties and any successors, assigns, as well as
11 any other entities or persons otherwise bound by law to comply with this Consent
12 Decree.

13 5. Defendants shall provide a copy of this Consent Decree to all
14 officers, employees, and agents whose duties might reasonably include ensuring
15 compliance with any provision of this Consent Decree, as well as to any
16 contractor retained for the purpose of performing work required under this
17 Consent Decree. Defendants shall condition any such contract upon performance
18 of the work in conformity with the terms of this Consent Decree by specifying
19 that contractors are obligated to perform work in compliance with this Consent
20 Decree.

21 6. In any action to enforce this Consent Decree, Defendants shall not
22 raise as a defense the failure by any of their officers, directors, employees,
23 agents, or contractors to take any actions necessary to comply with the provisions
24 of this Consent Decree.

25 **IV. DEFINITIONS**

26 7. Terms used in this Consent Decree that are defined in the CWA,
27 OPA, Pipeline Safety Laws, the Lempert-Keene-Seastrand Oil Spill Prevention
28 and Response Act, and the Elder California Pipeline Safety Act of 1981 shall

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1 have the meanings assigned to them in these statutes and their regulations, unless
2 otherwise provided in this Consent Decree. Whenever the terms set forth below
3 are used in this Consent Decree, the following definitions shall apply:

4 “Appendix A” is the set of maps that generally depict Lines 901, 903, and
5 2000;

6 “Appendix B” is the Injunctive Relief that Plains is required to perform
7 under this Consent Decree;

8 “Appendix C” is intentionally left blank;

9 “Appendix D” is the list of remaining corrective actions from the PHMSA
10 CAO that Plains is still required to implement under this Consent Decree. For
11 the terms of the PHMSA CAO, *see*
12 [https://primis.phmsa.dot.gov/comm/reports/enforce/CaseDetail_cpf_520155011H](https://primis.phmsa.dot.gov/comm/reports/enforce/CaseDetail_cpf_520155011H.html?nocache=4888#_TP_1_tab_1)
13 [.html?nocache=4888#_TP_1_tab_1](https://primis.phmsa.dot.gov/comm/reports/enforce/CaseDetail_cpf_520155011H.html?nocache=4888#_TP_1_tab_1);

14 “CDFW” shall mean the California Department of Fish and Wildlife and
15 any of its successor departments or agencies;

16 “CDPR” shall mean the California Department of Parks and Recreation
17 and any of its successor departments or agencies;

18 “Complaint” shall mean the Complaint filed by the Plaintiffs in this action;

19 “Consent Decree” shall mean this Consent Decree and all Appendices
20 attached hereto;

21 “Control Room Management Plan” shall mean Plains’ Control Room
22 Management Plan, dated October 2019, and delivered to PHMSA electronically
23 on October 21, 2019, from counsel for Defendants;

24 “Control Center General Procedures” shall mean Plains’ Control Center
25 General Procedures, dated October 2019, and delivered to PHMSA electronically
26 on October 21, 2019, from counsel for Defendants;

27 “CSLC” shall mean the California State Lands Commission and any of its
28 successor departments or agencies;

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1 “Day” shall mean a calendar day unless expressly stated to be a working
2 day. In computing any period of time under this Consent Decree, the rules set
3 forth in Rule 6 of the Federal Rules of Civil Procedure shall apply;

4 “Defendants” shall mean Plains All American Pipeline, L.P. and Plains
5 Pipeline, L.P.;

6 “Delivery Lines” as stated in Appendix B shall mean any pipeline that
7 generally operates to move oil from a delivery meter on a pipeline or facility to
8 another pipeline or facility in close proximity;

9 “DOI” shall mean the United States Department of the Interior, including
10 its bureaus and agencies, and any of its successor departments or agencies;

11 “Elder California Pipeline Safety Act” shall mean the Elder California
12 Pipeline Safety Act of 1981, California Government Code §§ 51010 *et seq.*;

13 “EPA” shall mean the United States Environmental Protection Agency and
14 any of its successor departments or agencies;

15 “Effective Date” shall have the definition provided in Section XXI
16 (Effective Date);

17 “Federal Trustees” shall mean DOI and NOAA in their capacities as
18 Natural Resource Trustees;

19 “Integrity Management Plan” or “IMP” shall mean Plains’ Integrity
20 Management Plan, dated September 2019, as delivered to PHMSA by letter dated
21 November 19, 2019, from counsel for Defendants;

22 “Line 901” is Defendants’ 24-inch diameter crude-oil pipeline that
23 extends approximately 10.7 miles in length from the Los Flores Pump Station to
24 the Gaviota Pump Station, in Santa Barbara County, California, as generally
25 depicted in Appendix A;

26 “Line 903” is Defendants’ 30-inch diameter crude-oil pipeline that extends
27 approximately 129 miles in length from the Gaviota Pump Station in Santa
28 Barbara County, California to the Emidio Pump Station in Kern County,

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1 California, with intermediate stations at Sisquoc Mile Post 38.5 and Pentland
2 Mile Post 114.57, as generally depicted in Appendix A;

3 “Line 2000” is Defendants’ 20-inch diameter pipeline that extends
4 approximately 130 miles in length and transports crude-oil produced in the outer
5 continental shelf and the San Joaquin Valley. Line 2000 runs from Bakersfield,
6 California, over the Tehachapi Mountains and through the Grapevine I-5 corridor
7 and extends to delivery locations in the Los Angeles metropolitan area, as
8 generally depicted in Appendix A;

9 “Mainline pipeline” as stated in Appendix B shall mean the principal
10 pipeline or the parallel pipeline in a given pipeline system, excluding connected
11 lateral lines or branch lines that are used locally to deliver product either into the
12 mainline pipeline from, or out of the mainline pipeline to, a nearby facility or a
13 third-party line;

14 “Natural Resource” and “Natural Resources” shall mean land, fish,
15 mammals, birds, wildlife, biota, air, water, ground water, drinking water supplies,
16 and other such resources belonging to, managed by, held in trust by, appertaining
17 to, or otherwise controlled by the United States and/or the State or any
18 subdivision thereof, and shall also mean the services provided by such resources
19 to other resources or to humans;

20 “Natural Resource Damages” or “NRD” shall mean all damages, including
21 restoration or rehabilitation costs, recoverable by the United States or State
22 Trustees for injuries to, destruction of, loss of, or loss of use of, natural resources
23 including any services such natural resources provide, including the reasonable
24 costs of assessing the damage, as described in 33 U.S.C. § 2702(b)(2)(A),
25 resulting from the Refugio Incident;

26 “Natural Resource Damage Assessment” or “NRDA” shall mean the
27 process of collecting, compiling, and analyzing information, statistics, or data
28 through prescribed methodologies to determine damages for injuries to Natural

1 Resources, as described in 15 C.F.R. Part 990, resulting from the Refugio
2 Incident;

3 “NRD Payment” shall mean the payment Defendants are required to pay
4 for the Natural Resource Damages as described in Section VI (Natural Resource
5 Damages);

6 “Natural Resource Trustees” or “Trustees” are those federal and state
7 agencies or officials designated or authorized pursuant to the CWA, OPA, and/or
8 applicable state laws to act as Trustees for the Natural Resources belonging to,
9 managed by, controlled by, or appertaining to the United States or the State.

10 Participating Trustees in the Natural Resource Damage Assessment and in this
11 Consent Decree are DOI, NOAA, CDFW, CDPR, CSLC, and UC;

12 “NOAA” shall mean the National Oceanic and Atmospheric
13 Administration and any of its successor departments or agencies;

14 “Oil Spill Liability Trust Fund” or “OSLTF” shall mean, *inter alia*, the
15 fund established pursuant to 26 U.S.C. § 9509, including the claim-
16 reimbursement provisions set forth in 33 U.S.C. § 2712;

17 “OSFM” shall mean the California Department of Forestry and Fire
18 Protection’s - Office of the State Fire Marshal and any of its successor
19 departments or agencies;

20 “Paragraph” shall mean a portion of this Consent Decree identified by an
21 Arabic numeral;

22 “Parties” shall mean the Plaintiffs and Defendants, collectively;

23 “PHMSA” shall mean the United States Department of Transportation,
24 Pipeline and Hazardous Materials Safety Administration and any of its successor
25 departments or agencies;

26 “PHMSA Corrective Action Order” or “PHMSA CAO” shall mean the
27 Original CAO issued on May 21, 2015, by PHMSA, which was subsequently
28 amended on June 3, 2015, November 12, 2015, and June 16, 2016;

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1 “Pipeline Safety Laws” shall mean 49 U.S.C. §§ 60101 *et seq.*, and
2 regulations promulgated thereunder, including 49 C.F.R. Parts 190-199;

3 “Plaintiffs” shall mean the United States and the State Agencies;

4 “Refugio Incident” shall mean the release of approximately 2,934 barrels
5 of crude-oil from Plains’ Line 901 Pipeline, in Santa Barbara County, California
6 on or about May 19, 2015;

7 “Regulated Pipeline” shall mean any pipeline operated by Plains subject to
8 regulation under 49 C.F.R. Subchapter D, 19 California Code of Regulations Div.
9 1 Ch. 14, or the pipeline safety regulations of any other state certified by PHMSA
10 pursuant to 49 U.S.C. § 60105, but excludes facilities other than pipelines;

11 “Requests for Information” or “RFI” shall mean PHMSA’s RFIs dated
12 August 19, 2015, August 21, 2015, and September 1, 2016. RFIs shall also refer
13 to PHMSA’s subpoenas issued to Plains dated July 27, 2016 and June 2, 2017;

14 “Restore” or “Restoration” shall mean any action or combination of actions
15 to restore, rehabilitate, replace or acquire the equivalent of any Natural Resource
16 and its services, including Natural Resource-based recreational opportunities that
17 were injured, lost, or destroyed as a result of the Refugio Incident;

18 “RWQCB” shall mean the California Central Coast Regional Water
19 Quality Control Board and any of its successor departments or agencies;

20 “Section” shall mean a portion of this Consent Decree identified by a
21 Roman numeral;

22 “Segment” as stated in Appendix B shall mean any contiguous portion of a
23 pipeline system for which a single hydrostatic test or ILI may be performed, as
24 determined by Defendants;

25 “State Agencies” shall mean the People of the State of California, *Ex*
26 *Relatione* CDFW, CDPR, CSLC, OSFM, RWQCB, and UC. The State Agencies
27 do not include any entity or political subdivision of the State of California other
28 than those agencies herein designated the “State Agencies”;

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1 “State Trustees” shall mean CDFW, CDPR, CSLC, and UC in their
2 capacities as Natural Resource Trustees;

3 “United States” shall mean the United States of America, on behalf of
4 PHMSA, EPA, DOI, NOAA, and USCG;

5 “UC” shall mean The Regents of the University of California and any of its
6 successor departments or agencies; and

7 “USCG” shall mean the United States Coast Guard and any of its
8 successor departments or agencies.

9 **V. CIVIL PENALTIES**

10 A. Within thirty (30) Days after the Effective Date, Defendants shall pay to
11 the United States, CDFW, and RWQCB a total civil penalty of twenty-four
12 million dollars (\$24,000,000), together with interest accruing from the date on
13 which the Consent Decree is lodged with the Court, at a rate specified in 28
14 U.S.C. § 1961 (the “Penalty Payment”). The Penalty Payment shall be allocated
15 as follows:

16 8. Penalty Payment to the United States (PHMSA). For violations of
17 the Pipeline Safety Laws alleged in the United States’ Complaint, Defendants
18 shall pay to the United States a civil penalty of fourteen million five hundred
19 thousand dollars (\$14,500,000), together with a proportionate share of the interest
20 accrued on the Penalty Payment. The Penalty Payment shall be made as follows:

21 a. Thirteen million two hundred fifty thousand dollars
22 (\$13,250,000) attributed to Plains’ alleged Pipeline Safety Law
23 violations; and

24 b. One million two hundred fifty thousand dollars (\$1,250,000)
25 attributed to Plains’ alleged non-compliance with the RFIs.

26 c. Payment shall be made by FedWire Electronic Funds Transfer
27 (“EFT”) to the United States Department of Justice in accordance
28 with written instructions to be provided to Defendants by the

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1 Financial Litigation Unit (“FLU”) of the United States Attorney’s
2 Office for the Central District of California Western Division after
3 the Effective Date. The payment instructions provided by the FLU
4 will include a Consolidated Debt Collection System (“CDCS”)
5 number, which Defendants shall use to identify all payments
6 required to be made in accordance with this Consent Decree. The
7 FLU will provide the payment instructions to:

8 Megan Prout
9 Senior Vice President
10 Commercial Law and Litigation
11 Plains All American Pipeline, L.P.
12 333 Clay Street, Suite 1600
Houston, TX 77002

13 on behalf of Defendants. Defendants may change the individual to
14 receive payment instructions on their behalf by providing written
15 notice of such change to the United States in accordance with
16 Section XX (Notices).

17 d. At the time of payment, Defendants shall send a copy of the
18 EFT authorization form and the EFT transaction record, together
19 with a transmittal letter, which shall state the payment is for the civil
20 penalty owed pursuant to this Consent Decree in the *United States of*
21 *America and the People of the State of California v. Plains All*
22 *American Pipeline, L.P., et al.*, and shall reference the Civil Action
23 Number assigned to this case, CDCS Number, and DOJ case number
24 90-5-1-1-11340, to the United States in accordance with Section XX
25 (Notices).

26 9. Penalty Payment to the United States (EPA) shared with CDFW and
27 RWQCB. The Penalty Payment shall be allocated as follows:

28 a. As a CWA penalty for violations of 33 U.S.C. § 1321(b) and

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1 the California statutes alleged in the Complaint other than California
2 Government Code § 8670.66(b), Defendants shall pay a civil penalty
3 of nine million four hundred fifty thousand dollars (\$9,450,000),
4 together with a proportionate share of the interest accrued on the
5 Penalty Payment. The Penalty Payment shall be made as follows:

6 1) To CDFW, one million twenty-five thousand dollars
7 (\$1,025,000), together with a proportionate share of the
8 interest accrued on the Penalty Payment. The Penalty
9 Payment shall be made by check payable to California
10 Department of Fish and Wildlife. The check shall be sent by
11 overnight or certified mail to:

12 California Department of Fish and Wildlife
13 Office of Spill Prevention and Response
14 Attn: Katherine Verrue-Slater, Senior Counsel
15 P.O. Box 160362
16 Sacramento, California 95816-0362

17 The check shall reference the “Refugio Oil Spill.” CDFW
18 shall deposit the money as follows: one million dollars
19 (\$1,000,000) into the Environmental Enhancement Fund
20 pursuant to California Government Code § 8670.70; and
21 twenty-five thousand dollars (\$25,000) into the Fish and
22 Wildlife Pollution Account pursuant to California Fish and
23 Game Code §§ 12017 and 13011.

24 2) To RWQCB, two million five hundred thousand dollars
25 (\$2,500,000), together with a proportionate share of the
26 interest accrued on the Penalty Payment. The Penalty
27 Payment shall be made by check payable to the “State Water
28 Pollution Cleanup and Abatement Account” and sent to:

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1 State Water Resources Control Board
2 Division of Administrative Services, ATTN: Civil
3 Liability Payment
4 P.O. Box 1888
5 Sacramento, California 95812-1888

6 The check shall reference the “Refugio Oil Spill.”

7 3) To the United States, five million nine hundred twenty-
8 five thousand dollars (\$5,925,000), together with a
9 proportionate share of the interest accrued on the Penalty
10 Payment, by EFT to the United States Department of Justice, in
11 accordance with instructions to be provided to Defendants by
12 the FLU of the United States Attorney’s Office for the Central
13 District of California Western Division. Such monies are to be
14 deposited in the OSLTF. The Penalty Payment shall reference
15 the Civil Action Number assigned to this case, DOJ case
16 number 90-5-1-1-11340, and USCG reference numbers FPNs
17 A15017 and A15018, and shall specify that the payment is
18 made for CWA civil penalties to be deposited into the OSLTF
19 pursuant to 33 U.S.C. § 1321(s), Section 4304 of Pub. L. No.
20 101-380, and 26 U.S.C. § 9509(b)(8). Any funds received after
21 11:00 a.m. Eastern Standard Time shall be credited on the next
22 business day. Defendants shall simultaneously provide notice
23 of payment in writing, together with a copy of any transmittal
24 documentation to EPA and the United States in accordance with
25 Section XX (Notices) of this Consent Decree, and to EPA by
26 email to acctsreceivable.CINWD@epa.gov and to EPA and the
27 National Pollution Funds Center at the following addresses:
28

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1 U.S. Environmental Protection Agency
2 Cincinnati Finance Office
3 26 Martin Luther King Drive
4 Cincinnati, Ohio 45268

5 and

6 Patricia V. Kingcade
7 Attorney Advisor
8 National Pollution Funds Center
9 U.S. Coast Guard
10 2703 Martin Luther King Jr. Avenue SE
11 Washington, D.C. 20593-7605

12 10. Penalty Payment to be Paid to CDFW. For alleged violations of
13 California Government Code § 8670.25.5, Defendants shall pay a civil penalty
14 pursuant to California Government Code § 8670.66(b) of fifty thousand dollars
15 (\$50,000) together with a proportionate share of the interest accrued on the
16 Penalty Payment. The Penalty Payment shall be made by check payable to
17 California Department of Fish and Wildlife. The check shall be sent by overnight
18 or certified mail to:

19 California Department of Fish and Wildlife
20 Office of Spill Prevention and Response
21 Attn: Katherine Verrue-Slater, Senior Counsel
22 P.O. Box 160362
23 Sacramento, California 95816-0362

24 The check shall reference the “Refugio Oil Spill.” CDFW shall deposit the
25 money into the Environmental Enhancement Fund pursuant to California
26 Government Code § 8670.70.

27 11. Defendants shall not deduct or capitalize any penalties paid under
28 this Section or under Section XI (Stipulated Penalties) in calculating their federal
or state income taxes.

VI. NATURAL RESOURCE DAMAGES

12. Within thirty (30) Days after the Effective Date, Defendants shall
pay an NRD Payment of twenty-two million three hundred twenty-five thousand

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1 dollars (\$22,325,000) together with interest accruing from November 16, 2018, at
2 a rate specified in 28 U.S.C. § 1961. The NRD Payment shall be allocated as
3 follows:

4 a. To DOI, eighteen million four hundred twenty-two thousand
5 dollars (\$18,422,000) together with a proportionate share of the
6 interest accrued on the NRD Payment. Such payment shall be used
7 by the Trustees for the purposes set forth in Section VII (Trustees'
8 Management and Applicability of Joint NRD Funds). Defendants
9 shall make such payment by EFT to the United States Department of
10 Justice in accordance with instructions that the FLU of the United
11 States Attorney's Office for the Central District of California
12 Western Division shall provide to Defendants following the
13 Effective Date of this Consent Decree by this Court. At the time of
14 payment, Defendants shall simultaneously send written notice of
15 payment and a copy of any transmittal documentation to the
16 Trustees in accordance with Section XX (Notices) of this Consent
17 Decree and to:

18 Department of the Interior
19 Natural Resource Damage Assessment and
20 Restoration Program
21 Attention: Restoration Fund Manager
22 1849 "C" Street, N.W. Mail Stop 4449
23 Washington, D.C. 20240

24 The EFT and transmittal documentation shall reflect that the
25 payment is being made to the Department of the Interior Natural
26 Resources Damage Assessment and Restoration Fund ("Restoration
27 Fund"), Account Number 14X5198. DOI will maintain these funds
28 as a segregated subaccount named REFUGIO BEACH OIL SPILL
NRD Subaccount within the Restoration Fund.

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1 b. To CDPR, two million eighty-four thousand dollars
2 (\$2,084,000) together with a proportionate share of the interest
3 accrued on the NRD Payment, for deposit into the State Park
4 Contingent Fund. Payment shall be made by check payable to the
5 California Department of Parks and Recreation. At the time of
6 payment, Defendants shall simultaneously send written notice of
7 payment and a copy of any transmittal documentation to the
8 Trustees in accordance with Section XX (Notices) of this Consent
9 Decree. The check shall be sent by overnight or certified mail to:

10 The California Department of Parks and
11 Recreation
12 Attn: Laura Reimche, Senior Counsel
13 1416 Ninth Street, Room 1404-6
 Sacramento, California 95814

14 The check shall reference the “Refugio Beach Oil Spill” and reflect
15 that it is a payment to the State Parks Contingent Fund. CDPR shall
16 use such monies to fund appropriate projects within State Parks’
17 properties from Gaviota to El Capitan State Park to compensate for
18 recreation losses resulting from the Refugio Incident. CDPR shall
19 manage such monies in accordance with Section VIII (Trustees’
20 Management of Recreational Use Funds).

21 c. To the National Fish and Wildlife Foundation (“NFWF”), one
22 million seven hundred ninety-three thousand dollars (\$1,793,000)
23 together with a proportionate share of the interest accrued on the
24 NRD Payment, on behalf of the State Trustees for deposit into the
25 California South Coast Shoreline Parks and Outdoor Recreational
26 Use Account established by NFWF. Payment shall be made by
27 check payable to the National Fish and Wildlife Foundation. At the
28 time of payment, Defendants shall simultaneously send written

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1 notice of payment and a copy of any transmittal documentation to
2 the Trustees in accordance with Section XX (Notices) of this
3 Consent Decree. The check shall be sent by overnight or certified
4 mail to:

5 California Department of Fish and Game
6 Office of Spill Prevention and Response
7 Attn: Katherine Verrue-Slater, Senior Counsel
8 P.O. Box 160362
9 Sacramento, California 95816-0362

10 The check shall reference the “Refugio Beach Oil Spill” and reflect
11 that it is a payment to the California South Coast Shoreline Parks
12 and Outdoor Recreational Use Account. The California South Coast
13 Shoreline Parks and Outdoor Recreational Use Account shall be
14 managed in accordance with the South Coast Shoreline Parks and
15 Outdoor Recreational Use Account Memorandum of Agreement
16 among the State Trustees and NFWF and shall be used by the
17 Trustees for the purposes set forth in Section VIII (Trustees’
18 Management of Recreational Use Funds).

19 d. To UC, twenty-six thousand dollars (\$26,000) together with a
20 proportionate share of the interest accrued on the NRD Payment, for
21 deposit into Natural Reserve System Account. Payment shall be
22 made by check payable to The Regents of the University of
23 California. At the time of payment, Defendants shall simultaneously
24 send written notice of payment and a copy of any transmittal
25 documentation to the Trustees in accordance with Section XX
26 (Notices) of this Consent Decree. The check shall be sent by
27 overnight or certified mail to:
28

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1 The Regents of the University of California
2 Attn: Michael Kisgen, Associate Director
3 Natural Reserve System
4 University of California, Office of the President
5 1111 Franklin Street, 6th Floor
6 Oakland, California 94607-5200

7 The check shall reference the “Refugio Beach Oil Spill” and reflect
8 that it is a payment to the Natural Reserve System Account. The
9 University of California Natural Reserve System will administer the
10 monies to fund projects selected by the University of California in
11 coordination with the Trustees. The projects shall address the
12 research, education, and outreach missions of the University of
13 California. UC shall manage such monies in accordance with
14 Section VIII (Trustees’ Management of Recreational Use Funds).

15 13. The NRD Payment is in addition to the NRDA costs incurred by the
16 Trustees through November 15, 2018, which have been separately reimbursed by
17 Defendants. To date, Plains has paid approximately ten million dollars
18 (\$10,000,000) for NRDA costs incurred by the Trustees through November 15,
19 2018.

20 **VII. TRUSTEES’ MANAGEMENT AND APPLICABILITY OF JOINT**
21 **NRD FUNDS**

22 14. DOI shall, in accordance with law, manage and invest funds in the
23 REFUGIO BEACH OIL SPILL NRD Subaccount, paid pursuant to Paragraph
24 12, and any return on investments or interest accrued on the REFUGIO BEACH
25 OIL SPILL NRD Subaccount for use by the Natural Resource Trustees in
26 connection with Restoration of Natural Resources affected by the Refugio
27 Incident. DOI shall not make any charge against the REFUGIO BEACH OIL
28 SPILL NRD Subaccount for any investment or management services provided.

15. DOI shall hold all funds in the REFUGIO BEACH OIL SPILL NRD

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1 Subaccount, including return on investments or accrued interest, subject to the
2 provisions of this Consent Decree.

3 16. The Natural Resource Trustees commit to the expenditure of the
4 funds set forth in Paragraph 12 for the design, implementation, permitting (as
5 necessary), monitoring, and oversight of Restoration projects and for the costs of
6 complying with the requirements of the law to conduct a Restoration planning
7 and implementation process. The Natural Resource Trustees will use the funds to
8 Restore, rehabilitate, replace or acquire the equivalent of any Natural Resource
9 and its services, including lost human use of such services, injured, lost, or
10 destroyed as a result of the Refugio Incident and for the administration and
11 oversight of these Restoration projects.

12 17. The specific projects or categories of projects will be contained in a
13 Restoration Plan prepared and implemented jointly by the Trustees, for which
14 public notice, opportunity for public input, and consideration of public comment
15 will be provided. Plains shall have no responsibility nor liability for
16 implementation of the Restoration Plan or projects relating to the Refugio
17 Incident, including any future project costs other than the payments set forth in
18 Section VII herein. The Trustees jointly retain the ultimate authority and
19 responsibility to use the funds in the REFUGIO BEACH OIL SPILL NRD
20 Subaccount to Restore Natural Resources in accordance with applicable law, this
21 Consent Decree, and any memorandum or other agreement among them.

22 **VIII. TRUSTEES' MANAGEMENT OF RECREATIONAL USE**
23 **FUNDS**

24 18. CDPR shall allocate the monies paid pursuant to Paragraph 12 for
25 projects providing human use benefits and for the oversight of those projects in
26 accordance with a Restoration Plan prepared and implemented jointly by the
27 Trustees, this Consent Decree, and in accordance with applicable law and any
28 Trustee memorandum or other agreement among them.

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1 19. The State Trustees shall allocate the funds in the Recreational Use
 2 Account held by NFWF for projects providing human use benefits and for the
 3 oversight of those projects in accordance with a Restoration Plan prepared and
 4 implemented jointly by the Trustees, this Consent Decree, and in accordance with
 5 applicable law and any Trustee memorandum or other agreement among them.

6 20. UC shall allocate the monies paid pursuant to Paragraph 12 for
 7 research, education, and outreach projects in accordance with a Restoration Plan
 8 prepared and implemented jointly by the Trustees, this Consent Decree, and in
 9 accordance with applicable law and any Trustee memorandum or other
 10 agreement among them.

11 **IX. INJUNCTIVE RELIEF**

12 21. Plains agrees to implement the injunctive relief set forth in
 13 Appendix B to this Consent Decree for Plains’ Regulated Pipelines.

14 22. Material Changes to Plains’ IMP.

15 a. Plains’ Integrity Management Plan shall serve as the baseline
 16 IMP for purposes of this Consent Decree. Plains agrees that it will
 17 not make any material changes to the following parts of the IMP
 18 throughout the term of this Consent Decree without following the
 19 process set forth in this Paragraph:

- 20 1) Procedure for the Assessment of In-Line Inspection
- 21 (“ILI”) Results;
- 22 2) Section 9.5, “Continual Evaluation and Assessment of
- 23 Pipeline Integrity;”
- 24 3) White Papers 32-200.09-S001, “Reassessment Interval
- 25 Determination on Pipelines with Possible Shielded Coatings,”
- 26 and 32-200.09-S002, “Reassessment Interval Determination on
- 27 Pipelines with Possible Corrosion Under Insulation;”

1 4) Section 11.3, “Conducting Preventive and Mitigative
2 Evaluation Meetings;”

3 5) Section 11.4, “Documentation of P&M Evaluation
4 Meetings;” and

5 6) Section 11.6, “Implementation of P&M
6 Recommendations.”

7 For purposes of this Paragraph, the term “material change” refers to
8 any substantive modification in the IMP Procedures that could affect
9 the outcome or effect of a particular procedure or requirement.

10 b. At least thirty (30) Days prior to making a material change to
11 the above sections of the IMP, Defendants shall provide written
12 notice to PHMSA that includes a copy of the proposed change(s). In
13 the event PHMSA provides a written objection to Defendants’ notice
14 prior to the effective date of the material change and they cannot
15 informally resolve the matter, Defendants shall have the right to
16 submit the issue to Dispute Resolution (Section XIII).

17 c. In the event Plains cannot reasonably provide the thirty (30)
18 Day notice of material modification to the IMP described in
19 Subparagraph 22.b due to an unanticipated emergency, Plains shall
20 provide written notice to PHMSA within seven (7) Days of the
21 material change, stating the basis for the abbreviated notice. In the
22 event PHMSA provides a written objection to Defendants’
23 modification, Defendants shall have the right to submit the issue to
24 Dispute Resolution (Section XIII).

25 d. In the event PHMSA provides a written objection to a
26 material modification of Defendants’ IMP, PHMSA and Defendants
27 shall have sixty (60) Days for informal consultation. The parties
28 may mutually agree to extend the period by no more than thirty (30)

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1 Days. Following the notice period specified in Subparagraphs 22.b
2 and 22.c, Defendants may implement the modification until the
3 dispute is resolved. If the dispute is not resolved as a result of the
4 informal consultation, PHMSA or Defendants may invoke Dispute
5 Resolution pursuant to Section XIII. Stipulated penalties shall not
6 accrue during the informal consultation period described in this
7 Paragraph.

8 23. Material Changes in Control Room Management Plan and Control
9 Center General Procedures.

10 a. Plains' Control Room Management Plan and Control Center
11 General Procedures (collectively, "Control Center Plan and
12 Procedures") shall serve as the baseline Control Center Plan and
13 Procedures for purposes of this Consent Decree. Plains agrees that it
14 will not make any material changes to sections 6.5.5, 6.6.8, 8, 9.6.4,
15 9.6.9, 9.6.13, and 9.6.14 of its Control Room Management Plan and
16 procedures 100-2, 100-8, 100-9, 200-1, 300-1, 300-3, 300-5, 400-0,
17 and 500-12 of its Control Center General Procedures throughout the
18 term of this Consent Decree without following the process set forth
19 in this Paragraph. For purposes of this Paragraph, the term "material
20 change" refers to any substantive modification in the Control Center
21 Plan and Procedures that could affect the outcome or effect of a
22 particular procedure or requirement.

23 b. At least thirty (30) Days prior to making a material
24 modification to the above sections of its Control Room
25 Management Plan and Control Center General Procedures,
26 Defendants shall provide written notice to PHMSA that includes a
27 copy of the proposed change(s). In the event PHMSA provides a
28 written objection to Defendants' notice prior to the effective date of

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1 the material change(s), Defendants shall have the right to submit the
2 issue to Dispute Resolution (Section XII).

3 c. In the event Plains cannot reasonably provide the thirty (30)
4 Day notice of material modification to the Control Room
5 Management Plan and Control Center General Procedures described
6 in Subparagraph 23.b due to an unanticipated emergency, Plains
7 shall provide written notice to PHMSA within seven (7) Days of the
8 material modification, stating the basis for the abbreviated notice. In
9 the event PHMSA provides a written objection to Defendants'
10 modification, Defendants shall have the right to submit the issue to
11 Dispute Resolution (Section XIII).

12 d. In the event PHMSA provides a written objection to a
13 material modification of Defendants' Control Room Management
14 Plan and Control Center General Procedures, PHMSA and
15 Defendants shall have sixty (60) Days for informal consultation.
16 The parties may mutually agree to extend the period by no more
17 than thirty (30) Days. Following the notice period specified in
18 Subparagraphs 23.b and 23.c, Defendants may implement the
19 modification until the dispute is resolved. If the dispute is not
20 resolved as a result of the informal consultation, PHMSA or
21 Defendants may invoke Dispute Resolution pursuant to Section XIII.
22 Stipulated penalties shall not accrue during the informal consultation
23 period described in this Paragraph.

24 24. Where any compliance obligation under this Consent Decree requires
25 Defendants to obtain a federal, state, or local permit or approval, Defendants shall
26 submit timely applications and take all other actions reasonably necessary to obtain
27 all such permits or approvals. Defendants may seek relief under the provisions of
28 Section XII (Force Majeure) for any delay in the performance of any such

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1 obligation resulting from a failure to obtain, or a delay in obtaining, any permit or
2 approval required to fulfill such obligation, if Defendants have submitted timely
3 applications and have taken all other actions reasonably necessary to obtain all
4 such permits or approvals.

5 **X. CORRECTIVE ACTION ORDER**

6 25. Upon the Effective Date of this Consent Decree, the PHMSA CAO
7 shall close and be of no further force or effect. All outstanding terms and
8 obligations under the PHMSA CAO as of the Effective Date and which Plains is
9 still required to implement under this Consent Decree are set forth in Appendix D.

10 **XI. STIPULATED PENALTIES**

11 26. Unless excused under Section XII (Force Majeure), Defendants shall
12 be liable for stipulated penalties for violations of this Consent Decree as specified
13 below. A violation includes failing to perform any obligation required by the
14 terms of this Consent Decree according to all applicable requirements of this
15 Consent Decree and within the specified time schedules established by or
16 approved under this Consent Decree.

17 27. Late Payment of Civil Penalties and NRD Payment.

18 a. If Defendants fail to pay any portion of the Penalty Payment
19 to the United States required under Section V (Civil Penalties) when
20 due, Defendants shall pay to the United States a stipulated penalty of
21 ten thousand dollars (\$10,000) per Day for each Day payment is
22 late.

23 b. If Defendants fail to pay any portion of the Penalty Payment
24 to the CDFW and/or RWQCB as required under Section V (Civil
25 Penalties) when due, Defendants shall pay to the CDFW and/or
26 RWQCB a stipulated penalty of ten thousand dollars (\$10,000) each,
27 as applicable, per Day for each Day payment is late.

28 c. If Defendants fail to pay any portion of the NRD Payments

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1 required under Section VI (Natural Resource Damages) when due,
2 Defendants shall pay a stipulated penalty of five thousand dollars
3 (\$5,000) to the United States, and five thousand dollars (\$5,000) to
4 the State Trustees, per Day for each Day payment is late.

5 28. Stipulated Penalties for Non-Performance of Injunctive Relief.

6 Unless excused under Section XII (Force Majeure), the stipulated penalties
7 described in this Paragraph shall accrue per violation per Day for Defendants'
8 failure to perform the following injunctive relief required under Section IX
9 (Injunctive Relief) when due:

- 10 a. For failure to timely submit to OSFM the applications for
11 State waivers as specified in paragraphs 1.A, 1.B, 1.C, and 1.D of
12 Appendix B;
- 13 b. For failure to implement the Integrity Management provisions
14 as specified in paragraphs 4.A.1.a, e, f, g, h, and 4.A.2 of Appendix
15 B;
- 16 c. For failure to timely submit to OSFM the EFRD analyses as
17 specified in paragraphs 5.A-5.B of Appendix B;
- 18 d. For failure to timely submit to OSFM the risk analysis as
19 specified in paragraph 6.A of Appendix B;
- 20 e. For failure to timely submit to PHMSA the modified Section
21 9.5 of Plains' IMP, as specified in paragraph 9.A.3 of Appendix B;
- 22 f. For failure to timely submit to PHMSA the modified P&M
23 Recommendation forms, as specified in paragraph 9.B of Appendix
24 B;
- 25 g. For failure to timely conduct EFRD analyses for all Regulated
26 Pipelines for which Plains has not previously conducted an EFRD
27 analysis, as specified in paragraph 10.A of Appendix B;
- 28

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- 1 h. For failure to timely have in place revised valve maintenance
2 procedures, as specified in paragraph 10.B of Appendix B;
- 3 i. For failure to timely create a list of rupture detection methods
4 utilized, as specified in paragraph 11.A of Appendix B;
- 5 j. For failure to timely conduct annual training for controllers on
6 attributes and benefits of various methods of leak detection,
7 including Analog High/Low Threshold, Alarm Deadband, Creep
8 Deviation, and Analog Rate of Change, as specified in paragraph
9 11.B of Appendix B;
- 10 k. For failure to timely submit to PHMSA the computational
11 pipeline monitoring (“CPM”) systems analysis, as specified in
12 paragraph 11.C of Appendix B;
- 13 l. For failure to timely submit to PHMSA the selection of leak
14 detection method procedure, as specified in paragraph 11.D of
15 Appendix B;
- 16 m. For failure to hold or document periodic (at least annual)
17 meetings regarding potential improvements to leak detection, as
18 provided in paragraph 11.E of Appendix B;
- 19 n. For failure to timely have in place a procedure for tracking
20 when instrumentation has been impeded, as provided in paragraph
21 11.F of Appendix B;
- 22 o. For failure to complete, prior to resuming operations on Lines
23 901 or 903, the items identified in paragraph 12.A.1-4 of Appendix
24 B;
- 25 p. For failure to timely submit to OSFM confirmation that all
26 alarm descriptors are accurate, as specified in paragraph 12.B of
27 Appendix B;
- 28 q. For failure to timely conduct the surveys and update the

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1 emergency response plans, as specified in paragraph 13.B.1 of
 2 Appendix B;

3 r. For failure to timely provide emergency response training to
 4 employees, as specified in paragraph 13.B.2 of Appendix B;

5 s. For failure to timely provide control room supervisor training,
 6 as specified in paragraph 13.B.4 of Appendix B;

7 t. For failure to timely submit to PHMSA and/or OSFM, and/or
 8 OSPR, as applicable, notice of drills, as specified in paragraph
 9 13.B.5 of Appendix B, provided that the penalty under this
 10 subsection shall not exceed one Day per drill;

11 u. For failure to timely submit to PHMSA the third-party Safety
 12 Management System report, as specified in paragraph 14.A.1 of
 13 Appendix B;

14 v. For failure to timely review and revise the drug and alcohol
 15 misuse plans, as specified in paragraph 15 of Appendix B;

16 w. For failure to timely submit to PHMSA notice of any material
 17 modification to the IMP, as required by Paragraph 22; and

18 x. For failure to timely submit to PHMSA notice of any material
 19 modification to the Control Room Management Plan or Control
 20 Center General Procedures, as required by Paragraph 23;

21 y. The penalties stipulated in this Section shall accrue as
 22 follows:

Penalty Per Violation	Per Day Period of Noncompliance
\$2,000 penalty per Day	1st to 30th Day
\$4,000 penalty per Day	31st to 60th Day
\$5,500 penalty per Day	61st Day and beyond

1 29. Stipulated Penalties for Non-Compliance with Corrective Action
2 Order Terms. Unless excused under Section XII (Force Majeure), the stipulated
3 penalties described in this Paragraph shall accrue per violation per Day for
4 Defendants' failure to perform the following injunctive relief required under
5 Section X (Corrective Action Order) when due:

- 6 a. For operation of Line 901 in violation of paragraph 1.a of
7 Appendix D;
- 8 b. For failure to timely submit to OSFM a Line 901 Restart Plan,
9 as specified by paragraph 1.b of Appendix D;
- 10 c. For failure to comply with the operating pressure restriction,
11 including requirements for removal of the pressure restriction, for
12 Line 901 specified by paragraphs 1.c and 1.d of Appendix D;
- 13 d. For operation of Line 903, in violation of paragraph 1.e of
14 Appendix D;
- 15 e. For failure to timely submit to OSFM a Line 903 Restart Plan,
16 as specified by paragraph 1.f of Appendix D;
- 17 f. For failure to comply with the operating pressure restriction,
18 including requirements for removal of the pressure restriction, for
19 Line 903 specified by paragraphs 1.g and 1.h of Appendix D;
- 20 g. For failure to timely submit to OSFM any notification
21 specified by paragraph 1.i of Appendix D; and
- 22 h. For failure to submit to OSFM a final Appendix D
23 Documentation Report, as specified by paragraph 1.j of Appendix D.
- 24 i. The penalties stipulated in this Section shall accrue as
25 follows:
- 26
- 27
- 28

Penalty Per Violation	Per Day Period of Noncompliance
\$2,000 penalty per Day	1st to 30th Day
\$4,000 penalty per Day	31st to 60th Day
\$5,500 penalty per Day	61st Day and beyond

30. Defendants shall pay stipulated penalties due pursuant to this Section within thirty (30) Days of a written demand.

31. For stipulated penalties accrued pursuant to Subparagraphs 27.a, 28.e, 28.f, 28.g, 28.h, 28.i, 28.j, 28.k, 28.l, 28.m, 28.n, 28.s, 28.t, 28.u, 28.v, 28.w, or 28.x of this Consent Decree, the United States shall have the right to issue a written demand for stipulated penalties, and Defendants must pay to the United States the full amount of any stipulated penalties due and will not be liable to the State Agencies for any such stipulated penalties.

32. For stipulated penalties accrued pursuant to Subparagraph 27.b of this Consent Decree, only CDFW and RWQCB shall have the right to issue a written demand for stipulated penalties and Defendants must pay to the CDFW and RWQCB the full amount of any stipulated penalties due and will not be liable to United States for any such stipulated penalties.

33. For stipulated penalties accrued pursuant to Subparagraphs 28.a, 28.b, 28.c, 28.d, 28.o, 28.p, or Paragraph 29 of this Consent Decree, only OSFM shall have the right to issue a written demand for stipulated penalties, and Defendants must pay to OSFM the full amount of any stipulated penalties due and will not be liable to United States for any such stipulated penalties.

34. For stipulated penalties accrued pursuant to Paragraphs 28.q, 28.r, 28.t, or Paragraph 30 of this Consent Decree, the United States, CDFW, OSFM, or all, may demand stipulated penalties by sending a joint or individual written demand to Defendants, with a copy simultaneously sent to the other Plaintiff(s).

1 a. Where only one or two of the Plaintiffs referenced in
2 Paragraph 35 demand stipulated penalties under Paragraph 35, a
3 copy of the demand will simultaneously be sent to the remaining
4 Plaintiff(s) and they will have forty-five (45) Days to join in the
5 demand.

6 b. Where multiple Plaintiffs referenced in Paragraph 35 demand
7 stipulated penalties for the same violation, Defendants shall pay fifty
8 (50) percent to each of the demanding Plaintiffs (when two Plaintiffs
9 join in the demand); one third to each demanding Plaintiff (when all
10 three Plaintiffs join in the demand); or as allocated by the United
11 States, CDFW, and OSFM.

12 c. Where only one Plaintiff referenced in Paragraph 35 demands
13 stipulated penalties, and the other Plaintiffs do not join in the
14 demand within forty-five (45) Days of receiving the demand,
15 Defendants shall pay one hundred (100) percent to the Plaintiff
16 making the demand.

17 d. If a Plaintiff joins in the demand within forty-five (45) Days
18 but subsequently elects to waive or reduce stipulated penalties, in
19 accordance with Paragraphs 38 or 39 for that violation, Defendants
20 shall not be liable for such portion of the stipulated penalties waived
21 or reduced by such Plaintiff and shall be liable for any stipulated
22 penalties due to the other Plaintiffs joining such demand pursuant to
23 the allocation set forth in Subparagraph 34(b).

24 35. For stipulated penalties arising from a failure to perform obligations
25 pursuant to Subparagraph 27.c, the United States and the State Trustees may
26 demand stipulated penalties by sending a joint written demand to Defendants.

27 36. For all payments made pursuant to this Section, Defendants must
28 follow the payment instructions set forth in Section V (Civil Penalties). Any

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1 transmittal correspondence shall state that payment is for stipulated penalties and
2 shall identify the date of the written demand to which the payment corresponds.

3 37. Stipulated penalties under this Section shall begin to accrue on the
4 Day after the performance is due or on the day a violation occurs, whichever is
5 applicable, and shall continue to accrue until performance is satisfactorily
6 completed, or until the violation ceases. Stipulated penalties shall accrue
7 simultaneously for separate violations of this Consent Decree.

8 38. The United States may, in the unreviewable exercise of its
9 discretion, reduce or waive stipulated penalties otherwise due to the United States
10 under this Consent Decree.

11 39. The applicable State Agencies may, in the unreviewable exercise of
12 their discretion, reduce or waive stipulated penalties otherwise due to the
13 applicable State Agencies under this Consent Decree.

14 40. Stipulated penalties shall continue to accrue as provided in
15 Paragraphs 27 through 29, during any Dispute Resolution, but need not be paid
16 until the following:

17 a. If the dispute is resolved by agreement or by a decision of the
18 United States or the State Agencies, as applicable, that is not
19 appealed to the Court, Defendants shall pay accrued penalties
20 determined to be owing to the United States or the State Agencies,
21 as applicable, together with interest, within thirty (30) Days of the
22 effective date of the agreement or the receipt of the United States' or
23 the State Agencies' decision.

24 b. If the dispute is appealed to the Court and the Plaintiffs
25 prevail in whole or in part, Defendants shall pay all accrued
26 penalties determined by the Court to be owing, together with
27 interest, within sixty (60) Days of receiving the Court's decision or
28 order, except as provided in Subparagraph c, below.

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1 c. If any Party appeals the Court’s decision and a Plaintiff
2 prevails in whole or in part, Defendants shall pay all accrued
3 penalties determined to be owing, together with interest, within
4 fifteen (15) Days of receiving the final appellate court decision.

5 41. If Defendants fail to pay stipulated penalties according to the terms
6 of this Consent Decree, Defendants shall be liable for interest on such penalties,
7 as provided for in 28 U.S.C. § 1961, accruing as of the date payment became due.
8 Nothing in this Paragraph shall be construed to limit the United States or the
9 State Agencies from seeking any remedy otherwise provided by law for
10 Defendants’ failure to pay any stipulated penalties.

11 42. The payment of stipulated penalties, if any, shall not alter in any
12 way Defendants’ obligation to complete the performance of the requirements of
13 this Consent Decree.

14 43. Subject to the provisions of Section XVII (Effect of
15 Settlement/Reservation of Rights) of this Consent Decree, the stipulated penalties
16 provided for in this Consent Decree shall be in addition to any other rights,
17 remedies, or sanctions available to the United States or the State Agencies
18 (including, but not limited to, statutory penalties, additional injunctive relief,
19 mitigation or offsets measures, and/or contempt) for Defendants’ violation of this
20 Consent Decree or applicable laws.

21 **XII. FORCE MAJEURE**

22 44. “Force Majeure,” for purposes of this Consent Decree, is defined as
23 any event arising from causes beyond the control of Defendants, of any entity
24 controlled by Defendants, or of Defendants’ contractors that delays or prevents
25 the performance of any obligation under this Consent Decree despite Defendants’
26 best efforts to fulfill the obligation. The requirement that Defendants exercise
27 “best efforts to fulfill the obligation” includes using best efforts to anticipate any
28 potential Force Majeure event and best efforts to address the effects of any

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1 potential Force Majeure event (a) as it is occurring and (b) following the potential
2 Force Majeure, such that the delay and any adverse effects of the delay are
3 minimized. “Force Majeure” does not include Defendants’ financial inability to
4 perform any obligation under this Consent Decree.

5 45. If any event occurs or has occurred that may delay the performance
6 of any obligation under this Consent Decree, whether or not caused by a Force
7 Majeure event, Defendants shall provide notice orally or by electronic
8 transmission to the relevant Plaintiff(s), within five (5) Days of when Defendants
9 first knew that the event might cause a delay. Within ten (10) Days thereafter,
10 Defendants shall provide in writing to such Plaintiffs an explanation and
11 description of the reasons for the delay; the anticipated duration of the delay; the
12 actions taken or to be taken to prevent or minimize the delay; a schedule for
13 implementation of any measures to be taken to prevent or mitigate the delay or
14 the effect of the delay; Defendants’ rationale for attributing such delay to a Force
15 Majeure event if it intends to assert such a claim; and a statement as to whether,
16 in the opinion of Defendants, such event may cause or contribute to an
17 endangerment to public health, welfare or the environment. Defendants shall
18 provide with any notice the documentation that Defendants are relying on to
19 support the claim that the delay was attributable to a Force Majeure event.

20 Failure to comply with the above requirements shall preclude Defendants from
21 asserting any claim of Force Majeure for that event for the period of time of such
22 failure to comply, and for any additional delay caused by such failure.

23 Defendants shall be deemed to know of any circumstance of which Defendants,
24 any entity controlled by Defendants, or Defendants’ contractors knew or should
25 have known.

26 46. If Plaintiffs agree that the delay or anticipated delay is attributable to
27 a Force Majeure event, the time for performance of the obligations under this
28 Consent Decree that are affected by the Force Majeure event will be extended by

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1 Plaintiffs for such time as is necessary to complete those obligations. An
2 extension of the time for performance of the obligations affected by the Force
3 Majeure event shall not, of itself, extend the time for performance of any other
4 obligation. Plaintiffs will notify Defendants in writing of the length of the
5 extension, if any, for performance of the obligations affected by the Force
6 Majeure event.

7 47. If Plaintiffs do not agree that the delay or anticipated delay has been
8 or will be caused by a Force Majeure event, Plaintiffs will notify Defendants in
9 writing of their decision.

10 48. If Defendants elect to invoke the Dispute Resolution procedures set
11 forth in Section XIII (Dispute Resolution), in response to Plaintiffs'
12 determination in Paragraph 47 above, it shall do so no later than thirty (30) Days
13 after receipt of Plaintiffs' notice. In any such proceeding, Defendants shall have
14 the burden of demonstrating by a preponderance of the evidence that the delay or
15 anticipated delay has been or will be caused by a Force Majeure event, that the
16 duration of the delay or the extension sought was or will be warranted under the
17 circumstances, that best efforts were exercised to avoid and mitigate the effects
18 of the delay, and that Defendants complied with the requirements of Paragraphs
19 44 and 45. If Defendants carry this burden, the delay at issue shall be deemed not
20 to be a violation by Defendants of the affected obligation of this Consent Decree
21 identified to Plaintiffs and the Court.

22 **XIII. DISPUTE RESOLUTION**

23 49. Unless otherwise expressly provided for in this Consent Decree, the
24 Dispute Resolution procedures of this Section shall be the exclusive mechanism
25 to resolve disputes arising under or with respect to this Consent Decree.
26 Defendants' failure to seek resolution of a dispute under this Section shall
27 preclude Defendants from raising any such issue as a defense to an action by
28 Plaintiffs to enforce any obligation of Defendants arising under this Consent

1 Decree.

2 50. Informal Dispute Resolution. Any dispute subject to Dispute
3 Resolution under this Consent Decree shall first be the subject of informal
4 negotiations. The dispute shall be considered to have arisen when Defendants
5 send the relevant Plaintiff(s) a written Notice of Dispute. Such Notice of Dispute
6 shall state clearly the matter in dispute. The period of informal negotiations shall
7 not exceed thirty (30) Days from the date the dispute arises, unless that period is
8 modified by written agreement. If the parties cannot resolve a dispute by
9 informal negotiations, then the position advanced by Plaintiffs shall be
10 considered binding unless, within forty-five (45) Days after the conclusion of the
11 informal negotiation period, Defendants invoke formal Dispute Resolution
12 procedures as set forth below.

13 51. Formal Dispute Resolution. Defendants shall invoke formal Dispute
14 Resolution procedures, within the time period provided in the preceding
15 Paragraph, by serving on Plaintiffs a written Statement of Position regarding the
16 matter in dispute. The Statement of Position shall include, but need not be
17 limited to, any factual data, analysis, or opinion supporting Defendants' position
18 and any supporting documentation relied upon by Defendants.

19 52. Plaintiffs shall serve their Statement of Position within forty-five
20 (45) Days of receipt of Defendants' Statement of Position. Plaintiffs' Statement
21 of Position shall include, but need not be limited to, any factual data, analysis, or
22 opinion supporting that position and any supporting documentation relied upon
23 by Plaintiffs. Plaintiffs' Statement of Position shall be binding on Defendants,
24 unless Defendants file a motion for judicial review of the dispute in accordance
25 with the following Paragraph.

26 53. Defendants may seek judicial review of the dispute by filing with the
27 Court and serving on the relevant Plaintiff(s), in accordance with Section XX
28 (Notices), a motion requesting judicial resolution of the dispute. The motion

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1 must be filed within thirty (30) Days of receipt of Plaintiffs' Statement of
2 Position pursuant to the preceding Paragraph. The motion shall contain a written
3 statement of Defendants' position on the matter in dispute, including any
4 supporting factual data, analysis, opinion, or documentation, and shall set forth
5 the relief requested and any schedule within which the dispute must be resolved
6 for orderly implementation of this Consent Decree.

7 54. Plaintiffs shall respond to Defendants' motion within the time period
8 allowed by the Local Rules of this Court or by a schedule set by the Court.
9 Defendants may file a reply memorandum to the extent permitted by the Local
10 Rules.

11 55. Except as otherwise provided in this Consent Decree, in any dispute
12 brought under Paragraph 51, Defendants shall bear the burden of demonstrating
13 that its position complies with this Consent Decree, based on the Statements of
14 Position, and under applicable standards of review.

15 56. The invocation of Dispute Resolution procedures under this Section
16 shall not, by itself, extend, postpone, or affect in any way any obligation of
17 Defendants under this Consent Decree, unless and until final resolution of the
18 dispute so provides. Stipulated penalties with respect to the disputed matter shall
19 continue to accrue until the final resolution of the dispute. Payment shall be
20 stayed pending resolution of the dispute. If Defendants do not prevail on the
21 disputed issue, stipulated penalties shall be assessed and paid as provided in
22 Section XI (Stipulated Penalties).

23 **XIV. REPORTING**

24 57. After the Effective Date, by March 31 and September 30 of the
25 following years until termination of this Consent Decree per Section XXIV
26 (Termination), Defendants shall submit to the Plaintiffs in accordance with
27 Section XX (Notices) bi-annual reports that shall describe the status of
28 Defendants' compliance with the Consent Decree, including implementation of

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1 the injunctive relief requirements set forth in Appendices B and D. The report
2 will be organized to show the measures taken to comply with each of the
3 requirements set forth in Appendices B and D, whether the measures were taken
4 timely, the status of any permitting action that may affect compliance with the
5 Consent Decree, and whether the measures taken have achieved compliance with
6 the requirement.

7 **XV. CERTIFICATION**

8 58. Each report submitted by Defendants under Section XIV (Reporting)
9 shall be signed by either the Chief Executive Officer, the President, an Executive
10 Vice President, a Senior Vice President, or General Counsel who is an authorized
11 representative of Defendants, and must contain the following statement:

12 I certify under penalty of law that this document and all
13 attachments were prepared under my direction or
14 supervision in accordance with a system designed to
15 assure that qualified personnel properly gather and
16 evaluate the information submitted. Based on any
17 personal knowledge and my inquiry of the person or
18 persons who manage the system, or those persons
19 directly responsible for gathering the information, the
20 information submitted is, to the best of my knowledge
and belief, true, accurate, and complete. I am aware that
there are significant penalties for submitting false
information, including the possibility of fine and
imprisonment for knowing violations.

21 **XVI. INFORMATION COLLECTION AND RETENTION**

22 59. Plaintiffs and their representatives shall have the right of entry into
23 any facility covered by this Consent Decree, at all reasonable times and upon
24 reasonable notice, upon presentation of credentials, to:

- 25 a. monitor the progress of activities required under this Consent
26 Decree;
- 27 b. verify any data or information submitted to the Plaintiffs in
28 accordance with the terms of this Consent Decree;

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- 1 c. obtain documentary evidence, including photographs and
- 2 similar data; and
- 3 d. assess Defendants' compliance with this Consent Decree.

4 60. Until one (1) year after the termination of this Consent Decree,
5 Defendants shall retain, and shall instruct their contractors and agents to preserve
6 or deliver to Plains, all non-identical copies of all documents, records, or other
7 information (including documents, records, or other information in electronic
8 form) in their or their contractors' or agents' possession or control, or that come
9 into their or their contractors' or agents' possession or control, and that relate in
10 any manner to Defendants' performance of their obligations under this Consent
11 Decree. At any time during this information-retention period, upon request by
12 the Plaintiffs, Defendants shall provide copies of any documents, records, or
13 other information required to be maintained under this Paragraph.

14 61. This Consent Decree in no way limits or affects any right of entry
15 and inspection, or any right to obtain information, held by the United States or
16 the State Agencies pursuant to applicable federal or state laws, regulations, or
17 permits, nor does it limit or affect any duty or obligation of Defendants to
18 maintain documents, records, or other information imposed by applicable federal
19 or state laws, regulations, or permits.

20 62. For any documents, records, or other information required to be
21 submitted to Plaintiffs pursuant to this Consent Decree, Plains may assert a claim
22 of business confidentiality or other protections applicable to the release of
23 information by Plaintiffs, covering part or all of the information required to be
24 submitted to Plaintiffs pursuant to this Consent Decree in accordance with, as
25 applicable, 49 C.F.R. Part 7, 49 C.F.R. Part 190, and 40 C.F.R Part 2. Plains
26 must mark the claim of confidentiality in writing on each page, and include a
27 statement specifying the grounds for each claim of confidentiality.

28 63. The federal agency Plaintiffs are subject to applicable laws

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1 governing the disclosure of information under the Freedom of Information Act
2 (“FOIA”) (5 U.S.C. § 552 *et seq.*). If a federal agency Plaintiff receives a request
3 pursuant to FOIA for records produced pursuant to the Consent Decree, that
4 Plaintiff will, to the extent permitted by law, treat those records as exempt from
5 disclosure, and give Defendants a reasonable opportunity to identify portions of
6 documents Defendants have claimed as confidential and that may be subject to
7 the request, and to specify the grounds for each claim of confidentiality. In
8 accordance with applicable regulations, if the federal agency Plaintiff determines
9 that the records are not exempt from disclosure, the Plaintiff shall provide notice
10 of the determination to Defendants prior to making any record available to the
11 public.

12 64. For documents provided to PHMSA under this Consent Decree,
13 Defendants need not provide redacted copies when the documents are produced.
14 Within fourteen (14) Days of notification from PHMSA of a FOIA request, or
15 such other time as agreed upon, Defendants will provide a copy of the relevant
16 records with confidential information redacted along with explanations of the
17 asserted grounds for confidentiality.

18 65. State Agency Plaintiffs are subject to the California Public Records
19 Act (“CPRA”) (California Government Code §§ 6250 *et seq.*). If a State Agency
20 Plaintiff receives a request pursuant to the CPRA for records produced pursuant
21 to the Consent Decree, that Plaintiff will, to the maximum extent permitted by
22 law, treat those records as exempt from disclosure, and give Defendants a
23 reasonable opportunity to submit redacted copies of the requested records. If the
24 Plaintiff determines that the records are not exempt from disclosure, the Plaintiff
25 shall provide notice of the determination to Defendants prior to making any
26 record available to the public.

27 66. The requirements of this Paragraph apply to Defendants’ production
28 of documents to PHMSA only. Defendants shall produce all documents required

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1 to be produced in connection with this Consent Decree in, at Defendants’ option,
2 either native format via electronic media or secure file transfer protocol (“FTP”).
3 Any encryption or access restriction shall be on a container level only, *i.e.*, only
4 the electronic media or the top-level folder containing the documents shall be
5 encrypted and Plaintiffs shall have unrestricted access to the files/folders within
6 the electronic media or the top-level folder without need for additional decryption
7 or access codes. Regardless of production method or encryption, individual
8 documents shall be produced in a manner that allows the Plaintiffs to view, print,
9 copy, save, download, and share each document within Plaintiffs’ own
10 environment without restriction, tracking or monitoring by Defendants, or
11 automatically generated changes to the document (*e.g.*, without entering access
12 codes prior to each download, and without automatically generated watermarks
13 stating the download date and time).

14 67. At the conclusion of the information-retention period, Defendants
15 shall provide ninety (90) Days’ notice to Plaintiffs of Defendants’ resumption of
16 internal document destruction policies for documents, records, or other information
17 subject to the requirements of Paragraph 60.

18 68. [*Intentionally left blank.*]

19 **XVII. EFFECT OF SETTLEMENT/RESERVATION OF RIGHTS**

20 69. This Consent Decree resolves the civil claims of the United States
21 and the State Agencies for the matters alleged in the Complaint filed in this
22 action for the Refugio Incident.

23 70. Subject to the reservations of rights specified in Paragraph 71, this
24 Consent Decree also resolves all civil and administrative penalty claims that
25 could be brought by PHMSA, for violations of the Pipeline Safety Laws specified
26 below that occurred on any of Defendants’ Regulated Pipelines prior to January
27 28, 2019, the date that PHMSA’s ongoing “Integrated Inspection” of a portion of
28 Defendants’ Regulated Pipelines and other pipeline facilities began. The specific

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1 Pipeline Safety Laws subject to this Paragraph are the following (including other
2 regulations expressly incorporated therein):

- 3 a. 49 C.F.R. Part 194 Subpart B – Response Plans;
- 4 b. 49 C.F.R. Part 195 Subpart B – Reporting;
- 5 c. 49 C.F.R. Part 195 Subpart E – Pressure Testing;
- 6 d. 49 C.F.R. Part 195 Subpart F – Operation and Maintenance,
7 sections 195.402, 195.403, 195.404, 195.406, 195.408, 195.412,
8 195.420, 195.422, 195.428, 195.436, 195.442, 195.444, 195.446,
9 195.452;
- 10 e. 49 C.F.R. Part 195 Subpart G – Qualification of Pipeline
11 Personnel, as it relates to valve maintenance;
- 12 f. 49 C.F.R. Part 195 Subpart H – Corrosion Control;
- 13 g. 49 C.F.R. Part 199 – Drug and Alcohol Testing; and
- 14 h. All recordkeeping, documentation, and document production
15 requirements in the provisions listed in subsections 70.a-70.g, and
16 49 C.F.R. section 190.203 and Part 195.

17 71. The United States, on behalf of PHMSA, reserves all legal and
18 equitable remedies to address violations of the Pipeline Safety Laws described in
19 Paragraph 70 that occur on or after January 28, 2019, including violations that
20 may have begun prior to such date and continued subsequent to January 28, 2019.
21 A separate violation of the Pipeline Safety Laws occurs for each day that the
22 violation continues, pursuant to 49 U.S.C. § 60122(a).

23 72. This Consent Decree also resolves all civil and administrative
24 penalty claims that could be brought by OSFM against Defendants for violations
25 of the Pipeline Safety Laws and the Elder California Pipeline Safety Act
26 as specified below relating to Line 901, Line 903, or Line 2000 that occurred
27 prior to January 28, 2019. OSFM reserves all legal and equitable remedies to
28 address violations of the specified Pipeline Safety Laws that occur on or after

1 January 28, 2019, including violations that may have begun prior to such date
2 and continued subsequent to January 28, 2019. The specific Pipeline Safety
3 Laws and Elder California Pipeline Safety Act subject to this Paragraph are:

- 4 a. The Pipeline Safety Laws specified in Paragraph 70; and
- 5 b. California Government Code §§ 51012.3, 51013, 51013.5,
6 51014, 51015, 51015.4, 51015.5 (for Line 901 and Line 903 only),
7 and 51018.

8 73. For any reportable pipeline accident, as defined in 49 C.F.R.
9 § 195.50, occurring on or after January 28, 2019, on any of Defendants'
10 Regulated Pipelines, Paragraphs 70 and 72 shall not limit the right of PHMSA
11 and OSFM to sue or pursue administrative or other remedies for violations
12 (including penalties) under the Pipeline Safety Laws and the Elder California
13 Pipeline Safety Act for such accident. Nothing in Paragraphs 70 through 72 shall
14 be construed to limit the legal and equitable remedies of the United States or
15 State Agencies, other than PHMSA and OSFM.

16 74. The United States and the State Agencies reserve all legal and
17 equitable remedies available to enforce the provisions of this Consent Decree.
18 This Consent Decree shall not be construed to limit the rights of the United States
19 or the State Agencies to obtain penalties, injunctive relief, or other administrative
20 or judicial remedies under the CWA, OPA, Pipeline Safety Laws, or under other
21 federal or state laws, regulations, or permit conditions, except as specified in
22 Paragraphs 69, 70, and 72.

23 75. The United States reserves all legal and equitable remedies to address
24 any imminent and substantial endangerment or threat to the public health or
25 welfare or the environment arising at, or posed by, Defendants' operations,
26 whether related to the violations addressed in this Consent Decree or otherwise.
27 PHMSA further reserves the right to issue to Defendants corrective action orders
28 pursuant to 49 C.F.R § 190.233; emergency orders pursuant to 49 C.F.R.

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1 § 190.236; and safety orders pursuant to 49 C.F.R. § 190.239. The State Agencies
2 reserve all legal and equitable remedies under California Government Code
3 §§ 8670.57, 8670.69.4, 51013.5, 51015.5, 51018.6, 51018.7 and 51018.8,
4 California Water Code §§ 13301, 13304, 13340, and 13386, and California Health
5 & Safety Code § 13107.5 to address (1) conditions threatening to cause or creating
6 a substantial risk of an unauthorized discharge of oil into waters of the State of
7 California, (2) a discharge of waste threatening to cause a condition of pollution or
8 nuisance, or (3) a discharge which poses a substantial probability of harm to
9 persons, property or natural resources.

10 76. This Consent Decree also shall not be construed to in any way limit or
11 waive the claims set forth in the case entitled *California State Lands Commission,*
12 *et al. v. Plains Pipeline, L.P., et al.*, Case No. 18CV02504 (Cal. Sup. Court) and
13 Case No. B295632 (Cal. Ct. App.).

14 77. In any subsequent administrative or judicial proceeding initiated by
15 the United States or the State Agencies for injunctive relief, civil penalties, other
16 appropriate relief relating to Defendants' violations alleged in Plaintiffs'
17 Complaint, Defendants shall not assert, and may not maintain, any defense or
18 claim based upon the principles of waiver, *res judicata*, collateral estoppel, issue
19 preclusion, claim preclusion, claim-splitting, or other defenses based upon any
20 contention that the claims raised by the United States or the State Agencies in the
21 subsequent proceeding should have been brought in the instant case, except with
22 respect to claims that have been specifically resolved pursuant to Paragraphs 69,
23 70, and 72.

24 78. This Consent Decree is not a permit, or a modification of any
25 permit, under any federal, state, or local laws, or regulations. Defendants are
26 responsible for achieving and maintaining full compliance with all applicable
27 federal, state, and local laws, regulations, and permits; and Defendants'
28 compliance with this Consent Decree shall be no defense to any action

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Plains All American Pipeline, L.P. and Plains Pipeline, L.P.
Consent Decree

1 commenced pursuant to any such laws, regulations, or permits, except as set forth
2 herein. The United States and the State Agencies do not, by their consent to the
3 entry of this Consent Decree, warrant or aver in any manner that Defendants'
4 compliance with any aspect of this Consent Decree will result in compliance with
5 provisions of the CWA, OPA, Pipeline Safety Laws, or with any other provisions
6 of federal, state, or local laws, regulations, or permits.

7 79. This Consent Decree does not limit or affect the rights of Defendants
8 or of the United States or the State Agencies against any third-parties, not party
9 to this Consent Decree, nor does it limit the rights of third-parties, not party to
10 this Consent Decree, against Defendants, except as otherwise provided by law.

11 80. This Consent Decree shall not be construed to create rights in, or
12 grant any cause of action to, any third-party not party to this Consent Decree.

13 81. Plaintiffs will not submit any claim for restitution for Natural
14 Resource Damages in *The People of the State of California v. Plains All*
15 *American Pipeline, L.P.*, Case No. 1495091 (Cal. Sup. Court).

16 82. By entering into this settlement, Defendants do not admit the
17 Pipeline Safety Laws violations alleged in the Complaint or described in this
18 Consent Decree by the United States on behalf of PHMSA; therefore, any
19 allegations of violations of these Pipeline Safety Laws do not constitute a finding
20 of violation and may not be used in any civil proceeding of any kind as evidence
21 or proof of any fact, fault or liability, or as evidence of the violation of any law,
22 rule, regulation, order, or requirement, except in a proceeding to enforce the
23 provisions of this Consent Decree. However, the allegations of violations set
24 forth in the Complaint may be: (1) considered by PHMSA to constitute prior
25 offenses in any future PHMSA enforcement action brought by the agency against
26 Plains, and (2) used for statistical purposes to identify violations that PHMSA
27 deems as causal to an incident or to increase the consequences of an incident.
28 Notwithstanding the forgoing, alleged violations subject to Paragraph 70 shall not

United States of America and the People of the State of California v.
Plains All American Pipeline, L.P. and Plains Pipeline, L.P.

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1 be considered by PHMSA to constitute prior offenses in any future PHMSA
2 enforcement action brought by the agency against Plains.

3 83. By entering into this settlement, Defendants do not admit the
4 allegations of California Water Code §§ 13350 and 13385 violations set forth in
5 the Complaint; therefore, any allegations of violations of these statutes do not
6 constitute a finding of violation and may not be used in any civil proceeding of
7 any kind as evidence or proof of any fact, fault or liability, or as evidence of the
8 violation of any law, rule, regulation, order, or requirement, except in a
9 proceeding to enforce the provisions of this Consent Decree. However, the
10 allegations of California Water Code §§ 13350 and 13385 violations set forth in
11 the Complaint may be considered by the State Water Resources Control Board or
12 Regional Water Quality Control Boards to constitute prior offenses in any future
13 enforcement action brought by any of these agencies against Plains.

14 84. Subject to the terms of this Consent Decree, no provision contained
15 herein affects or relieves Plains of their responsibilities to comply with all
16 applicable requirements of the CWA, OPA, the Pipeline Safety Laws, federal or
17 state laws, and the regulations and orders issued thereunder. Subject to the terms
18 of this Consent Decree, nothing herein shall limit or reduce the Plaintiffs' right of
19 access, entry, inspection, and information-gathering or their authority to bring
20 enforcement actions against Defendants pursuant to the CWA, OPA, the Pipeline
21 Safety Laws, federal or state laws, the regulations and orders issued thereunder,
22 or any other applicable provision of federal or state law.

23 85. Defendants hereby covenant not to sue Plaintiffs for any claims
24 related to the Refugio Incident, or response activities in connection with the
25 Incident, pursuant to the CWA, OPA, the Pipeline Safety Laws, federal or state
26 laws, or any other law or regulation for acts or omissions through the date on
27 which this Consent Decree is lodged with the Court.

28 86. Defendants covenant not to sue and agree not to assert any direct or

*United States of America and the People of the State of California v.
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1 indirect claim for reimbursement related to the Refugio Incident from the OSLTF
2 or pursuant to any other provision of law.

3 87. The United States reserves the right to seek reimbursement from
4 Defendants for claims relating to the Refugio Incident paid after the date on
5 which the Consent Decree is lodged with the Court from the OSLTF pursuant to
6 33 U.S.C. § 2712.

7 **XVIII. TRANSFER AND ACQUISITION OF ASSETS**

8 88. In the event Defendants sell or transfer ownership of or operating
9 responsibility for Lines 901, 903, or 2000, or any lines built to replace Lines 901
10 or 903, Defendants will obtain from the transferee an agreement to be bound by
11 those provisions of this Consent Decree and Appendices B and D that are
12 specifically applicable to the asset(s) acquired, unless Defendants have already
13 completed the required action or unless OSFM agrees to relieve the transferee of
14 the obligations of any otherwise applicable provision. Those provisions of
15 Appendix B are:

- 16 a. For existing but non-operational segments of Lines 901 and
17 903, paragraphs 1.A, 1.B, 1.E, 2.B, 2.C., 4, 5, 6, 7.A, 12.A of
18 Appendix B;
- 19 b. For the operational segment of Line 903 from Pentland to
20 Emidio, paragraphs 1.C, 1.E, 4, 5, 6, 7.A of Appendix B;
- 21 c. For any lines built to replace Lines 901 or 903, paragraphs
22 2.A.1, 5, 7.B, 12.A of Appendix B; and
- 23 d. For Line 2000, paragraphs 1.D, 1.E, 4, 5, 6, 7.A, 12.B. of
24 Appendix B.

25 89. In the event Defendants sell or transfer ownership of or operating
26 responsibility for Lines 901, 903, or 2000, or any lines built to replace Lines 901
27 or 903, Defendants shall provide a copy of this Consent Decree to the prospective
28 transferee at least fourteen (14) Days prior to such transfer. Defendants shall

*United States of America and the People of the State of California v.
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1 provide written notice of any such transfer to OSFM within ten (10) Days after
2 the date Defendants publicly disclose the transaction or the date the transaction is
3 closed, whichever is earlier. Prior to the transfer, Defendants may notify OSFM
4 that Defendants have completed certain required actions of this Consent Decree,
5 or request that OSFM relieve the transferee of certain obligations of otherwise
6 applicable provisions, such that the transferee will not be bound by those
7 requirements. Defendants shall provide to Plaintiffs documentation
8 demonstrating the transferee's agreement to be bound by the relevant provisions
9 of the Consent Decree. Defendants shall provide to the transferee copies of those
10 portions of relevant emergency response plans that relate to the transferred asset.

11 90. In the event of the sale or transfer pursuant to an arm's-length
12 transaction of Defendants' Regulated Pipelines other than Lines 901, 903, or
13 2000, or any lines built to replace Lines 901 or 903, to an independent third-party
14 transferee, the transferee shall not be subject to the requirements of this Consent
15 Decree. Defendants shall provide a copy of this Consent Decree to the transferee
16 at least fourteen (14) Days prior to such transfer. Defendants shall provide
17 written notice of any such transfer, including documentation demonstrating that
18 the Consent Decree was provided to the transferee, to PHMSA within ten (10)
19 Days after the date Defendants publicly disclose the transaction or the date the
20 transaction is closed, whichever is earlier. Defendants' obligations under this
21 Consent Decree with respect to all non-transferred assets shall not be affected.

22 91. For all Regulated Pipeline assets that Defendants assume operating
23 responsibility for after the Effective Date, Plains is obligated to apply Article II
24 (Company Wide Provisions) of Appendix B of this Consent Decree to the newly
25 acquired assets.

26 **XIX. COSTS**

27 92. Except as otherwise stated in this Consent Decree, the Parties shall
28 bear their own costs related to this action and this Consent Decree, including

*United States of America and the People of the State of California v.
Plains All American Pipeline, L.P. and Plains Pipeline, L.P.*
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1 attorneys' fees; provided, however, the United States and the State Agencies shall
2 be entitled to collect the costs (including attorneys' fees) incurred in any action
3 necessary to collect any portion of the civil penalty or any stipulated penalties
4 due but not paid by Defendants.

5 **XX. NOTICES**

6 93. Unless otherwise specified in this Consent Decree, whenever
7 notifications, submissions, reports, or communications are required by this
8 Consent Decree, they shall be made in writing, sent electronically by email
9 provided by the Parties, and addressed to all Parties as follows:

10 As to the United States by email: eescdcopy.enrd@usdoj.gov
11 Re: DJ # 90-5-1-1-11340

12 As to the United States by mail: EES Case Management Unit
13 Environment and Natural Resources
14 Division
15 U.S. Department of Justice
16 P.O. Box 7611
17 Washington, D.C. 20044-7611
18 Re: DJ # 90-5-1-1-1130

19 As to PHMSA: James M. Pates
20 Assistant Chief Counsel
21 for Pipeline Safety
22 U.S. Department of Transportation
23 Pipeline and Hazardous Materials
24 Safety Administration
25 1200 New Jersey Ave. SE. E-26
26 Washington, DC. 20590

27 As to EPA: Andrew Helmlinger
28 Attorney Advisor
U.S. EPA Region IX
75 Hawthorne Street (ORC-3)
San Francisco, California 94104

*United States of America and the People of the State of California v.
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As to DOI:

Clare Cragan
U.S. Department of the Interior
Office of the Solicitor
755 Parfet St., Suite 151
Lakewood, Colorado 80215

As to NOAA:

National Oceanic and Atmospheric
Administration
Office of General Counsel
Natural Resources Section
ATTN: Christopher J. Plaisted
501 W. Ocean Blvd, Suite 4470
Long Beach, California 90802

As to USCG:

Patricia V. Kingcade
Attorney Advisor
National Pollution Funds Center,
US Coast Guard
2703 Martin Luther King Jr. Ave SE
Washington, DC 20593-7605

As to the State Agencies:

Michael Zarro
Deputy Attorney General
Office of the Attorney General
Natural Resources Law Section
300 S. Spring St., Suite 11220
Los Angeles, California 90013

As to CDFW:

California Department of Fish
and Wildlife
Office of Spill Prevention and Response
Attn: Katherine Verrue-Slater
Senior Counsel
P.O. Box 160362
Sacramento, California 95816-0362

1 As to CDPR: California Department of Parks and
2 Recreation
3 Attn: Laura A. Reimche, Senior Counsel
4 1416 Ninth Street, Room 1404-6
5 Sacramento, California 95814

6 As to CSLC: California State Lands Commission
7 Attn: Patrick Huber, Legal Division
8 100 Howe Avenue, Suite 100-South
9 Sacramento, California 95825

10 As to OSFM: California Department of Forestry and
11 Fire Protection
12 Legal Services Office
13 Attn: Joshua Cleaver, Staff Counsel
14 P.O. Box 944246
15 Sacramento, California 94244-2460

16 As to RWQCB: California Central Coast Regional Water
17 Quality Control Board
18 Attn: Naomi Rubin, Attorney III
19 801 K Street
20 Sacramento, California 95814

21 As to UC: Barton Lounsbury, Senior Counsel
22 University of California
23 Office of the General Counsel
24 1111 Franklin Street, 8th Floor
25 Oakland, California 94607

26 As to Defendants: Megan Prout
27 Senior Vice President
28 Commercial Law and Litigation
333 Clay Street, Suite 1600
Houston, Texas 77002

Henry Weissmann
Daniel B. Levin
Colin Devine
Munger, Tolles & Olson LLP
350 S. Grand Ave, 50th Floor
Los Angeles, California 90071

Steven H. Goldberg
Nicole Granquist
Downey Brand LLP
621 Capitol Mall, 18th Floor
Sacramento, California 95814

94. Any Party may, by written notice to the other Parties, change its designated notice recipient or notice address provided above.

95. Notices submitted pursuant to this Section shall be deemed submitted upon mailing, or emailing unless otherwise provided in this Consent Decree or by mutual agreement of the Parties in writing.

XXI. EFFECTIVE DATE

96. The Effective Date of this Consent Decree shall be the date upon which this Consent Decree is entered by the Court, or a motion to enter this Consent Decree is granted, whichever occurs first, as recorded on the Court's docket.

XXII. RETENTION OF JURISDICTION

97. The Court shall retain jurisdiction over this case until termination of this Consent Decree, for the purpose of effectuating or enforcing compliance with the terms of this Consent Decree.

XXIII. MODIFICATION

98. The terms of this Consent Decree, including any attached Appendices, may be modified only by a subsequent written agreement signed by the Parties. Where the modification constitutes a material change to any term of this Consent Decree, it shall be effective only upon approval of the Court.

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1 any dispute regarding termination until sixty (60) Days after receipt of the
2 Plaintiffs' response to Defendants' Request for Termination.

3 **XXV. PUBLIC PARTICIPATION**

4 103. This Consent Decree shall be lodged with the Court for a period of
5 not fewer than thirty (30) Days for public notice and comment in accordance with
6 28 C.F.R. § 50.7. The Parties agree and acknowledge that the final approval by
7 Plaintiffs and entry of this Consent Decree are subject to notice of lodging of the
8 Consent Decree and a public comment period. Plaintiffs reserve the right to
9 withdraw or withhold consent if the comments disclose facts or considerations
10 that indicate that this Consent Decree is inappropriate, improper, or inadequate.

11 104. Defendants consent to entry of this Consent Decree without further
12 notice and agree not to withdraw from or oppose entry of this Consent Decree by
13 the Court or to challenge any provision of the Consent Decree, unless Plaintiffs
14 have notified Defendants in writing that Plaintiffs no longer support entry of the
15 Consent Decree.

16 **XXVI. SIGNATORIES/SERVICE**

17 105. Each undersigned representative of Defendants, the State of
18 California Attorney General's Office, CDFW, CDPR, CSLC, OSFM, RWQCB,
19 UC, the Assistant Attorney General for the Environment and Natural Resources
20 Division of the Department of Justice, PHMSA, and EPA certifies that he or she
21 is fully authorized to enter into the terms and conditions of this Consent Decree
22 and to execute and legally bind the Party he or she represents to the terms of this
23 Consent Decree.

24 106. This Consent Decree may be signed in counterparts, and such
25 counterpart signature pages shall be given full force and effect. For purposes of
26 this Consent Decree, a signature page that is transmitted electronically (*e.g.*, by
27 emailed PDF) shall have the same effect as an original.

28
*United States of America and the People of the State of California v.
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XXVII. INTEGRATION

107. This Consent Decree constitutes the final, complete, and exclusive agreement and understanding among the Parties with respect to the settlement embodied in the Consent Decree and supersedes all prior agreements and understandings, whether oral or written, concerning the settlement embodied herein. The Parties acknowledge that there are no representations, agreements, or understandings relating to the settlement other than those expressly contained in this Consent Decree.

XXVIII. FINAL JUDGMENT

108. Upon approval and entry of this Consent Decree by the Court, this Consent Decree shall constitute a final judgment of the Court as to the Parties.

XXIX. 26 U.S.C. SECTION 162(f)(2)(A)(ii) IDENTIFICATION

109. For purposes of the identification requirement of Section 162(f)(2)(A)(ii) of the Internal Revenue Code, 26 U.S.C. § 162(f)(2)(A)(ii), performance of Section III (Applicability), Paragraph 5; Section VI (Natural Resource Damages), Paragraph 12; Section IX (Injunctive Relief), Subparagraphs 22.a, 22.b, 22.c, 23.a, 23.b, 23.c, Paragraph 24, and related Appendix B; Section XIV (Reporting), Paragraph 57; Section XV (Certification), Paragraph 58; and Section XVI (Information Collection and Retention), Paragraphs 59, 60, and 66 is restitution or required to come into compliance with law to the extent it applies to federal agencies.

Dated and entered this _____ day of _____, 20__.

UNITED STATES DISTRICT JUDGE

United States of America and the People of the State of California v. Plains All American Pipeline, L.P. and Plains Pipeline, L.P.
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THE UNDERSIGNED PARTY enters into this Consent Decree in the matter of *United States of America and the People of the State of California v. Plains All American Pipeline, L.P. and Plains Pipeline, L.P.*

FOR THE UNITED STATES OF AMERICA:

3/12/2020

Date



BRUCE S. GELBER
Deputy Assistant Attorney General
Environment and Natural Resources
Division U.S. Department of Justice

3/13/2020

Date



BRADLEY R. O'BRIEN
ANGELA MO
Environmental Enforcement Section
Environment and Natural Resources

Division

United States of America and the People of the State of California v. Plains All American Pipeline, L.P. and Plains Pipeline, L.P.

Consent Decree

1 THE UNDERSIGNED PARTY enters into this Consent Decree in the matter of
2 *United States of America and the People of the State of California v. Plains All*
3 *American Pipeline, L.P and Plains Pipeline, L.P.*

4 FOR THE UNITED STATES DEPARTMENT OF TRANSPORTATION,
5 PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION:

6
7 3 March 2020

8 Date



9 PAUL ROBERTI

10 Chief Counsel

11 U.S. Department of Transportation

12 Pipeline and Hazardous Materials Safety
13 Administration

14 1200 New Jersey Avenue, SE

15 Washington, DC 20590

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United States of America and the People of the State of California v.
Plains All American Pipeline, L.P. and Plains Pipeline, L.P.

Consent Decree

1 THE UNDERSIGNED PARTY enters into this Consent Decree in the matter of
2 *United States of America and the People of the State of California v. Plains All*
3 *American Pipeline, L.P. and Plains Pipeline, L.P.*

4 FOR THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY:

5
6 3-2-20

7 Date



SUSAN PARKER BODINE

Assistant Administrator

Office of Enforcement and Compliance

Assurance

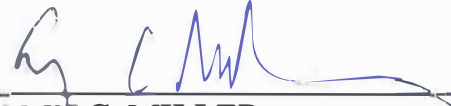
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United States of America and the People of the State of California v.
Plains All American Pipeline, L.P. and Plains Pipeline, L.P.
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1 THE UNDERSIGNED PARTY enters into this Consent Decree in the matter of
2 United States of America and the People of the State of California v. Plains All
3 American Pipeline, L.P. and Plains Pipeline, L.P.

4 FOR THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY:

5
6 2/26/2020
7 Date

8 
9 AMY C. MILLER
10 Region 9 Director
11 Enforcement and Compliance Assurance
12 Division
13 U.S. EPA Region 9
14 Mail Code ENF-1
15 75 Hawthorne Street
16 San Francisco, CA 94105

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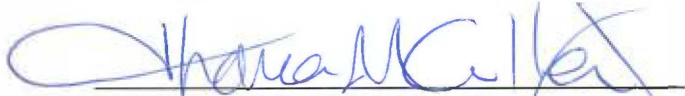
*United States of America and the People of the State of California v.
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THE UNDERSIGNED PARTY enters into this Consent Decree in the matter of *United States of America and the People of the State of California v. Plains All American Pipeline, L.P. and Plains Pipeline, L.P.*

FOR THE CALIFORNIA DEPARTMENT OF FISH and WILDLIFE:

3/4/2020
Date


THOMAS M. CULLEN, JR.
Administrator
Office of Spill Prevention and Response

United States of America and the People of the State of California v. Plains All American Pipeline, L.P. and Plains Pipeline, L.P.
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1 THE UNDERSIGNED PARTY enters into this Consent Decree in the matter of
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3 *American Pipeline, L.P. and Plains Pipeline, L.P.*

4 FOR THE CALIFORNIA DEPARTMENT OF PARKS AND RECREATION:

5
6 3/2/20
7 Date

8 Lisa Ann L Mangat
9 LISA ANN L. MANGAT
10 Director
11 California Department of Parks
12 and Recreation
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United States of America and the People of the State of California v.
Plains All American Pipeline, L.P. and Plains Pipeline, L.P.
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1 THE UNDERSIGNED PARTY enters into this Consent Decree in the matter of
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3 *American Pipeline, L.P. and Plains Pipeline, L.P.*

4 FOR THE CALIFORNIA STATE LANDS COMMISSION:

5
6 2/28/2020
7 Date

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9 _____
10 JENNIFER LUCCHESI
11 Executive Officer
12 California State Lands Commission
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United States of America and the People of the State of California v.
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1 THE UNDERSIGNED PARTY enters into this Consent Decree in the matter of
2 *United States of America and the People of the State of California v. Plains All*
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4 FOR THE CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE
5 PROTECTION'S - OFFICE OF THE STATE FIRE MARSHAL:

6 3/4/2020

7 Date

8 

9 THOMAS W. PORTER

10 Director

11 California Department of Forestry and
12 Fire Protection

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United States of America and the People of the State of California v.
Plains All American Pipeline, L.P. and Plains Pipeline, L.P.

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1 THE UNDERSIGNED PARTY enters into this Consent Decree in the matter of
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3 *American Pipeline, L.P. and Plains Pipeline, L.P.*

4 FOR THE CALIFORNIA REGIONAL WATER QUALITY CONTROL
5 BOARD, CENTRAL COAST REGION:

6 March 2, 2020

7 Date

8 

9 JOHN ROBERTSON

10 Executive Officer

11 Central Coast Regional Water
12 Quality Control Board

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United States of America and the People of the State of California v.
Plains All American Pipeline, L.P. and Plains Pipeline, L.P.

Consent Decree

1 THE UNDERSIGNED PARTY enters into this Consent Decree in the matter of
2 *United States of America and the People of the State of California v. Plains All*
3 *American Pipeline, L.P. and Plains Pipeline, L.P.*

4 FOR THE REGENTS OF THE UNIVERSITY OF CALIFORNIA:

5
6 3/3/20
7 Date


8 BARTON LOUNSBURY
9 Senior Counsel
10 Office of the General Counsel

11 _____
12 Date

13 _____
14 PEGGY FIEDLER
15 Executive Director
16 UC Natural Reserve System

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United States of America and the People of the State of California v.
Plains All American Pipeline, L.P. and Plains Pipeline, L.P.

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THE UNDERSIGNED PARTY enters into this Consent Decree in the matter of *United States of America and the People of the State of California v. Plains All American Pipeline, L.P. and Plains Pipeline, L.P.*

FOR THE REGENTS OF THE UNIVERSITY OF CALIFORNIA:

Date

3 March 2020

Date

BARTON LOUNSBURY
Senior Counsel
Office of the General Counsel



PEGGY FIEDLER
Executive Director
UC Natural Reserve System

*United States of America and the People of the State of California v.
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THE UNDERSIGNED PARTY enters into this Consent Decree in the matter of *United States of America and the People of the State of California v. Plains All American Pipeline, L.P. and Plains Pipeline, L.P.*

FOR PLAINS ALL AMERICAN PIPELINE, L.P.

2/25/2020
Date




HARRY PEANIS
President 

United States of America and the People of the State of California v. Plains All American Pipeline, L.P. and Plains Pipeline, L.P.
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1 THE UNDERSIGNED PARTY enters into this Consent Decree in the matter of
2 *United States of America and the People of the State of California v. Plains All*
3 *American Pipeline, L.P. and Plains Pipeline, L.P.*

4 FOR PLAINS PIPELINE, L.P.

5
6 2/25/2020
7 Date

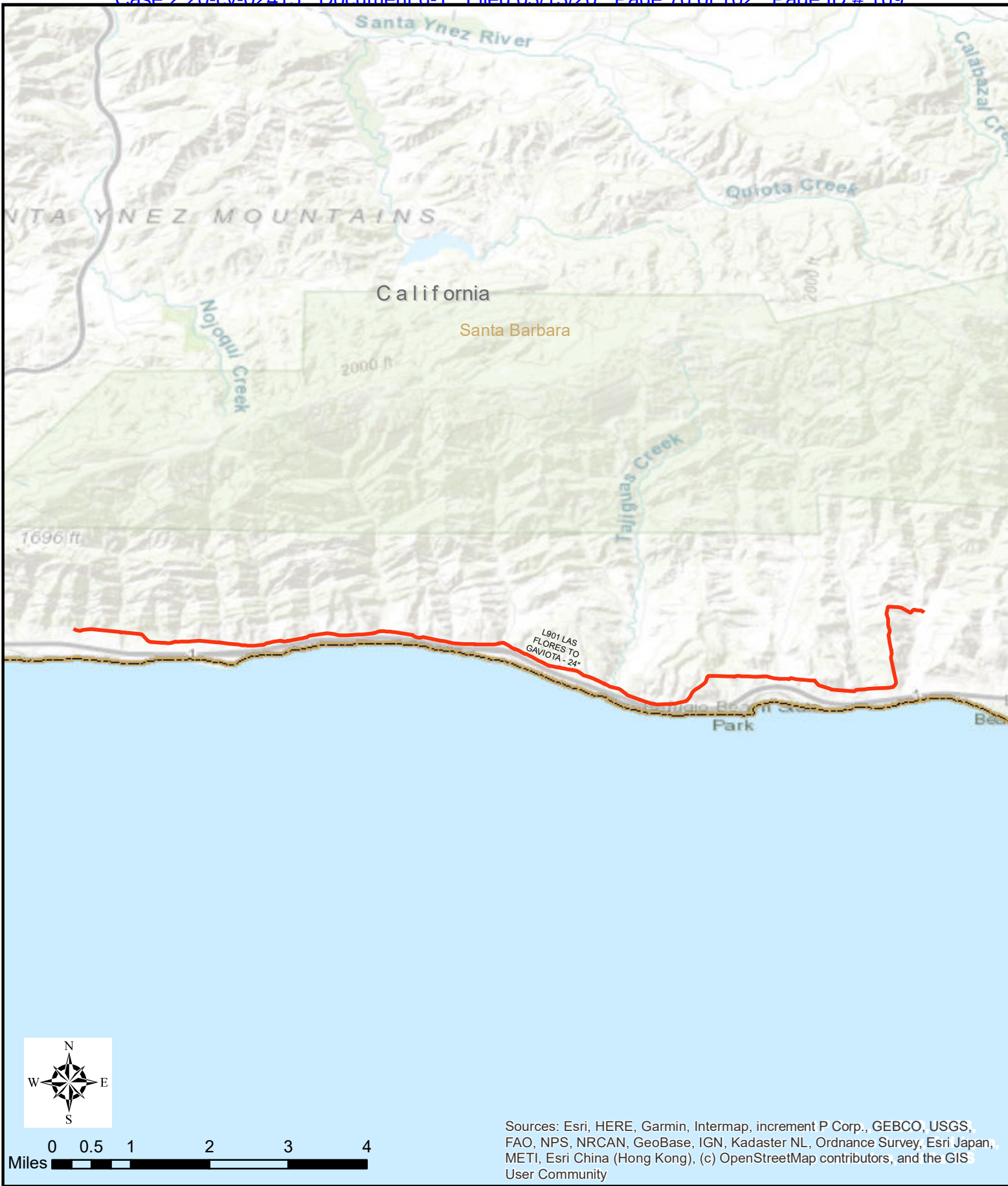
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HARRY PEFANIS
President *MBP*

APPENDIX A

*(Set of maps that generally depict Lines
901, 903, and 2000)*

*United States of America and the People of the State of California v.
Plains All American Pipeline, L.P. and Plains Pipeline, L.P.
Consent Decree*



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community

Scale: 1:100,000
 Sheet No: 1/1

Appendix A – Line 901

Owner:

PLAINS
 ALL AMERICAN
 PIPELINE, L.P.

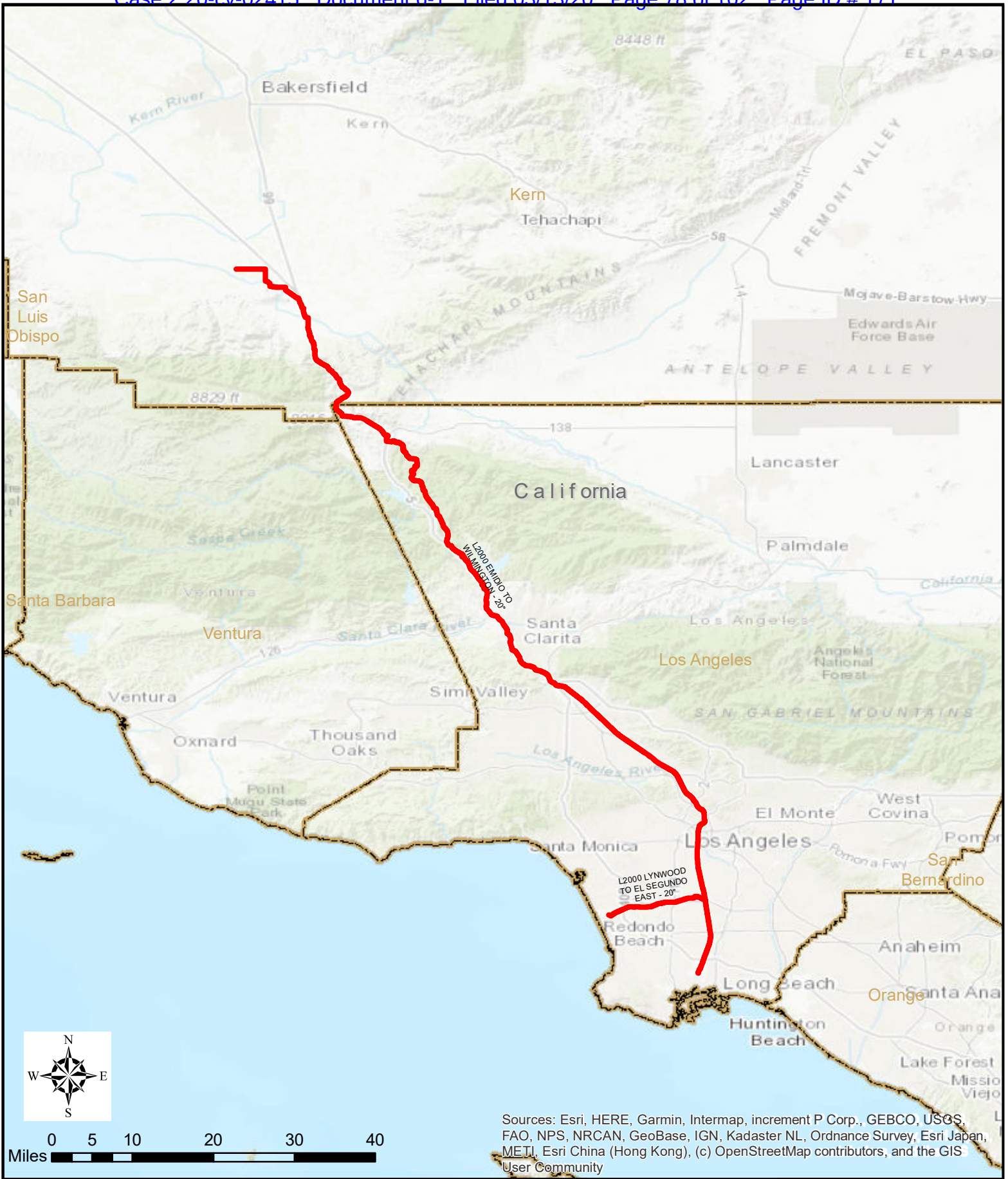


Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community

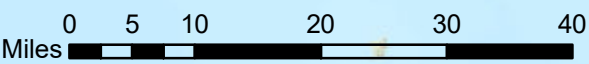
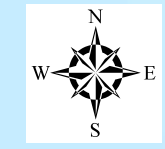
Scale: 1:700,000
 Sheet No: 1/1

Appendix A – Line 903





Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community



Appendix A – Line 2000

Scale: 1:966,574
 Sheet No: 1/1

Owner:

PLAINS
 ALL AMERICAN
 PIPELINE, L.P.

APPENDIX B
(PHMSA Injunctive Relief)

*United States of America and the People of the State of California v.
Plains All American Pipeline, L.P. and Plains Pipeline, L.P.
Consent Decree*

APPENDIX B

ARTICLE I – CALIFORNIA-SPECIFIC PROVISIONS

1. **State Waivers for Lines 901, 903, and 2000 (not to include any replacement lines):**
 - A. Prior to restarting Line 901, Plains shall apply for a State Waiver through the OSFM for the limited effectiveness of cathodic protection on Line 901. Plains must receive a State Waiver from the OSFM prior to restarting Line 901.
 - B. Prior to restarting non-operational segments of Line 903, Plains shall apply for a State Waiver through the OSFM for the limited effectiveness of cathodic protection on Line 903. Plains must receive a State Waiver from the OSFM prior to restarting Line 903.
 - C. Within 90 days of entry of the Consent Decree (CD), Plains must apply for a State Waiver through the OSFM for the limited effectiveness of cathodic protection on Line 903. The State Waiver shall apply to the currently operational segment of Line 903 from Pentland to Emidio.
 - D. Within 90 days of entry of the CD, Plains must apply for a State Waiver through the OSFM for the limited effectiveness of cathodic protection on Line 2000.
 - E. To the extent that a State Waiver directly incorporates terms identified in section 4 (Integrity Management) below, as being applicable to Lines 901, 903, or 2000, Plains shall not contest the inclusion of those terms in the relevant State Waiver. Plains reserves its rights to contest on any grounds any additional terms that the OSFM may require as part of each State Waiver if one is received. Nothing in this CD shall be construed to limit the authority of the OSFM to require additional terms or conditions in the State Waiver. Further, nothing in the State Waiver shall be construed to limit the applicability of the terms set forth in the CD.
2. **Replacement, Restart, or Abandonment of Lines 901 and 903:**
 - A. Plains shall replace the existing Line 901 and segments of Line 903 from Gaviota to Sisquoc and Sisquoc to Pentland with non-insulated pipe, if Plains is able to timely obtain: (1) agreements from shippers to transport sufficient quantities of product to make the cost of replacing the segments economically viable; (2) the Federal, State, and Local permits that may be required; and (3) whatever additional rights are needed, including rights-of-way that may be needed from landowners. Obtaining required commercial commitments, permits, rights-of-way, and any other rights necessary for replacement is the sole responsibility of Plains.

1. On any replacement segments of Lines 901 or 903, Plains shall, prior to commencing operation of such segment(s):
 - a. Test for potential AC/DC interference. Where potential AC/DC interference exists, proper mitigation of interference shall be designed and installed during construction of replacement lines.
 - b. Conduct a close interval survey (CIS) and AC/DC interference survey.
 - c. Based on the CIS and AC/DC interference surveys, place additional cathodic-protection test stations at locations where the surveys demonstrate potential cathodic-protection deficiencies, following review and consultation with the OSFM regarding proposed test station locations.
 - B. As an alternative to replacement of Line 901 and segments of Line 903 from Gaviota to Sisquoc and Sisquoc to Pentland, Plains may restart the existing pipelines in accordance with the CD (including Appendix D) and applicable law.
 - C. As an alternative to replacement or restart of Line 901 and segments of Line 903 from Gaviota to Sisquoc and Sisquoc to Pentland, Plains may abandon all or any segments in accordance with all applicable laws and regulations.
3. **Third-Party Analysis of Line 2000 ILI Data**
- A. Plains shall select, subject to OSFM's approval, a third-party consultant to review and analyze ILI data for Line 2000 and provide a report to the OSFM on its findings.
 - B. The consultant shall:
 1. Review all ILI results and reports that Plains has received from ILI vendors for Line 2000;
 2. Review Plains' processes and procedures for analyzing ILI data, and Plains' analysis of Line 2000 ILI results, and suggest potential improvements, if any, to Plains' current processes or procedures for analyzing ILI data;
 3. Analyze Plains' implementation of its ILI assessment procedures for Line 2000.
 4. Evaluate ILI vendor specifications to ensure that proper criteria and technology considerations are taken in to account in selecting the specific inspection tool(s) used in the future, with consideration given to best available technology for reliably detecting corrosion, general corrosion, selective seam-weld corrosion, and seam anomalies;

5. Consider disclosed industry standards and regulations, including, but not limited to: 49 CFR § 195.452, the California Elder Pipeline Safety Act, ASME B31.4 (Pipeline Transportation Systems for Liquids and Slurries), ASME B31G (Manual for Determining Strength of Corroded Pipelines) or RSTRENG, API 1160 (Managing System Integrity for Hazardous Liquid Pipelines), API 1163 (In-Line Inspection Systems Qualification), ANSI/ASNT ILI-PQ (In-Line Inspection Personnel Qualification and Certification), NACE SP0169 (Control of External Corrosion on Underground or Submerged Metallic Piping Systems), and the PRCI Pipeline Repair Manual;
 6. Comply with additional requirements specified in the scope of work.
- C. The third-party consultant shall prepare a written report reflecting its findings, conclusions, and any recommendations for improvement found in conducting the analysis.
1. The consultant may recommend improvements to Plains' ILI analysis process and procedures to improve the quality and integration of ILI data into its IMP going forward. Plains shall give due consideration to the results of the analysis and recommendations of the consultant but will maintain discretion over whether and how to implement any recommendations.
 2. The report shall include a list of documents and data reviewed in conducting the analysis, which shall be provided to the OSFM, if requested.
 3. Within 150 days of entry of the CD, the consultant shall provide a draft report to the OSFM and Plains for comment at the same time. Plains and the OSFM may provide comments to the consultant on the report within 21 days of receipt of the draft.
 4. Within 45 days after receiving comments (if any) from Plains and the OSFM, the consultant shall provide a final report to PHMSA, the OSFM and Plains.

4. **Integrity Management**

- A. For any operating segments of Lines 901, 903, and 2000 (not to include any replacement lines):
1. Plains shall implement the following measures and amend its IMP, as needed, to include the requirements of this section for the applicable lines:
 - a. In addition to other dig criteria specified by regulation or in its IMP, Plains shall remediate all internal or external metal loss anomalies that have an ILI reported depth of 40% or greater wall

loss, within one year of discovery. If Plains is unable to remediate such anomalies within one year of discovery, Plains shall notify OSFM and temporarily reduce the operating pressure and/or take further remedial action in accordance with 49 C.F.R. § 195.452 until the anomaly is remediated (or until otherwise authorized by OSFM).

- b. Analyze a sample of additional anomalies of varying amounts of metal loss between 10% and 40% for validation. The sample size shall be at least ten, unless fewer than ten anomalies are reported within that range, in which case Plains would examine the number of anomalies called.
- c. When sizing anomalies, apply interaction/clustering criteria of 6t by 6t for applicable ILI tools;
- d. Require its ILI tool vendor to include in the vendor's inspection report all metal loss anomalies of 10% or greater, based on raw data, prior to adding in any correction for tool tolerance;
- e. Any time a shrink sleeve is exposed during an anomaly investigation, remove the shrink sleeve, investigate circumferentially and longitudinally along the pipe for external corrosion and coating deterioration, and recoat with two-part epoxy;
- f. Send all field measurements to the tool vendor within 90 days of completing all digs for any ILI, provided that available data must be submitted prior to the next ILI run, and conduct annual meetings with the tool vendor to discuss tool performance;
- g. For any use of magnetic flux leakage (MFL) tools, require its ILI tool vendor to manually grade any metal loss anomalies initially identified by the ILI tool as greater than or equal to 20% of wall loss (i.e., have human eyes on the raw data and not simply rely on a computer algorithm), and require that the vendor's ILI report note any differences between what the computer algorithm reported and the vendor's manual grade;
- h. Where any ILI tool fails to record data for 5% or more of the external and/or internal surface area of the inspected segment, re-run the ILI tool to cover the area of failure;
- i. Integrate and analyze available data in its P&M process, including:
 - i. Assessment data from ILI tool runs;
 - ii. Dig and repair data;

- iii. Corrosion data, such as survey results, chemical treatments, and cleaning-pig results;
- iv. Operational data, such as pressure and flow data;
- v. Emergency response data, such as tactical response plans and results of recent drills on the pipeline, including locations of conduits to water, as identified in emergency response plans;
- vi. Evaluation of the capability of the leak detection system, which shall include identification of each leak detection segment between block valves, consideration of length and size of the pipeline, type of product carried, proximity to high consequence areas, swiftness of leak detection (the time period required for a leak to be operationally isolated and/or the pipeline to be shut down), type and location of valves, valve closure time, EFRD analysis results, the location of nearest response personnel, leak history, and risk assessment results;
- vii. Other pipeline characteristics, such as length, diameter, presence in HCAs and Environmentally and Ecologically Sensitive Areas (as defined in regulations promulgated pursuant to California Government Code § 8574.7(d), including 14 CCR 817.04(k)(3)(A)), maximum operating pressure, normal operating pressure, coating type, elevation data, water crossings, proximity to water bodies, casings, geohazard threats, maximum flow rate, and maximum rupture volume.

2. ILI Measures

- a. Initial ILI Runs. Each year during the first two years after entry of the CD, Plains shall conduct at least two ILIs using: (1) a high-resolution MFL tool; and (2) a UT tool with an inertial measurement unit (IMU). Plains shall compare both runs and evaluate all available information, including these tool runs and corresponding IMU data. If a UT tool run is unsuccessful, Plains shall identify the limitations that prevented the UT tool run from being successful, consider changes to increase the likelihood of a successful UT tool run, and use best efforts to rerun the UT tool within six months (subject to tool availability).
 - i. All ILI assessments in the first two years shall include a sizing tool and a tool capable of identifying dents.

- ii. In each of the first two years, Plains shall run the second ILI tool as soon as practicable after running the first ILI tool, but no later than 90 days after completion of the first ILI tool run. If one of the two tool runs is unsuccessful, Plains shall re-run the tool that was unsuccessful (but need not re-run the tool that was successful) even if the re-run of the unsuccessful tool run would occur more than 90 days from the successful tool run.
- b. Subsequent ILI Runs. After the first two years, Plains shall run at least one MFL or one UT tool every year, using a different ILI tool type (MFL or UT) in each alternating year. Alternatively, Plains may run a UT tool each year. If, however, any UT tool run is unsuccessful, Plains shall document the reasons why the UT tool was unsuccessful, consider changes to increase the likelihood of a successful UT tool run, and may use MFL technology to complete that year's ILI, but must run a UT tool the following year.
- c. All ILI Runs. Plains shall provide ILI results and reports to the OSFM within 30 days from its availability to Plains.

5. **Valves**

- A. Within one year after entry of the CD for any operating segments of Lines 901, 903, and 2000, and for any new pipeline segments replacing those lines, Plains shall conduct EFRD analyses, which shall include consideration of:
 - 1. Swiftness of leak detection and pipeline shutdown capabilities, type of commodity carried, rate of potential leakage, volume that can be released, topography or pipeline profile, potential for ignition (for spilled commodity), proximity to power sources, location of nearest response personnel, specific terrain between the pipeline and the HCA, and benefits expected by reducing the spill size.
 - 2. Valve placement and method of valve actuation for all valves (not including valves used for instrumentation purposes, such as on tubing on transmitter calibration manifolds).
- B. Plains shall submit the EFRD analyses to OSFM within one year of entry of the CD.
- C. Where practical, Plains shall confirm that check valves that are necessary for the safe operation of the pipeline are in good working order at intervals required by other valve maintenance activities and associated procedures.

6. **Risk Analysis**

- A. For any operating segments of Lines 901, 903, or 2000 (not to include any replacement lines):
 - 1. Plains shall submit a risk analysis under proposed regulation 19 CCR § 2111(c) to OSFM (dated January 17, 2019 and publicly noticed in the California Regulatory Notice Register on February 15, 2019), or the final version of such regulation as it may be made effective in the future, regardless of whether or not those lines would otherwise be subject to the proposed regulations.
 - a. The information in the risk analysis shall be limited to the information listed in proposed regulation 19 CCR § 2111(c).
 - b. Plains' responsibility under this subsection is limited to providing the risk analysis to OSFM; Plains will maintain discretion over whether and how to implement the results of the analysis. The OSFM may review and comment on the risk analysis submitted by Plains consistent with provisions found in the proposed regulations, 19 CCR 2100 et seq.
 - c. The risk analysis shall be due within one year from entry of the CD.

7. **Leak Detection**

- A. For any operating segments of Lines 901, 903, or 2000 (not to include any replacement lines), Plains shall confirm in writing to the OSFM within 30 days of entry of the CD that it has installed a Computational Pipeline Monitoring (CPM) Real Time Transient Model (RTTM) that is compliant with API 1130.
- B. Within 12 months after initiating operation of any replacement lines for Lines 901 or 903, Plains shall verify and certify to the OSFM that all Pipeline and Instrumentation Drawings (P&IDs) reflect correct "as-built" information.

8. **Non-waiver**

- A. Nothing in this CD shall excuse Plains from otherwise complying with the AB 864 regulations when they are promulgated.

ARTICLE II – COMPANY-WIDE PROVISIONS ON REGULATED PIPELINES

9. **Integrity Management**

- A. New Procedures for Interim Reviews and Assessments

1. Plains shall modify Section 9.5 of its Integrity Management Plan (“Continual Evaluation and Assessment of Pipeline Integrity”) to provide for an annual, but not to exceed 15 months, Interim Review of each pipeline segment it operates to determine whether, since the last assessment (whether it was an Interim Assessment or a full periodic assessment under Section 6), conditions have changed or new information has been obtained that could significantly impact already-identified threats or create new threats for that segment. If so, Plains shall evaluate whether it should implement any P&M measure(s) to address that threat prior to the next regularly-scheduled assessment. Section 9.5 shall list all the categories of potential threats to be considered as part of the Interim Review and the types of conditions, information and data that will be included in the information analysis conducted under 49 CFR § 195.452(g).
2. Plains shall modify Section 9.5 of its IMP to provide new forms for P&M measures or actions to be taken as a result of an Interim Review. Section 9.5 shall provide that Plains’ Integrity Engineer may recommend any P&M measures that may be appropriate, including any P&M measures that could be recommended following a full assessment performed under Section 6 of its IMP.
3. Plains shall submit its proposed modifications of Section 9.5 to PHMSA no later than 60 days after entry of the CD. If PHMSA does not object or request any modification within 60 days, Plains shall proceed to implement the revised procedures in Section 9.5, which shall be completed within 18 months from entry of the CD.

B. Documentation for P&M Recommendations

1. Within 90 days from entry of the CD, Plains shall revise Part B of its P&M Recommendation form (F11-2), to expand the scope and content of comments in the “Basis of Recommendation” field to provide a narrative explanation that reflects, at a minimum:
 - a. What drew the engineer’s attention and caused him or her to make the recommendation (such as an anomaly, pattern, trend or potential correlation observed in the data, a particular event or occurrence, a particular change in the operation or configuration of the line or in its surrounding environment, “lessons learned” from another event or occurrence, a corporate goal or initiative, etc.);
 - b. The specific risk (likelihood or consequence of failure, or both) or concern that the recommended measure is intended to investigate or address; and

- c. The goal or intended outcome that the recommended P&M measure is intended to achieve with regard to that specific risk or concern.
 2. In the new forms for the Interim Review procedure described in Paragraph A above, Plains shall likewise provide a narrative explanation of the bases for any recommended P&M measures.
 3. In Part B of its Preventive and Mitigative Evaluation Recommendation Form (F11-2), Plains shall continue to identify the anticipated completion date for the P&M measure in the column titled "Deadline Date."
- C. Tracking of P&M Measures

Plains shall document P&M measures recommended but not implemented. Plains shall document implemented P&M measures through to completion, whether undertaken pursuant to an Interim Review under Section 9.5 or a full assessment under Section 6, such that these actions will be properly documented under 49 CFR § 195.452(l).

10. **Valves and O&M**

- A. Within two years after entry of the CD, Plains shall conduct EFRD analyses for all Regulated Pipelines for which it has not previously completed an EFRD analysis.
- B. Within two years of entry of the CD, Plains shall develop and implement procedures to:
 1. If a valve fails to respond properly on first actuation command, document the failure and review historical records for that valve to identify any systemic issues.
 2. Adjust Plains' surge analyses and Emergency Response Plans, if necessary, to account for identified systemic issues associated with valve closure times.
 3. Timely communicate to the Control Room the status of valve maintenance activity for those valves on Regulated Pipelines that are capable of being operated by the Control Room.
 4. Verify that personnel assigned to operator-qualification tasks for valve maintenance are qualified to perform those tasks.
- C. Plains shall make all repairs necessary to keep valves in good working order within one year of discovery that the valve is not operating as intended, or, if not possible, Plains shall provide timely notification (including justification) to PHMSA or OSFM as applicable.

- D. For all field personnel who perform maintenance on facilities, equipment, or devices, Plains shall provide training:
 - 1. Within two years of entry of the CD, that addresses the importance of complying with Plains' policy requiring notification of Control Room personnel before beginning maintenance activities on any such facility, equipment, or device that could change the status of any pump, valve, CPM device, SCADA device, pressure or flow metering or rate that is monitored by the Control Room. Plains shall include in the training a requirement that employees shall notify the Control Room before entering a facility to perform maintenance, or, if not possible, immediately after entering.
- E. Plains shall improve existing valve maintenance recordkeeping to include confirmation whether the valve has been actually operated during maintenance.

11. **Leak Detection**

- A. Within 90 days after entry of the CD, Plains shall create and maintain a list of its regulated mainline pipelines, excluding gathering lines and Delivery Lines, to indicate which of the following three rupture-detection methods, if any, are used on each line: (1) Rate of Change Combination alarm; (2) low discharge pressure alarm; or (3) 5-minute computational pipeline monitoring (CPM) alarm.
 - 1. Within one year after entry of the CD, for any regulated mainline pipeline identified in the list created pursuant to this paragraph that does not utilize at least one of the three rupture detection methods, Plains shall implement at least one.
- B. For the term of the CD, Plains shall conduct annual training for controllers on attributes and benefits of various methods of leak detection, including Analog High/Low Threshold, Alarm Deadband, Creep Deviation, and Analog Rate of Change.
- C. Within 18 months of entry of the CD, for its CPM systems, Plains shall analyze and evaluate the use of accumulated deviation rolling time periods longer than 24 hours.
 - 1. Plains shall document its analysis and provide it to PHMSA for comment, but Plains shall maintain discretion over what actions to take, if any, and how to implement the results of its analysis.
- D. Within six months of entry of the CD, Plains shall have in place a written procedure for Selection of Leak Detection Method for its Regulated Pipelines.
 - 1. Plains shall provide the Selection of Leak Detection Method procedure to PHMSA for comment, but Plains shall maintain discretion over and be

responsible for the final content and implementation of the Selection of Leak Detection Method procedure.

- E. Plains will hold periodic (at least annual) meetings to solicit feedback from Control Room and operations maintenance personnel regarding potential improvements to leak detection. The results of the meetings will be documented and shared with appropriate personnel. The recommendations will be evaluated and documented.
- F. Instrumentation and Display
 - 1. To minimize and prevent false operating conditions from being displayed, Plains shall, per API 1175 (Pipeline Leak Detection – Program Management (1st Edition, December 2015)), within three years from entry of the CD or such earlier time as required by regulations:
 - a. Provide a procedure by which operations maintenance personnel and/or Control Room personnel identify and record when instrumentation has been impeded on an unplanned basis and is no longer providing accurate and updated values on pressure, flow, or temperature due to scheduled or planned maintenance activities.
 - b. Track these conditions through to resolution, including instrumentation relocation when necessary.

12. **Control Room Management**

- A. For Lines 901 and 903, prior to resuming operations on segments currently not in service or commencing operations on any replacement for those lines, Plains shall:
 - 1. Complete point-to-point verification reviews for all components of its SCADA system, including displays, alarm setpoint values, and alarm log descriptors;
 - 2. Update its piping and instrumentation diagrams, software, manuals, and operating procedures to accurately reflect the existing field configuration;
 - 3. Confirm that all Lo-Lo and Hi-Hi SCADA alarms are configured and programmed as critical safety related alarms for pressures and flows, and that alert notifications are correct and accurate; and
 - 4. Update the names of all facilities, equipment, devices, measurement points and locations in console displays, the Control Room Management Plan and Control Center General Procedures, shift reports, and form templates to reflect current operating conditions (updating or removing out-of-date names).

- B. For Line 2000, within six months after entry of the CD, Plains shall confirm to the OSFM that all Alarm Descriptors on the control console are accurate.
- C. Plains shall implement the Control Room Management Plan measures and Control Center General Procedures measures referenced in paragraph 23(a) of the CD.

13. **Emergency Response and Oil Spill Response Plans**

A. California-Specific Provisions:

- 1. Plains shall review and update its Bakersfield District Response Zone Plan periodically, as required by applicable regulations, including 14 CCR 816.05. Plains' review shall include the portions of its Response Plan that address identification of culverts along the pipelines' rights-of-way, potential receptors, access to potential spill sites, and procedures to assure protection of the environment from oil spills. To the extent that Plains has a Tactical Response Plan, Plains shall make it available to the Governments upon reasonable request and as needed in connection with a drill or response to a spill.

B. Company-Wide Provisions

- 1. Plains shall, at least once before two years from the date of entry of the CD, and at least one additional time prior to termination of the CD, survey its rights-of-way for all regulated mainline pipelines of at least 24" diameter, by foot or air patrol, to identify all culverts and shall ensure the emergency response plans covering those pipelines (a) reflect the locations of all culverts identified, and (b) address potential containment and recovery techniques for spills that may occur near identified culverts.
- 2. Within 180 days of entry of the CD (or within 180 days of a new employee being hired, or an existing employee being assigned to relevant duties) Plains shall provide or confirm that it has provided all employees who may reasonably be involved in spill response with NIMS ICS training at the 100 and 200 levels. Within 180 days of entry of the CD, Plains shall also provide or confirm that it has provided ICS training at the 300 and 400 level to any employee who may reasonably be expected to coordinate with the Incident Management Team during a spill response. Plains shall provide refresher training to employees within two years after initial training and shall maintain certification of such training and make such documents available to Plaintiffs upon request.
- 3. Going forward from the date of the CD, Plains shall include in its contracts with all Oil Spill Response Organizations (OSROs) a requirement that the OSROs' employees and contract employees receive training at the same level specified for Plains employees, based on their responsibilities, prior to participating in any incident response on behalf of

Plains. Plains shall require its OSRO contractors and subcontractors to register with a third-party online compliance verification system and shall use that online verification system to spot-check the NIMS ICS Training histories for randomly-selected OSRO personnel who participate in Plains' table-top drills. Plains' spot-check shall include a reasonable number of OSRO personnel participating in the drills to help ensure that all OSRO personnel participating in incident response are trained at the ICS levels specified herein.

4. Within 180 days of entry of the CD, Plains shall provide or confirm that it has provided all Control Room supervisors with training regarding the Control Room's emergency response responsibilities and procedures. Plains shall provide this training annually thereafter. Plains shall maintain auditable documentation that supervisors have received such training and shall make such documentation available to PHMSA upon request.
5. Plains shall notify PHMSA (and, for California Lines, California OSPR and OSFM) of company-sponsored and organized drills in accordance with applicable regulations, including table tops (either with or without equipment deployment). Plains shall provide PHMSA (and, for California Lines, California OSPR and OSFM) with after-action reports for each table-top drill involving equipment deployment within 90 days of completion of the drill. Plains shall include lessons learned in such after-action reports and shall consider such lessons learned for incorporation into future drills or exercises.
6. For the term of the CD, a representative of Plains' Control Room management team shall participate in any after-action or "hot wash" activity designed to identify areas of improvement following a release, and shall share, in documented form, the information obtained with relevant Control Room personnel.

14. **Safety Management System (SMS)**

- A. Plains shall continue to implement its SMS, which is based on recommended practices in American Petroleum Institute (API) RP 1173 (Pipeline Safety Management Systems (1st Edition, July 2015)).
 1. Prior to the termination of the CD, Plains shall hire a third party to assess the conformance of its SMS to API RP 1173. Plains shall direct the third party to transmit a copy of the final report to PHMSA. Plains' responsibility under this paragraph shall be limited to engaging the third party to prepare the report and providing the report to PHMSA. Any nonconformance identified by the third party shall not be a violation of the CD.

- B. Plains shall participate in the API Pipeline SMS Group to exchange ideas, information, and lessons learned about implementation of API RP 1173.

15. **Drug and Alcohol Program**

- A. Within one year of entry of the CD, Plains shall review and revise its drug and alcohol misuse plans to comply with post-accident and random drug and alcohol testing required by 49 C.F.R. §§ 199.105(b), (c), and 49 C.F.R. § 199.225(a). This shall include a review of all covered positions among Control Room personnel and field personnel for inclusion in the plans for post-accident testing. Covered positions shall include any person with authority to shut down a pipeline, including Control Room shift supervisors. Plains shall ensure adequate implementation and documentation for all post-accident drug/alcohol tests as required by 49 C.F.R. § 199.117(a)(5) and 49 C.F.R. §§ 199.227(b)(4), (c)(1)(v) and in accordance with its procedures. Should Plains determine that it is not possible to administer a post-accident drug/alcohol test on a covered employee whose performance of a covered function either contributed to the accident or could not be completely discounted as a contributing factor within the time specified in the regulations, Plains shall document why the test was not administered within such time.

APPENDIX C

(Intentionally left blank)

*United States of America and the People of the State of California v.
Plains All American Pipeline, L.P. and Plains Pipeline, L.P.
Consent Decree*

APPENDIX D

*(Remaining Corrective Actions from the
PHMSA CAO)*

*United States of America and the People of the State of California v.
Plains All American Pipeline, L.P. and Plains Pipeline, L.P.
Consent Decree*

APPENDIX D

1. All outstanding corrective actions in PHMSA's closed Corrective Action Order (CAO), CPF No. 5-2015-5011H, as amended, are hereby merged into this Consent Decree, as outlined below, and subject to the sole regulatory oversight of the OSFM.

- a. **Line 901 Shutdown.** Plains shall not operate Line 901 until authorized to do so by the OSFM.
- b. **Restart Plan for Line 901.** If Plains seeks to restart Line 901, Plains shall develop and submit, at least 60 days in advance of a scheduled restart, a written Restart Plan for Line 901 to the OSFM for review and approval. Once approved by the OSFM, the Restart Plan shall be incorporated by reference into this Consent Decree. The Restart Plan shall include:
 - 1) Documentation of the completion of all mandated actions, and a management of change plan to ensure that all procedural modifications are incorporated into Plains' operations and maintenance procedures manual;
 - 2) Provisions for adequate patrolling of Line 901 during the restart process and shall include incremental pressure increases during start-up, with each increment to be held for at least two hours;
 - 3) Sufficient surveillance of the pipeline during each pressure increment to ensure that no leaks are present when operation of the line resumes;
 - 4) A specific day-light restart that includes advance communications with local emergency response officials;
 - 5) Master Control Room enhancements, including:
 - a) Implementation of advanced leak-detection

capabilities that include mass balance and line pack calculations (the total volume of liquid present in a pipeline section). The leak-detection improvements shall include:

1. Revised alarm threshold adjustments;
 2. Additional required instrumentation; installation of additional safety valves as a result of Plains' EFRD evaluation;
- b) Review and update of the alarm set-point values of pressures and flows to account for hydraulics and the interaction of topography, pipeline status (running and shutdown), sensor location, and historical pressure and flow values by configuration, in order to provide a basic level of leak detection when the pipeline is down and not running. Dynamic alarm limits based on pipeline status shall be used if hydraulically required;
- c) Implementation of modifications to the existing alarm priority/severity system to incorporate low and high pressure and flow values in major or safety-related alarm (SRA) categories;
- d) Implementation of emergency shutdown programming associated with Line 901 that can be executed by the Shift Supervisor or Controller;
- e) Development and implementation of training associated with the emergency shutdown programming described above; and
- f) Provision of additional controller training that

incorporates awareness of abnormal operations and reduced-pressure operational characteristics, including alarm set-point revisions for conditions similar to the Refugio Incident.

- 6) Elimination and documentation of actions taken to prevent inappropriate uncommanded Valve 460 (Sisquoc Conoco) status and position changes;
- 7) Installation of additional safety valves as a result of Plains' EFRD evaluation;
- 8) Installation of additional pressure sensors as a result of Plains' surge study;
- 9) Initiation of a UT ILI within seven days after steady-state operation is achieved in accordance with an ILI schedule approved by the OSFM. The tool run shall be initiated during daylight hours. If the tool run does not collect a complete data set, the UT tool shall be promptly re-run. A report from the ILI tool vendor shall be completed within 30 days of running the tool. Plains shall complete its review and analysis of the ILI report within 15 days of receiving the report. Provisions shall be made to address any immediate repairs that result from an initial data analysis of the UT ILI run; and
- 10) **Corrosion Prevention.** Plains shall include a long-term plan to address corrosion under insulation (CUI) on Line 901 that meets the requirements of 49 C.F.R. Part 195, Subpart H, in any Restart Plan. Plains may address the inadequate corrosion prevention through any method approved by the OSFM, including but not limited to the provisions contained in CAO Amendment No. 3, Section 2(a)-(c).

- c. **Return to Service of Line 901.** After the OSFM approves the Restart Plan, Plains may return Line 901 to service but the operating pressure shall not exceed eighty percent (80%) of the actual operating pressure in effect immediately prior to the Refugio Incident on May 19, 2015.
- d. **Removal of Pressure Restriction of Line 901.** The OSFM may allow the removal or modification of the pressure restriction upon a written request from Plains demonstrating that restoring the pipeline to its pre-Refugio Incident operating pressure is justified, based on a reliable engineering analysis showing that the pressure increase is safe, considering all known defects, anomalies, and operating parameters of the pipeline. The OSFM may allow the temporary removal or modification of the pressure restriction upon a written request from Plains demonstrating that temporary Preventive and Mitigative (P&M) measures will be implemented prior to and during the temporary removal or modification of the pressure restriction. The OSFM's determination shall be based on consideration of the Refugio Incident's cause and Plains' evidence that P&M measures provide for the safe operation of Line 901 during the temporary removal or modification of the pressure restriction.
- e. **Line 903 Shutdown.** After purging Line 903, Plains shall not operate Line 903 between Gaviota and Pentland stations until authorized to do so by the OSFM.
- f. **Restart Plan for Line 903.** If Plains seeks to restart the Gaviota-to-Pentland segment of Line 903, Plains shall develop and submit, at least 60 days in advance of a scheduled restart, a written Restart Plan for the Gaviota-to-Pentland segment of Line

903 to the OSFM for review and approval. Once approved by the OSFM, the Restart Plan shall be incorporated by reference into this Consent Decree. In addition to all the requirements set forth in the above subparagraphs 1.b.1)-11), excluding subparagraph 1.b.6), the Restart Plan shall include:

- 1) Provisions for adequate patrolling during the restart process and the inclusion of incremental pressure increases during start-up, with each increment to be held for at least two hours;
- 2) Sufficient surveillance of the pipeline during each pressure increment to ensure that no leaks are present when operation of the line resumes; and
- 3) Provisions for a daylight restart and advance communications with local emergency response officials.

g. **Line 903 Return to Service.** After the OSFM approves the Restart Plan for the Gaviota-to-Pentland segment of Line 903, Plains may return that segment to service, but the operating pressure shall not exceed eighty percent (80%) of the highest pressure sustained for a continuous 8-hour period between April 19, 2015, and May 19, 2015, for Line 903 (Gaviota-to-Sisquoc and Sisquoc-to-Pentland segments).

h. **Removal of Pressure Restriction for Line 903.** After a return to service, Plains may request the OSFM to remove the pressure restriction for the Gaviota-to-Pentland segment of Line 903.

- 1) The OSFM may allow removal or modification of the pressure restriction upon a written request from Plains demonstrating that restoring the pipeline to its pre-Refugio Incident operating pressure is justified, based on a reliable

engineering analysis showing that the pressure increase is safe, considering all known defects, anomalies, and operating parameters of the pipeline.

2) The OSFM may allow the temporary removal or modification of the pressure restriction upon a written request from Plains demonstrating that temporary P&M measures will be implemented prior to and during the temporary removal or modification of the pressure restriction. The OSFM's determination shall be based on consideration of the Refugio Incident's cause and Plains' evidence that P&M measures provide for the safe operation of Line 903 during the temporary removal or modification of the pressure restriction. Requests for removal of the pressure restriction may be submitted by pipeline segment.

- i. **Notifications.** Plains shall provide notification to the OSFM within five business days of any of the following events: any investigation and remediation field actions for identified anomalies (i.e., digs and repairs), ILI tool runs, and/or startup dates.
- j. **Reporting Requirements for Lines 901 and 903.** If and when Plains has concluded all items in this Appendix D, Plains shall submit a final Appendix D Documentation Report to the OSFM for review and approval.
 - 1) The OSFM may approve the Appendix D Documentation Report incrementally without approving it in its entirety.
 - 2) Once approved by the OSFM, the Appendix D Documentation Report shall be incorporated by reference into this Consent Decree.

3) The Appendix D Documentation Report shall include but not be limited to:

- A. Table of Contents;
- B. [*intentionally left blank.*]
- C. [*intentionally left blank.*]
- D. Summary of all tests, inspections, assessments, evaluations, and analysis to the extent required under this Appendix D;
- E. [*intentionally left blank.*]
- F. [*intentionally left blank.*]
- G. Lessons learned while fulfilling the requirements of this Appendix D.

Exhibit C – CA-324 State Waiver



DEPARTMENT OF FORESTRY AND FIRE PROTECTION
OFFICE OF THE STATE FIRE MARSHAL
P.O. Box 944246
Sacramento, California 94244-2460
(916) 568-3800
Website: www.fire.ca.gov



CERTIFIED MAIL No: 9589-0710-5270-1475-5353-08

December 17, 2024

Lance Yearwood
Vice President
Sable Offshore Corp
845 Texas Avenue, Suite 2920
Houston, Texas 77002

SUBJECT: LETTER OF DECISION ON THE STATE WAIVER REQUEST FOR LIMITED EFFECTIVENESS OF CATHODIC PROTECTION ON THERMALLY INSULATED PIPELINE AND CORROSION OF OR ALONG A LONGITUDINAL SEAM WELD (CA-324)

Operator: Sable Offshore Corp
OPID# 40851
845 Texas Avenue, # 2920
Houston, Texas 77002

Pipeline: OSFM Line ID 0015 - 10.86 miles (Las Flores Canyon to Gaviota) of Sable Offshore Corp CA-324 (OSFM Line ID 0015) located in Santa Barbara County, California as described in the request of state waiver dated April 24, 2024

Dear Mr. Yearwood:

The Office of the State Fire Marshal (OSFM) received Sable Offshore Corp's (*Sable*) state waiver request (*Application*) on April 24, 2024, in accordance with the terms of the Consent Decree (CD) between Plains Pipeline, L.P. and the United States of America and the People of the State of California, DOJ Case REF. NO. 90-5-1-1-1130 (Appendix B, Article 1.1.D).

In addition, Sable requested a regulatory relief from Title 49 Code of Federal Regulations (49 C.F.R.), § 195.452(h)(4)(iii)(H) *Corrosion of or along a longitudinal seam weld* for Sable CA-324.

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Sable explained that its goal is to appropriately manage the risk of corrosion under insulation that may occur as a result of inadequate cathodic protection due to the shielding effects of the polyurethane foam and the polyethylene tape wrap. Sable described the measures it has taken to address this risk and implemented and proposed a number of additional measures designed to mitigate the risk of corrosion under insulation that may result from potential ineffective cathodic protection (CP).

Sable provided the OSFM with its proposed measures to mitigate the risk of corrosion under insulation. Sable also provided the OSFM information from the completed in-line inspections and additional data requested by our office. The OSFM Pipeline Safety Engineers have reviewed the materials provided and have been in communication with the United States Department of Transportation (USDOT), Pipeline and Hazardous Materials Safety Administration (PHMSA) Engineering and Research Division to incorporate PHMSA's recommended conditions into the state waiver.

The OSFM has regulatory jurisdiction over the safety standards and practices of intrastate hazardous liquid pipeline transportation within California. As a Pipeline Safety Program that is certified under 49 USC § 60105, the OSFM may grant a state waiver with a pipeline safety regulation adopted by the state of California. Title 49 C.F.R., Part 195 was adopted by reference as it relates to hazardous liquid pipelines within Title 19 California Code of Regulations (19 CCR), Section 2000.

This state waiver applies to Sable's Line CA-324 (OSFM Line ID 0015) which consists of a 10.86 mile long, 24-inch outside diameter pipeline segment with the origin and termination points as described in the application. The pipeline is located in Santa Barbara, California and shall be referred herein as *CA-324*.

The state waiver shall not become effective until (1) PHMSA issues an Order approving the waiver or stating it has no objection to the waiver or (2) PHMSA takes no action on the waiver within sixty (60) days after receiving the Letter of Decision from the OSFM.

The state waiver is limited to a term of no more than ten (10) years from the date it becomes effective, which shall be considered as the date of issuance. The OSFM may terminate the state waiver under conditions detailed below.

Applicable Regulations

The OSFM hereby grants this state waiver for CA-324, provided that Sable complies with the specific requirements in this state waiver and any additional conditions outlined by PHMSA. The pipeline must be operated and maintained in accordance with the CD, these state waiver conditions and 49 C.F.R. Part 195, with the exception of 49 C.F.R. §195.452(h)(4)(iii)(H). In the event of a conflict between the state waiver conditions and the applicable requirements under 49 C.F.R. Part 195, the state waiver conditions control.

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Should additional federal or State statutory or regulatory requirements come into effect following the implementation of this state waiver, CA-324 shall be subject to those requirements except where they are in conflict with the State Waiver or the safe operation of the pipeline.

General Conditions

1. The pipeline can only be used to transport crude oil as stated in the application.
2. The maximum operating pressure (MOP) of CA-324 cannot exceed 1003 pounds per square inch gauge (psig).
3. The maximum operating temperature of the crude oil that transports in CA-324 must not exceed 140 Fahrenheit for more than 12 consecutive hours.
4. Prior to startup, Sable must develop and implement procedures for the conditions and requirements described in the state waiver.
5. This state waiver does not relieve Sable from other requirements under 49 C.F.R. Part 195 or the Elder California Pipeline Safety Act of 1981 other than contained herein.
6. This state waiver does not relieve Sable from any requirements imposed by the Consent Decree (United States District Court Central District of California Civil Action No. 2:20-cv-02415).
7. In-line inspection must include:
 - a. Use of a tool that is at least capable of reliably detecting and identifying cluster corrosion and general corrosion. Definition of cluster and general corrosion is as follows:
 - i. Cluster means two or more adjacent metal loss features in the wall of the pipe or weld that may interact based on interaction criteria.
 - ii. General corrosion means uniform or gradually varying loss of wall thickness over an area.
 - b. Use of a tool that is at least capable of reliably detecting and sizing corrosion at a 90 percent probability of detection (POD) and probability of identification (POI).
 - c. Use of a tool that is at least capable of reliably detecting and sizing cracks or crack-like anomalies at a 90 percent POD and POI.
8. Prior to placing CA-324 in operation, Sable must perform fracture toughness tests on the existing 24" pipe from CA-324 in accordance with ASTM E1820-23B Standard Test Method for Measurement of Fracture Toughness. All of the test specimens must be from the predominant existing 24" pipe, specifically API 5L X65 HF-ERW pipe with a nominal thickness of 0.344" that was manufactured by

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Nippon Steel Corp. in the 1980s. At least three (3) separate tests must be performed to obtain the fracture toughness values of the pipe body, heat affected zone (HAZ)¹, and the HF-ERW long seam weld on the pipe to represent the fracture toughness of its CA-324 (i.e. three (3) samples for pipe body, three (3) samples for HAZ, and three (3) samples for the HF-ERW long seam weld). The lowest fracture toughness value must be applied to conditions 10, 30, 33, and 48. Sable may use pipe samples taken opportunistically during ongoing pipeline maintenance and repair efforts.²

9. All immediate and 180-day repair conditions that are listed in this state waiver must be evaluated and remediated prior to restarting CA-324. Sable must utilize Ultrasonic Thickness Wall Measurement (UTWM) and Ultrasonic Shear Wave Crack Detection (USCD) in-line inspection (ILI) tools within seven (7) days of achieving initial steady state operation in accordance with an ILI survey schedule approved by OSFM. Sable must utilize the most recent Ultrasonic Thickness Wall Measurement (UTWM) and Ultrasonic Shear Wave Crack Detection (USCD) in-line inspection (ILI) results when identifying these repair conditions.
10. Remaining strength of pipe calculation for all metal loss anomalies must be in accordance with the Modified B31G method as described in ASME B31G *Manual for Determining the Remaining Strength of Corroded Pipelines*. If ASME B31G 2012 Edition is used, then it must comply with the conditions in accordance with Section 1.2 and exclusions in accordance with Section 1.3 of ASME B31G 2012 Edition. However, if the metal loss anomaly intersects or is within one (1) inch (circumferentially) of the longitudinal seam weld, Sable must also calculate the predicted failure pressure of the anomaly by using the crack-like flaw evaluation method ASME FFS-1/API 579-1.
11. Sable must utilize cleaning pigs at regular intervals not to exceed a biweekly basis to maintain adequate cleanliness on the internal pipe wall of its CA-324.

Pressure Testing

12. Prior to placing the pipeline in operation, Sable must conduct a spike hydrostatic pressure test of the state waiver pipeline segments at a minimum pressure that is at least 1.5 times the MOP or 100% SMYS, for a minimum of 15 minutes after

¹ The heat affected zone (HAZ), as used in the state waiver, is defined as a 1-inch-wide area on either side of the longitudinal weld seam.

² Sable must submit all fracture toughness results to the OSFM prior to restarting the pipeline.

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- the spike test pressure is stabilized. Sable must field evaluate and remediate the following anomalies before performing the spike hydrostatic test on CA-324:
- a. All metal loss anomalies that have an ILI reported depth of 40% and greater wall loss.
 - b. All anomalies that have a predicted failure pressure less than or equal to 1.6 times MOP.
13. Immediately following the spike hydrostatic pressure test, Sable must conduct an 8-hour hydrostatic pressure test of the state waiver pipeline segments at a minimum of 1.25 times the MOP.
 14. Sable must obtain the Test ID from the OSFM for each hydrostatic pressure test and have the approved independent testing firm forward separately the certified test results to the OSFM.
 15. Each hydrostatic pressure test must be performed in accordance with the applicable requirements of 49 C.F.R., Part 195 Subpart E – Pressure Testing and monitored by an independent testing firm listed under the OSFM approved hydrostatic testing companies.
 16. Failures resulting from the spike hydrostatic pressure test or the 8-hour strength test shall be immediately reported³ to the OSFM via email at PipelineNotification@fire.ca.gov
Subject: OSFM State Waiver - Hydrotest Failure
 17. Section(s) of the state waiver pipeline segments that failed during the required hydrotesting must be repaired by removing and replacing the failed section. The OSFM reserves the right to revoke the state waiver if failure(s) raise the concern that the pipeline cannot be safely operated.

In-Line Inspection (ILI) Assessment and Frequency

18. At least 90 days prior to performing in-line inspections of the state waiver segment, Sable shall provide the OSFM with a written notification to PipelineNotification@fire.ca.gov describing its assessment plan with the following information:
 - a) Dates for integrity assessment
 - b) In-line inspection tool(s) selected, in accordance with API Standard 1163 Section 5 and NACE SP0102⁴ to assess the integrity of the subject pipe

³ In addition to the OSFM reporting, Sable shall follow all additional state reporting requirements.

⁴ Industry standards that are referenced in this state waiver must utilize the editions that are incorporated by referenced in Title 49 Part 195.3 unless another edition was explicitly specified.

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- segment(s) in which ILIs must be capable to detect and size wall loss, dents, internal corrosion, external corrosion, cracks and crack-like indications
- c) In-line inspection tool vendor(s)
 - d) Required tool specifications including operational specifications and anomaly sizing tolerances
 - e) Tool validation methodology
 - f) Anomaly feature identification criteria and reporting thresholds – wall loss, dents, internal corrosion, external corrosion, cracks, and crack-like indications
 - g) Criteria used to identify locations for excavation and field verification
 - h) Non-destructive examination
19. Within seven (7) days prior to any anticipated ILI tool run, Sable must utilize extensive brush pigs and solvents (xylene or other chemicals) to ensure that the internal pipe wall does not have any corrosive products, wax, and bacteria buildup that may affect the ILI tool performance.
20. Metal Loss Tool(s)
- a. Initial ILI tool runs – Each year, during the first two (2) years of operating CA-324, Sable shall conduct at least two (2) ILIs using a UTWM tool with an inertial measurement unit (IMU). Sable shall compare both runs and evaluate all available information, including these tool runs and corresponding IMU data. Sable shall perform the UTWM tool run every six (6) months not to exceed nine (9) months. If a UTWM tool run is unsuccessful, Sable shall identify the limitations that prevented the UTWM tool run from being successful, consider changes to increase the likelihood of a successful UTWM tool run, and use best efforts to rerun the UTWM tool within 30 days.
 - b. Subsequent ILI tool runs – After the first two (2) years of operating CA-324, Sable shall conduct at least one (1) Ultrasonic Wall Measurement tool (UTWM) each calendar year, not to exceed 15 months or the ILI assessment must be assessed at more frequent intervals if the remaining Failure Pressure Ratio will be less than 1.39 times MOP prior to the next ILI assessment, based upon anomaly growth estimates and pressure cycling. If any UTWM tool run is deemed to be unsuccessful, Sable shall document the reasons why the UTWM tool was unsuccessful, consider changes to increase the likelihood of a successful UTWM tool run, and must reassess the pipeline within 30 days after it was deemed to be unsuccessful. All metal loss tool runs must also utilize an Inertial Measurement Unit (IMU).
21. Crack Detection Tools - Sable shall conduct at least one (1) Ultrasonic Shear Wave Crack Detection (USCD) tool each calendar year, not to exceed 15

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months⁵ or ILI assessment must be assessed at more frequent intervals if condition 48 determined a shorter assessment interval.

- a. These crack tool runs must utilize an Inertial Measurement Unit (IMU) and must be able to detect and size axial and circumferential cracks.
 - b. USCD Performance Specification Requirements
 - i. The USCD tools must have a probability of detection that is $\geq 90\%$ for axial and circumferential cracks.
 - ii. The minimum crack depth that can be detected must be at least 1 mm for axial and circumferential cracks that are located in the base material.
 - iii. The minimum crack depth that can be detected must be at least 2 mm for axial and circumferential cracks that are located in the weld.
 - iv. The depth sizing accuracy for cracks must be ± 0.8 mm for axial cracks and ± 1 mm for circumferential cracks.
22. Dents and Pipe Deformation: Sable shall conduct a high-resolution deformation ILI tool with each UTWM.
23. Where any ILI tool fails to record data for 5% or more of the external and/or internal surface area of the inspected segment, reassess with the ILI tool to cover the area that is deemed to be inadequate data of the inspected segment. In addition, if the ILI tool travels at a speed that is outside the range of the tool velocity listed in the tool specification for 2% or more of the length of the inspected segment, Sable must rerun the ILI tool to reassess the pipeline segment in which the ILI tool velocity was outside of the specified tool velocity range.
24. All ILI tool runs must obtain the Test ID from the OSFM prior to run.
25. Sable must require its ILI tool vendor(s) to include in the vendor's inspection report all metal loss indications of 10% or greater, based on raw data, prior to adding in any correction for tool tolerance.
26. Sable must incorporate ILI tool accuracy by ensuring that each ILI tool service provider determines the tolerance of each tool, in accordance with API Standard 1163 Second Edition and includes that tolerance in determining the size of each indication reported to Sable.
27. Sable must account for ILI tool tolerance and anomaly growth rates in scheduled response times, repairs, and future reassessment intervals. Sable must

⁵ Sable may petition the OSFM to revise the reassessment interval for Crack Detection Tool(s) when sufficient evidence is available to determine if crack growth rates could support a longer reassessment interval. Changes to the reassessment interval are subject to OSFM and PHMSA approval.

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document and justify the values used. Sable must demonstrate ILI tool tolerance accuracy for each ILI tool run by using calibration, excavations, and unity plots⁶ that demonstrate ILI tool accuracy to meet the tool accuracy specification provided by the vendor (typical for depth within +10% accuracy for 80% of the time). Sable must compare previous indications to current indications that are significantly different. If a trend is identified where the tool has been consistently over-calling or under-calling, the remaining ILI features must be re-graded accordingly.

28. Prior to the ILI final report being received, Sable must perform at least four (4) separate validation digs that do not interact with each other. At a minimum, Sable must perform validation digs in accordance with Level 2 of API Standard 1163, "In-line Inspection System Qualification" (Second Edition, April 2013).

Discovery of Condition

29. The discovery date must be within 180 days of any ILI tool run for each type of ILI tool.

Immediate Repair Conditions⁷

30. A crack or crack-like anomaly that meets any of the following criteria:
 - a. Crack or crack-like anomaly that is equal to or greater than 50% of pipe wall thickness.
 - b. Crack or crack-like anomaly that has predicted failure pressure of less than 1.39 times the MOP as calculated using crack-like flaw evaluation method ASME FFS-1/API 579-1.
31. Internal or external metal loss anomalies where the remaining strength of pipe shows a predicted failure pressure less than 1.39 times the MOP.
32. Any external cluster corrosion or external general corrosion that is located on the bottom half of the pipeline (below the 3 and 9 o'clock positions) where the

⁶ A minimum of four (4) independent direct examination excavations must be used for unity plots.

⁷ The criteria outlined in the state waiver is supplemental to the requirements set forth in §195.452(h)(4)(i) *Immediate repair conditions* and does not relieve Sable from complying with §195.452(h)(4)(i). All immediate repair conditions must be remediated with a permanent repair method.

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remaining strength of pipe shows a predicted failure pressure less than 1.5 times the MOP.⁸

180-Day Repair Conditions⁹

33. A crack or crack-like anomaly that has predicted failure pressure of less than 1.5 times the MOP.
34. Internal or external metal loss anomalies where the remaining strength of pipe shows a predicted failure pressure less than 1.5 times the MOP.
35. All internal or external metal loss anomalies that have an ILI reported depth of 40% or greater wall loss, including tool sizing tolerance for depth.¹⁰
36. For any crack (likely crack or possible crack) or crack-like anomaly, regardless of its dimensions, that interacts with metal loss anomalies and are within one (1) inch (circumferentially) of the longitudinal seam weld, Sable must integrate the ILI results from the most recent crack tool run and the most recent metal loss tool run before the discovery date deadline.

Corrosion Growth Rate Analysis (CGRA)

37. Sable must develop a CGRA procedure to annually calculate corrosion growth rates between successive ILI's (using most recent ILI compared to prior ILI) and perform pipeline remediations needed to assure the integrity of the pipeline is maintained.¹¹ The timing of pipeline remediations under this condition shall be based on the most recent calculation of short-term corrosion rates.
38. The CGRA procedure must include ILI data matching methods¹² to analyze data from successive ILI's, methodologies for growth rate calculations and errors from comparing ILI data.

⁸ Cluster means two or more adjacent metal loss features in the wall of the pipe or weld that may interact based on interaction criteria. General corrosion means uniform or gradually varying loss of wall thickness over an area.

⁹ The criteria outlined in the state waiver is supplemental to the requirements set forth in §195.452(h)(4)(iii) 180-day conditions and does not relieve Sable from complying with §195.452(h)(4)(iii). All 180-day repair conditions must be remediated with a permanent repair method.

¹⁰ For example, if the ILI tool reports a 31% metal loss anomaly and the tool sizing tolerance is ± 10 for depth, then this anomaly is a 180-day repair condition since it can be considered as an external metal loss anomaly with 41% metal loss depth. If Sable is unable to remediate such indications within 180 days of discovery, Sable must notify the OSFM, temporarily reduce the operating pressure, and take further remedial action in accordance with 49 C.F.R. §195.452 until the indication is remediated or until otherwise authorized by OSFM.

¹¹ At a minimum, Sable must include signal matching between ILI data sets.

¹² If there are several matching techniques that can be used, Sable must utilize the most accurate method of comparing ILI data sets.

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39. Sable must identify the projected date when remaining metal loss indications will reach a depth of 70% or greater wall loss.
40. When determining the projected date when remaining metal loss indications will reach a depth of 70% or greater wall loss, Sable must account for reported ILI depth, tool tolerance and corrosion growth rates¹³.
41. All metal loss indications that are projected to reach a depth of 70% or greater wall loss prior to the next ILI, will become actionable and must be remediated before the next ILI.

Pressure Reduction

42. If Sable is unable to perform field evaluation and remediation of any required conditions within the time limit conditions specified in the state waiver, Sable must temporarily implement a minimum 20 percent or greater operating pressure reduction, based on actual operating pressure for two (2) months prior to the date of inspection, until the anomaly is repaired.

In Field Direct Examination of Pipe

43. Direct examinations¹⁴ of pipe must include appropriate non-destructive examination methods for cracking such as magnetic particle inspection (MPI), shear wave technology or phased array ultrasonic testing (PAUT).¹⁵ PAUT must be used for sizing any crack or crack-like anomaly lengths and depths.
44. Permanent repairs of metal loss anomalies are required for any section of pipe with wall loss equal to or greater than 40% in accordance with repair method 1, 4b, or 5 of Table 451.6.2(b)-1 of ASME B31.4 2006 Edition. However, the following additional conditions are applied if Sable chooses repair method 5 for metal loss anomalies:
 - a. Method 5 must not be used on metal loss anomalies that are in the HAZ, girth weld, or longitudinal seam weld.

¹³ Growth projections must use corrosion rates determined in accordance with the CGRA procedure. A default corrosion rate of 32 mpy must be used in determining projections, if corrosion rates determined by CGRA are less than the default value.

¹⁴ Any time the pipeline is exposed for direct examination of an indication or to perform a repair, Sable must document the condition of the coating and carrier pipe (including anomalies) with photographs.

¹⁵ Direct examinations for ILI reported crack or crack-like indications must include a magnetic particle inspection complimented by shear wave technology or inspection by phased array ultrasonic testing.

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- b. Sable must increase the metal loss anomaly's depth by 20% when they input it into the formula for calculating the number of wraps needed for repair method 5.
 - c. After the anomaly is repaired via repair method 5, Sable must monitor the anomaly's wall loss depth in subsequent UTWM tool runs. If the anomaly's wall loss depth increases by more than 15% of the wall thickness in the subsequent UTWM tool runs, Sable must repair this anomaly via repair method 1 or 4b of Table 451.6.2(b)-1 of ASME B31.4 2006 Edition.
45. Permanent repairs are required for all cracks and/or crack-like anomalies discovered during direct examination, regardless of crack depth or crack length in accordance with repair method 1 or 4b of Table 451.6.2(b)-1 of ASME B31.4 2006 Edition.
46. Sable must develop a coating repair procedure for excavated or remediated corrosion anomalies that prevents further external corrosion and seals transition areas from currently insulated pipe to newly coated sections. Any time a shrink sleeve or coating is exposed, remove the shrink sleeve and coating, investigate circumferentially and longitudinally along the pipe for external corrosion and coating deterioration, and recoat with two-part epoxy. Sable must recoat in accordance with their coating repair procedure.¹⁶
47. All external polyurethane foam and the polyethylene tape wrap on buried pipe that are exposed during the field evaluation must not be replaced with new insulation or polyethylene tape wrap.

Integrity Management

48. A fracture mechanics and pressure cycling evaluation is required for un-remediated cracks and crack-like indications detected by ILI or indirect inspection tools.
- a. Sable must determine the predicted failure pressure, failure stress pressure and crack growth of un-remediated cracks and crack-like anomalies in accordance with 49 C.F.R. §192.712(d)(1).
 - b. Sable must perform a fatigue analysis using an applicable fatigue crack growth law or other technically appropriate engineering methodology in accordance with 49 C.F.R. §192.712(d)(2).
49. Sable must analyze a sample of additional indications of varying amounts of metal loss between 10% and 40% for validation. The sample size shall be at least ten (10), unless fewer than ten (10) indications are reported within that range, in which case Sable would examine the number of indications called.
50. When sizing metal loss indications, apply interaction/clustering criteria of 6t by 6t for applicable ILI tool(s).

¹⁶ The coating procedure must be submitted to the OSFM prior to the prior to the effective date of the state waiver.

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51. Sable must send all field measurements to the ILI tool vendor within 90 days of completing direct examinations and require the ILI vendor to validate the accuracy of the tool. Sable must conduct annual meetings with the ILI tool vendor to discuss tool performance and incorporate lessons learned.
52. Sable must utilize a third-party expert to review all ILI reports, verification of digs, data integration, ILI tool tolerances, development of unity plots, measured field findings, failure pressure ratios and any other finding that could affect the integrity of the pipeline. The review must be conducted within six (6) months of each ILI assessment. The third-party expert must be approved by the OSFM prior to being selected.
53. Within one (1) year from date of issuance, Sable must use a NACE-certified expert to conduct an evaluation and determine if alternating current (AC) interference or direct current (DC) interference or shorting that could contribute to external corrosion is occurring. The expert must recommend the frequency of subsequent interference surveys. All evaluations must be approved and signed by the NACE-certified expert.

Data Requirements for Predicted Failure Analysis

54. Unless the defect dimensions have been verified using a direct examination measurements, Sable must explicitly analyze uncertainties in reported assessment results including but not limited to tool tolerance, detection threshold, probability of detection, probability of identification, sizing accuracy, conservative anomaly, interaction criteria, location accuracy, anomaly findings, and unity chart plots or equivalent for determining uncertainties and verifying tool performance, in identifying and characterizing the type and dimensions of anomalies or defects used in the analyses.
55. The analyses performed in accordance with this state waiver must utilize pipe and material properties of the pipe body and longitudinal weld seam that are documented in *traceable, verifiable, and complete* records.

Recordkeeping

56. Procedures, records of investigations, data, analyses, and other actions made in accordance with the requirements of this state waiver shall be kept for the life of the pipeline and must be submitted to the OSFM, in the manner requested (electronic, hardcopy, or other format) within 30 days.
57. Sable must maintain the following records:
 - a. Technical approach used for the analysis
 - b. All data used and analyzed
 - c. Pipe and longitudinal weld seam properties
 - d. Procedures used to implement state waiver conditions

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- e. Evaluation methodology used
- f. Models used
- g. Direct in situ examination data
- h. All in-line inspection tool assessments information evaluated
- i. Pressure test data and results
- j. All in-the-ditch assessments performed on the pipeline segments
- k. All measurement tool, assessment, and evaluation accuracy specifications and tolerances used in technical and operations results
- l. All finite element analysis results
- m. The number of pressure cycles to failure, the equivalent number of annual pressure cycles, and the pressure cycle counting methodology
- n. The predicted fatigue life and predicted failure pressure from the required fatigue life models and fracture mechanics evaluation methods
- o. Safety factors used for fatigue life and/or predicted failure pressure calculations
- p. Reassessment time interval and safety factors
- q. The date of the review
- r. Confirmation of the results by qualified technical subject matter expert(s)
- s. Approval by responsible Sable management personnel
- t. Records of additional preventive and mitigative (P&M) measures performed
- u. Reports required by this State Waiver.

Reporting

58. Any release on the pipeline shall be reported to the OSFM at the earliest practicable moment following discovery but no later than 24 hours from the time of discovery via email at PipelineNotification@fire.ca.gov, *Subject: OSFM State Waiver – Accident Notification*.¹⁷
59. An email notification shall be made at least three (3) days prior to the pipeline being exposed for non-emergency purposes of field evaluation and repair via email at PipelineNotification@fire.ca.gov, *Subject: OSFM State Waiver – Pipeline Repair CA-324*. The email notification shall include, if applicable:
- a. Tool type and run date
 - b. Unique identifier (e.g. Dig Number, Joint Number, Flaw ID, Condition Type)
 - c. Dig sheets
 - d. Field contact information for Sable
 - e. Time and location of the field evaluation and repair.
60. Sable shall provide a Summary of Conditions Report within 210 days of the last date of an ILI run via email at PipelineNotification@fire.ca.gov, *Subject: OSFM State Waiver – Summary of Conditions CA-324* and include:

¹⁷ This requirement does not relieve Sable from spill reporting requirements that might exist under local, state or federal regulations.

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- a. Tool type
 - b. Run date
 - c. Summary of Conditions Report¹⁸
 - d. Final Vendor Report and Pipe Tally
61. Sable shall provide a report to the OSFM by June 15th of every year for the duration of the state waiver. The report shall be addressed to the OSFM Assistant Deputy Director, Chief of Pipeline Safety via email at PipelineNotification@fire.ca.gov, *Subject: OSFM State Waiver – Annual Report CA-324*. At a minimum, the annual report shall contain the following, if applicable:
- a. A Closure Report for the previous calendar (CY) which contains:
 - i. Features that were remediated in previous CY
 1. Provide documentation for the in-the-ditch assessments and repairs
 - ii. Identify features that remain to be assessed
 - iii. Unity Plots for previous ILI runs
 - b. Fracture mechanics and pressure cycling analyses in accordance with Condition 48
 - c. The third-party ILI expert reviews in accordance with Condition 52
 - d. AC and DC Interference surveys that are due in accordance with Condition 53
 - e. A copy of the CGRA for prior year including:
 - i. Mean corrosion growth rate for the pipeline
 - ii. Distribution graph of the corrosion growth rate for the pipeline (e.g. occurrences (#) vs. corrosion rate (mpy))

Limitations

62. This state waiver is limited to a term of no more than (10) years from the date of issuance. If Sable elects to seek renewal of this state waiver, it must submit a renewal request to the OSFM at least 180 days prior to the expiration date, including a justification for continuation of the waiver.
63. Should Sable fail to comply with any conditions of this state waiver or should the OSFM determine that this state waiver is no longer appropriate or is inconsistent with pipeline safety, the OSFM may revoke the state waiver and require Sable to comply with all appropriate regulatory requirements.
64. The OSFM may order the pipeline shutdown at any time.
65. The OSFM may issue a compliance order or may initiate proceedings to determine the nature and extent of the violations and appropriate civil penalty for

¹⁸ The OSFM may stipulate specific formatting or other information (e.g. Condition Type, Anomaly Details, Remaining Strength Calculation Method, Failure Pressure, CGRA, etc.) to be included in the Summary of Conditions Reports, Closure Report and Annual Reports if information provided is not deemed sufficient.

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- failure to comply with this state waiver. The terms and conditions of any compliance order shall take precedence over the terms of the state waiver.
66. In the event of conflict between the state waiver conditions and industry standards, the state waiver conditions shall prevail.
67. If Sable sells, merges, transfers or otherwise disposes of all or part of the assets covered by the state waiver, Sable must provide the OSFM written notice of the change within 30 days of the consummation date. In the event of such transfer, the OSFM reserves the right to revoke, suspend, or modify the state waiver.

Should you have any questions, please contact Alin Podoreanu, Supervising Pipeline Safety Engineer at (916) 212-8891.

Sincerely,


980F8D3AE95C42E...
JAMES HOSLER
Assistant Deputy Director
Chief of Pipeline Safety and CUPA Programs

Enclosure(s): (1) Pacific Pipeline Company State Waiver Application for CA-324

cc: Doug Allen, Supervising Pipeline Safety Engineer, OSFM
Andy Chau, Supervising Pipeline Safety Engineer, OSFM
Brendan Feery, Supervising Pipeline Safety Engineer, OSFM
Huy Nguyen, Supervising Pipeline Safety Engineer, OSFM
Alin Podoreanu, Supervising Pipeline Safety Engineer, OSFM
Tuan Tran, Pipeline Safety Engineer, OSFM
Josh Cleaver, Staff Counsel, CAL FIRE
Max Kieba, Engineering and Research Division, PHMSA
Joshua Johnson, Engineering and Research Division, PHMSA

Exhibit D – CA-325A and CA-325B State Waiver



DEPARTMENT OF FORESTRY AND FIRE PROTECTION
OFFICE OF THE STATE FIRE MARSHAL
P.O. Box 944246
Sacramento, California 94244-2460
(916) 568-3800
Website: www.fire.ca.gov



CERTIFIED MAIL No: 9589-0710-5270-1475-5353-15

December 17, 2024

Lance Yearwood
Vice President
Sable Offshore Corp
845 Texas Avenue, Suite 2920
Houston, Texas 77002

SUBJECT: LETTER OF DECISION ON THE STATE WAIVER REQUEST FOR LIMITED EFFECTIVENESS OF CATHODIC PROTECTION ON THERMALLY INSULATED PIPELINE AND CORROSION OF OR ALONG A LONGITUDINAL SEAM WELD (CA-325A/B)

Operator: Sable Offshore Corp
OPID# 40851
845 Texas Avenue, Suite 2920
Houston, Texas 77002

Pipeline: OSFM Line ID 0001 - 113.56 miles (Gaviota to Sisquoc to Pentland) of Sable Offshore Corp CA-325A/B (OSFM Line ID 0001) located in Santa Barbara County, San Luis Obispo County, and Kern County, California as described in the request of state waiver dated April 24, 2024

Dear Mr. Yearwood:

The Office of the State Fire Marshal (OSFM) received Sable Offshore Corp's (*Sable*) state waiver request (*Application*) on April 24, 2024, in accordance with the terms of the Consent Decree (CD) between Plains Pipeline, L.P. and the United States of America and the People of the State of California, DOJ Case REF. NO. 90-5-1-1-1130 (Appendix B, Article 1.1.D).

In addition, Sable requested a regulatory relief from Title 49 Code of Federal Regulations (49 C.F.R.), § 195.452(h)(4)(iii)(H) *Corrosion of or along a longitudinal seam weld* for Sable CA-325 A/B.

Sable explained that its goal is to appropriately manage the risk of corrosion under insulation that may occur as a result of inadequate cathodic protection due to the

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shielding effects of the polyurethane foam and the polyethylene tape wrap. Sable described the measures it has taken to address this risk and implemented and proposed a number of additional measures designed to mitigate the risk of corrosion under insulation that may result from potential ineffective cathodic protection (CP).

Sable provided the OSFM with its proposed measures to mitigate the risk of corrosion under insulation. Sable also provided the OSFM information from the completed in-line inspections and additional data requested by our office. The OSFM Pipeline Safety Engineers have reviewed the materials provided and have been in communication with the United States Department of Transportation (USDOT), Pipeline and Hazardous Materials Safety Administration (PHMSA) Engineering and Research Division to incorporate PHMSA's recommended conditions into the state waiver.

The OSFM has regulatory jurisdiction over the safety standards and practices of intrastate hazardous liquid pipeline transportation within California. As a Pipeline Safety Program that is certified under 49 USC § 60105, the OSFM may grant a state waiver with a pipeline safety regulation adopted by the state of California. Title 49 C.F.R., Part 195 was adopted by reference as it relates to hazardous liquid pipelines within Title 19 California Code of Regulations (19 CCR), Section 2000.

This state waiver applies to Sable's Line CA-325A/B (OSFM Line ID 0001) which consists of a 113.56 mile long, 30-inch outside diameter pipeline segment with the origin and termination points as described in the application. The pipeline is located in Santa Barbara County, San Luis Obispo County, and Kern County, California and shall be referred herein as CA-325A/B. CA-325A/B consists of two shorter pipeline segments, CA-325A and CA-325B. The pipeline segment CA-325A, located completely in Santa Barbara County, starts in Gaviota and ends at Sisquoc. CA-325A is approximately 38.72 miles long. The other pipeline segment, CA-325B, which is directly downstream of CA-325A, begins at Sisquoc and terminates in Pentland. CA-325B is approximately 74.84 miles long and traverses Santa Barbara County, San Luis Obispo County, and Kern County, California. The state waiver shall not become effective until (1) PHMSA issues an Order approving the waiver or stating it has no objection to the waiver or (2) PHMSA takes no action on the waiver within sixty (60) days after receiving the Letter of Decision from the OSFM.

The state waiver is limited to a term of no more than ten (10) years from the date it becomes effective, which shall be considered as the date of issuance. The OSFM may terminate the state waiver under conditions detailed below.

Applicable Regulations

The OSFM hereby grants this state waiver for CA-325 A/B, provided that Sable complies with the specific requirements in this state waiver and any additional conditions outlined by PHMSA. The pipeline must be operated and maintained in accordance with the CD, these

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state waiver conditions and 49 C.F.R. Part 195, with the exception of 49 C.F.R. §195.452(h)(4)(iii)(H). In event of a conflict between the state waiver conditions and the applicable requirements under 49 C.F.R. Part 195, the state waiver conditions control. Should additional federal or State statutory or regulatory requirements come into effect following the implementation of this state waiver, CA-325 A/B shall be subject to those requirements except where they are in conflict with the State Waiver or the safe operation of the pipeline.

General Conditions

1. The pipeline can only be used to transport crude oil as stated in the application.
2. The maximum operating pressure (MOP) cannot exceed:
 - a. 1000 pounds per square inch gauge (psig) for CA-325A.
 - b. 1292 psig for CA-325B.
3. The maximum operating temperature of the crude oil must not exceed:
 - a. 125 Fahrenheit for more than 12 consecutive hours for CA-325A.
Temperature transmitters must be installed on CA-325A at Gaviota station to monitor the temperature of CA-325A/B at this facility.
 - b. 110 Fahrenheit for more than 12 consecutive hours for CA-325B.
Temperature transmitters must be installed on CA-325A/B at Sisquoc station to monitor the temperature of CA-325A/B at this facility.
4. Prior to startup, Sable must develop and implement procedures for the conditions and requirements described in the state waiver.
5. This state waiver does not relieve Sable from other requirements under 49 C.F.R. Part 195 or the Elder California Pipeline Safety Act of 1981 other than contained herein.
6. This state waiver does not relieve Sable from any requirements imposed by the Consent Decree (United States District Court Central District of California Civil Action No. 2:20-cv-02415).
7. In-line inspection must include:
 - a. Use of a tool that is at least capable of reliably detecting and identifying cluster corrosion and general corrosion. Definition of cluster and general corrosion is as follows:
 - i. Cluster means two or more adjacent metal loss features in the wall of the pipe or weld that may interact based on interaction criteria.
 - ii. General corrosion means uniform or gradually varying loss of wall thickness over an area.
 - b. Use of a tool that is at least capable of reliably detecting and sizing corrosion at a 90 percent probability of detection (POD) and probability of identification (POI)
 - c. Use of a tool that is at least capable of reliably detecting and sizing crack or crack-like anomalies at a 90 percent POD and POI

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8. Prior to placing CA-325A/B in operation, Sable must perform fracture toughness tests on the existing 30" pipe from CA-325A/B in accordance with ASTM E1820-23B Standard Test Method for Measurement of Fracture Toughness. All of the test specimens must be from both of the two following predominant existing 30" pipe specifications:
 - a. API 5L X70 pipe with a nominal thickness of 0.281" that was manufactured by the various pipe mills in the 1980s.
 - b. API 5L X65 pipe with a nominal thickness of 0.344" that was manufactured by the various pipe mills in the 1980s.

At least three (3) separate tests must be performed from each pipe mill, for both of the two pipe specifications listed above, to obtain the fracture toughness values of the pipe body, heat affected zone (HAZ)¹, and the DSAW long seam weld on the pipe to represent the fracture toughness of CA-325A/B (i.e. three (3) samples for pipe body, three (3) samples for HAZ, and three (3) samples for the DSAW long seam weld). The lowest fracture toughness value must be applied to conditions 10, 31, 34, and 49. Sable may use pipe samples taken opportunistically during ongoing pipeline maintenance and repair efforts.²
9. All immediate and 180-day repair conditions that are listed in this state waiver must be evaluated and remediated prior to restarting CA-325A/B. Sable must utilize Ultrasonic Thickness Wall Measurement (UTWM) and Ultrasonic Shear Wave Crack Detection (USCD) in-line inspection (ILI) tools within seven (7) days of achieving initial steady state operation in accordance with an ILI survey schedule approved by the OSFM. Sable must utilize the most recent Ultrasonic Thickness Wall Measurement (UTWM) and Ultrasonic Shear Wave Crack Detection (USCD) in-line inspection (ILI) results when identifying these repair conditions.
10. Remaining strength of pipe calculation for all metal loss anomalies must be in accordance with the Modified B31G method as described in ASME B31G *Manual for Determining the Remaining Strength of Corroded Pipelines*. If ASME B31G 2012 Edition is used, then it must comply with the conditions in accordance with Section 1.2 and exclusions in accordance with Section 1.3 of ASME B31G 2012 Edition. However, if the metal loss anomaly intersects or is within one (1) inch (circumferentially) of the longitudinal seam weld, Sable must also calculate the predicted failure pressure of the anomaly by using the crack-like flaw evaluation method ASME FFS-1/API 579-1.
11. Sable must utilize cleaning pigs at regular intervals not to exceed a biweekly basis to maintain adequate cleanliness on the internal pipe wall of its CA-325A/B.

¹ The heat affected zone (HAZ), as used in the state waiver, is defined as a 1-inch-wide area on either side of the longitudinal weld seam.

² Sable must submit all fracture toughness results to the OSFM prior to restarting the pipeline.

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Pressure Testing

12. Prior to placing the pipeline in operation, Sable must conduct a spike hydrostatic pressure test of the state waiver pipeline segment CA-325A at a minimum pressure that is at least 1.39 times the MOP, for a minimum of 15 minutes after the spike test pressure is stabilized. Sable must ensure that the spike hydrostatic pressure at the highest elevation of each testable segment is at least 1.39 times the MOP. Sable must field evaluate and remediate the following anomalies before performing the spike hydrostatic test on CA-325A:
 - a. All metal loss anomalies that have an ILI reported depth of 40% and greater wall loss.
 - b. All anomalies that have a predicted failure pressure less than or equal to 1.5 times MOP.
13. Immediately following the spike hydrostatic pressure test, Sable must conduct an 8-hour hydrostatic pressure test of the state waiver pipeline segment CA-325A at a minimum of 1.25 times the MOP.
14. Prior to placing the pipeline in operation, Sable must conduct a hydrostatic pressure test of the state waiver pipeline segment CA-325B at a minimum pressure of 1.25 times the MOP, for a minimum of 8 hours. Sable must ensure that the hydrostatic pressure at the highest elevation of each testable segment is at least 1.25 times the MOP. Sable must field evaluate and remediate the following anomalies before performing the hydrostatic test on CA-325B:
 - a. All metal loss anomalies that have an ILI reported depth of 40% and greater wall loss.
 - b. All anomalies that have a predicted failure pressure less than or equal to 1.4 times MOP.
15. Sable must obtain the Test ID from the OSFM for each hydrostatic pressure test segment and have the approved independent testing firm forward the certified test results to the OSFM.
16. Each hydrostatic pressure test must be performed in accordance with the applicable requirements of 49 C.F.R., Part 195 E – Pressure Testing and monitored by an independent testing firm listed under the OSFM approved hydrostatic testing companies.
17. Failures resulting from the spike hydrostatic pressure test or the 8-hour strength test shall be immediately reported³ to the OSFM via email at PipelineNotification@fire.ca.gov
Subject: OSFM State Waiver - Hydrotest Failure.
18. Section(s) of the state waiver pipeline segments that failed during the required hydrotesting must be repaired by removing and replacing the failed section. The OSFM reserves the right to revoke the state waiver if failure(s) raise the concern that the pipeline cannot be safely operated.

³ In addition to the OSFM reporting, Sable shall follow all additional state reporting requirements.

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In-Line Inspection (ILI) Assessment and Frequency

19. At least 90 days prior to performing in-line inspections of the state waiver segment, Sable shall provide the OSFM with a written notification to PipelineNotification@fire.ca.gov describing its assessment plan with the following information:
 - a) Dates for integrity assessment
 - b) In-line inspection tool(s) selected, in accordance with API Standard 1163 Section 5 and NACE SP0102⁴ to assess the integrity of the subject pipe segment(s) in which ILIs must be capable to detect and size wall loss, dents, internal corrosion, external corrosion, cracks and crack-like indications
 - c) In-line inspection tool vendor(s)
 - d) Required tool specifications including operational specifications and anomaly sizing tolerances
 - e) Tool validation methodology
 - f) Anomaly feature identification criteria and reporting thresholds – wall loss, dents, internal corrosion, external corrosion, cracks, and crack-like indications
 - g) Criteria used to identify locations for excavation and field verification
 - h) Non-destructive examination
20. Within seven (7) days prior to any anticipated ILI tool run, Sable must utilize extensive brush pigs and solvents (xylene or other chemicals) to ensure that the internal pipe wall does not have any corrosive products, wax, and bacteria buildup that may affect the ILI tool performance.
21. Metal Loss Tool(s)
 - a. Initial ILI tool runs – Each year, during the first two (2) years of operating CA-325 A/B, Sable shall conduct at least two (2) ILIs using a UTWM tool with an inertial measurement unit (IMU). Sable shall compare both runs and evaluate all available information, including these tool runs and corresponding IMU data. Sable shall perform the UTWM tool run every six (6) months not to exceed nine (9) months. If a UTWM tool run is unsuccessful, Sable shall identify the limitations that prevented the UTWM tool run from being successful, consider changes to increase the likelihood of a successful UTWM tool run, and use best efforts to rerun the UTWM tool within 30 days.
 - b. Subsequent ILI tool runs – After the first two (2) years of operating CA-325 A/B, Sable shall conduct at least one (1) Ultrasonic Wall Measurement tool (UTWM) each calendar year, not to exceed 15 months or the ILI assessment must be assessed at more frequent intervals if the remaining Failure Pressure Ratio will be less than 1.39 times MOP prior to the next ILI assessment, based upon anomaly growth estimates and pressure cycling. If,

⁴ Industry standards that are referenced in this state waiver must utilize the editions that are incorporated by referenced in Title 49 Part 195.3 unless another edition was explicitly specified.

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- any UTWM tool run is deemed to be unsuccessful, Sable shall document the reasons why the UTWM tool was unsuccessful, consider changes to increase the likelihood of a successful UTWM tool run, and must reassess the pipeline within 30 days after it was deemed to be unsuccessful. All metal loss tool runs must also utilize an Inertial Measurement Unit (IMU).
22. Crack Detection Tools - Sable must run at least one (1) Ultrasonic Shear Wave Crack Detection (USCD) tool each calendar year, not to exceed 15 months⁵ or the ILI assessment must be assessed at more frequent intervals if Condition 49 determined a shorter assessment interval.
- a. These crack tool runs must utilize an Inertial Measurement Unit (IMU) and must be able to detect and size axial and circumferential cracks.
 - b. USCD Performance Specification Requirements
 - i. The USCD tools must have a probability of detection that is $\geq 90\%$ for axial and circumferential cracks.
 - ii. The minimum crack depth that can be detected must be at least 1 mm for axial and circumferential cracks that are located in the base material.
 - iii. The minimum crack depth that can be detected must be at least 2 mm for axial and circumferential cracks that are located in the weld.
 - iv. The depth sizing accuracy for cracks must be ± 0.8 mm for axial cracks and ± 1 mm for circumferential cracks.
23. Dents and Pipe Deformation: Sable shall conduct a high-resolution deformation ILI tool with each UTWM.
24. Where any ILI tool fails to record data for 5% or more of the external and/or internal surface area of the inspected segment, reassess with the ILI tool to cover the area that is deemed to be inadequate data of the inspected segment. In addition, if the ILI tool travels at a speed that is outside the range of the tool velocity listed in the tool specification for 2% or more of the length of the inspected segment, Sable must rerun the ILI tool to reassess the pipeline segment in which the ILI tool velocity was outside of the specified tool velocity range.
25. All ILI tool runs must obtain the Test ID from the OSFM prior to run.
26. Sable must require its ILI tool vendor(s) to include in the vendor's inspection report all metal loss indications of 10% or greater, based on raw data, prior to adding in any correction for tool tolerance.
27. Sable must incorporate ILI tool accuracy by ensuring that each ILI tool service provider determines the tolerance of each tool, in accordance with API Standard 1163 Second Edition and includes that tolerance in determining the size of each indication reported to Sable.

⁵ Sable may petition the OSFM to revise the reassessment interval for Crack Detection Tool(s) when sufficient evidence is available to determine if crack growth rates could support a longer reassessment interval. Changes to the reassessment interval are subject to the OSFM and PHMSA approval.

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28. Sable must account for ILI tool tolerance and anomaly growth rates in scheduled response times, repairs, and future reassessment intervals. Sable must document and justify the values used. Sable must demonstrate ILI tool tolerance accuracy for each ILI tool run by using calibration, excavations, and unity plots⁶ that demonstrate ILI tool accuracy to meet the tool accuracy specification provided by the vendor (typical for depth within +10% accuracy for 80% of the time). Sable must compare previous indications to current indications that are significantly different. If a trend is identified where the tool has been consistently over-calling or under-calling, the remaining ILI features must be re-graded accordingly.
29. Prior to the ILI final report being received, Sable must perform at least four (4) separate validation digs that do not interact with each other. At a minimum, Sable must perform validation digs in accordance with Level 2 of API Standard 1163, "In-line Inspection System Qualification" (Second Edition, April 2013).

Discovery of Condition

30. The discovery date must be within 180 days of any ILI tool run for each type of ILI tool.

Immediate Repair Conditions⁷

31. A crack or crack-like anomaly that meets any of the following criteria:
 - a. Crack or crack-like anomaly that is equal to or greater than 50% of pipe wall thickness.
 - b. Crack or crack-like anomaly that has predicted failure pressure of less than 1.39 times the MOP as calculated using crack-like flaw evaluation method ASME FFS-1/API 579-1.
32. Internal or external metal loss anomalies where the remaining strength of pipe shows a predicted failure pressure less than 1.39 times the MOP.
33. Any external cluster corrosion or external general corrosion that is located on the bottom half of the pipeline (below the 3 and 9 o'clock positions) where the remaining strength of pipe shows a predicted failure pressure less than 1.5 times the MOP.⁸

⁶ A minimum of four (4) independent direct examination excavations must be used for unity plots.

⁷ The criteria outlined in the state waiver is supplemental to the requirements set forth in §195.452(h)(4)(i) *Immediate repair conditions* and does not relieve Sable from complying with §195.452(h)(4)(i). All immediate repair conditions must be remediated with a permanent repair method.

⁸ Cluster means two or more adjacent metal loss features in the wall of the pipe or weld that may interact based on interaction criteria. General corrosion means uniform or gradually varying loss of wall thickness over an area.

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180-Day Repair Conditions⁹

34. A crack or crack-like anomaly that has predicted failure pressure of less than 1.5 times the MOP.
35. Internal or external metal loss anomalies where the remaining strength of pipe shows a predicted failure pressure less than 1.5 times the MOP.
36. All internal or external metal loss anomalies that have an ILI reported depth of 40% or greater wall loss, including tool sizing tolerance for depth.¹⁰
37. For any crack (likely crack or possible crack) or crack-like anomaly, regardless of its dimensions, that interacts with metal loss anomalies and are within one (1) inch (circumferentially) of the longitudinal seam weld, Sable must integrate the ILI results from the most recent crack tool run and the most recent metal loss tool run before the discovery date deadline.

Corrosion Growth Rate Analysis (CGRA)

38. Sable must develop a CGRA procedure to annually calculate corrosion growth rates between successive ILI's (using most recent ILI compared to prior ILI) and perform pipeline remediations needed to assure the integrity of the pipeline is maintained.¹¹ The timing of pipeline remediations under this condition shall be based on the most recent calculation of short-term corrosion rates.
39. The CGRA procedure must include ILI data matching methods¹² to analyze data from successive ILI's, methodologies for growth rate calculations and errors from comparing ILI data.
40. Sable must identify the projected date when remaining metal loss indications will reach a depth of 70% or greater wall loss.
41. When determining the projected date when remaining metal loss indications will reach a depth of 70% or greater wall loss, Sable must account for reported ILI depth, tool tolerance and corrosion growth rates¹³.

⁹ The criteria outlined in the state waiver is supplemental to the requirements set forth in §195.452(h)(4)(iii) *180-day conditions* and does not relieve Sable from complying with §195.452(h)(4)(iii). All 180-day repair conditions must be remediated with a permanent repair method.

¹⁰ For example, if the ILI tool reports a 31% metal loss anomaly and the tool sizing tolerance is ± 10 for depth, then this anomaly is a 180-day repair condition since it can be considered as an external metal loss anomaly with 41% metal loss depth. If Sable is unable to remediate such indications within 180 days of discovery, Sable must notify OSFM, temporarily reduce the operating pressure, and take further remedial action in accordance with 49 C.F.R. §195.452 until the indication is remediated or until otherwise authorized by the OSFM.

¹¹ At a minimum, Sable must include signal matching between ILI data sets.

¹² If there are several matching techniques that can be used, Sable must utilize the most accurate method of comparing ILI data sets.

¹³ Growth projections must use corrosion rates determined in accordance with the CGRA procedure. A default corrosion rate of 32 mpy must be used in determining projections, if corrosion rates determined by CGRA are less than the default value.

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42. All metal loss indications that are projected to reach a depth of 70% or greater wall loss prior to the next ILI, will become actionable and must be remediated before the next ILI.

Pressure Reduction

43. If Sable is unable to perform field evaluation and remediation of any required conditions within the time limit conditions specified in the state waiver, Sable must temporarily implement a minimum 20 percent or greater operating pressure reduction, based on actual operating pressure for two (2) months prior to the date of inspection, until the anomaly is repaired.

In Field Direct Examination of Pipe

44. Direct examinations¹⁴ of pipe must include appropriate non-destructive examination methods for cracking such as magnetic particle inspection (MPI), shear wave technology or phased array ultrasonic testing (PAUT).¹⁵ PAUT must be used for sizing any crack or crack-like anomaly lengths and depths.
45. Permanent repairs of metal loss anomalies are required for any section of pipe with wall loss equal to or greater than 40% in accordance with repair method 1, 4b, or 5 of Table 451.6.2(b)-1 of ASME B31.4 2006 Edition. However, the following additional conditions are applied if Sable chooses repair method 5 for metal loss anomalies:
- a. Method 5 must not be used on metal loss anomalies that are in the HAZ, girth weld, or longitudinal seam weld.
 - b. Sable must increase the metal loss anomaly's depth by 20% when they input it into the formula for calculating the number of wraps needed for repair method 5.
 - c. After the anomaly is repaired via repair method 5, Sable must monitor the anomaly's wall loss depth in subsequent UTWM tool runs. If the anomaly's wall loss depth increases by more than 15% of the wall thickness in the subsequent UTWM tool runs, Sable must repair this anomaly via repair method 1 or 4b of Table 451.6.2(b)-1 of ASME B31.4 2006 Edition.
46. Permanent repairs are required for all cracks and/or crack-like anomalies discovered during direct examination, regardless of crack depth or crack length in accordance with repair method 1 or 4b of Table 451.6.2(b)-1 of ASME B31.4 2006 Edition.

¹⁴ Any time the pipeline is exposed for direct examination of an indication or to perform a repair, Sable must document the condition of the coating and carrier pipe (including anomalies) with photographs.

¹⁵ Direct examinations for ILI reported crack or crack-like indications must include a magnetic particle inspection complimented by shear wave technology or inspection by phased array ultrasonic testing.

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47. Sable must develop a coating repair procedure for excavated or remediated corrosion anomalies that prevents further external corrosion and seals transition areas from currently insulated pipe to newly coated sections. Any time a shrink sleeve or coating is exposed, remove the shrink sleeve and coating, investigate circumferentially and longitudinally along the pipe for external corrosion and coating deterioration, and recoat with two-part epoxy. Sable must recoat in accordance with their coating repair procedure.¹⁶
48. All external polyurethane foam and the polyethylene tape wrap on buried pipe that are exposed during the field evaluation must not be replaced with new insulation or polyethylene tape wrap.

Integrity Management

49. A fracture mechanics and pressure cycling evaluation is required for un-remediated cracks and crack-like indications detected by ILI or indirect inspection tools.
 - a. Sable must determine the predicted failure pressure, failure stress pressure and crack growth of un-remediated cracks and crack-like anomalies in accordance with 49 C.F.R. §192.712(d)(1).
 - b. Sable must perform a fatigue analysis using an applicable fatigue crack growth law or other technically appropriate engineering methodology in accordance with 49 C.F.R. §192.712(d)(2).
50. Sable must analyze a sample of additional indications of varying amounts of metal loss between 10% and 40% for validation. The sample size shall be at least ten (10), unless fewer than ten (10) indications are reported within that range, in which case Sable would examine the number of indications called.
51. When sizing metal loss indications, apply interaction/clustering criteria of 6t by 6t for applicable ILI tool(s).
52. Sable must send all field measurements to the ILI tool vendor within 90 days of completing direct examinations and require the ILI vendor to validate the accuracy of the tool. Sable must conduct annual meetings with the ILI tool vendor to discuss tool performance and incorporate lessons learned.
53. Sable must utilize a third-party expert to review all ILI reports, verification of digs, data integration, ILI tool tolerances, development of unity plots, measured field findings, failure pressure ratios and any other finding that could affect the integrity of the pipeline. The review must be conducted within six (6) months of each ILI assessment. The third-party expert must be approved by the OSFM prior to being selected.
54. Within one (1) year from date of issuance, Sable must use a NACE-certified expert to conduct an evaluation and determine if alternating current (AC)

¹⁶ The coating procedure must be submitted to the OSFM prior to the prior to the effective date of the state waiver.

Lance Yearwood
December 17, 2024
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interference or direct current (DC) interference or shorting that could contribute to external corrosion is occurring. The expert must recommend the frequency of subsequent interference surveys. All evaluations must be approved and signed by the NACE-certified expert.

Data Requirements for Predicted Failure Analysis

55. Unless the defect dimensions have been verified using a direct examination measurements, Sable must explicitly analyze uncertainties in reported assessment results including but not limited to tool tolerance, detection threshold, probability of detection, probability of identification, sizing accuracy, conservative anomaly, interaction criteria, location accuracy, anomaly findings, and unity chart plots or equivalent for determining uncertainties and verifying tool performance, in identifying and characterizing the type and dimensions of anomalies or defects used in the analyses.
56. The analyses performed in accordance with this state waiver must utilize pipe and material properties of the pipe body and longitudinal weld seam that are documented in *traceable, verifiable, and complete* records.

Recordkeeping

57. Procedures, records of investigations, data, analyses, and other actions made in accordance with the requirements of this state waiver shall be kept for the life of the pipeline and must be submitted to the OSFM, in the manner requested (electronic, hardcopy, or other format) within 30 days.
58. Sable must maintain the following records:
 - a. Technical approach used for the analysis
 - b. All data used and analyzed
 - c. Pipe and longitudinal weld seam properties
 - d. Procedures used to implement state waiver conditions
 - e. Evaluation methodology used
 - f. Models used
 - g. Direct in situ examination data
 - h. All in-line inspection tool assessments information evaluated
 - i. Pressure test data and results
 - j. All in-the-ditch assessments performed on the pipeline segments
 - k. All measurement tool, assessment, and evaluation accuracy specifications and tolerances used in technical and operations results
 - l. All finite element analysis results
 - m. The number of pressure cycles to failure, the equivalent number of annual pressure cycles, and the pressure cycle counting methodology

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- n. The predicted fatigue life and predicted failure pressure from the required fatigue life models and fracture mechanics evaluation methods
- o. Safety factors used for fatigue life and/or predicted failure pressure calculations
- p. Reassessment time interval and safety factors
- q. The date of the review
- r. Confirmation of the results by qualified technical subject matter expert(s)
- s. Approval by responsible Sable management personnel
- t. Records of additional preventive and mitigative (P&M) measures performed
- u. Reports required by this State Waiver.

Reporting

59. Any release on the pipeline shall be reported to the OSFM at the earliest practicable moment following discovery but no later than 24 hours from the time of discovery via email at PipelineNotification@fire.ca.gov, *Subject: OSFM State Waiver – Accident Notification*.¹⁷
60. An email notification shall be made at least three (3) days prior to the pipeline being exposed for non-emergency purposes of field evaluation and repair via email at PipelineNotification@fire.ca.gov, *Subject: OSFM State Waiver – Pipeline Repair CA-325 A/B*. The email notification shall include, if applicable:
- d. Tool type and run date
 - e. Unique identifier (e.g. Dig Number, Joint Number, Flaw ID, Condition Type)
 - f. Dig sheets
 - g. Field contact information for Sable
 - h. Time and location of the field evaluation and repair.
61. Sable shall provide a Summary of Conditions Report within 210 days of the last date of an ILI run via email at PipelineNotification@fire.ca.gov, *Subject: OSFM State Waiver – Summary of Conditions CA-325 A/B* and include:
- i. Tool type
 - j. Run date
 - k. Summary of Conditions Report¹⁸
 - l. Final Vendor Report and Pipe Tally
62. Sable shall provide a report to the OSFM by June 15th of every year for the duration of the state waiver. The report shall be addressed to the OSFM Assistant Deputy Director, Chief of Pipeline Safety via email at PipelineNotification@fire.ca.gov, *Subject: OSFM State Waiver – Annual Report*

¹⁷ This requirement does not relieve Sable from spill reporting requirements that might exist under local, state or federal regulations.

¹⁸ The OSFM may stipulate specific formatting or other information (e.g. Condition Type, Anomaly Details, Remaining Strength Calculation Method, Failure Pressure, CGRA, etc.) to be included in the Summary of Conditions Reports, Closure Report and Annual Reports if information provided is not deemed sufficient.

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CA-325 A/B. At a minimum, the annual report shall contain the following, if applicable:

- a. A Closure Report for the previous calendar (CY) which contains:
 - i. Features that were remediated in previous CY
 1. Provide documentation for the in-the-ditch assessments and repairs
 - ii. Identify features that remain to be assessed
 - iii. Unity Plots for previous ILI runs
- b. Fracture mechanics and pressure cycling analyses in accordance with Condition 49
- c. The third-party ILI expert reviews in accordance with Condition 53
- d. AC and DC Interference surveys that are due in accordance with Condition 54
- e. A copy of the CGRA for prior year including:
 - i. Mean corrosion growth rate for the pipeline
 - ii. Distribution graph of the corrosion growth rate for the pipeline (e.g. occurrences (#) vs. corrosion rate (mpy))

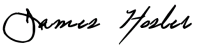
Limitations

63. This state waiver is limited to a term of no more than ten (10) years from the date of issuance. If Sable elects to seek renewal of this state waiver, it must submit a renewal request to the OSFM at least 180 days prior to the expiration date, including a justification for continuation of the waiver.
64. Should Sable fail to comply with any conditions of this state waiver or should the OSFM determine that this state waiver is no longer appropriate or is inconsistent with pipeline safety, the OSFM may revoke the state waiver and require Sable to comply with all appropriate regulatory requirements.
65. The OSFM may order the pipeline shutdown at any time.
66. The OSFM may issue a compliance order or may initiate proceedings to determine the nature and extent of the violations and appropriate civil penalty for failure to comply with this state waiver. The terms and conditions of any compliance order shall take precedence over the terms of the state waiver.
67. In the event of conflict between the state waiver conditions and industry standards, the state waiver conditions shall prevail.
68. If Sable sells, merges, transfers or otherwise disposes of all or part of the assets covered by the state waiver, Sable must provide the OSFM written notice of the change within 30 days of the consummation date. In the event of such transfer, the OSFM reserves the right to revoke, suspend, or modify the state waiver.

Lance Yearwood
December 17, 2024
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Should you have any questions, please contact Alin Podoreanu, Supervising Pipeline Safety Engineer at (916) 212-8891.

Sincerely,

DocuSigned by:

980F8D3AE95C42E...
JAMES HOSLER
Assistant Deputy Director
Chief of Pipeline a Safety and CUPA Programs

Enclosure(s): (1) Pacific Pipeline Company State Waiver Application for CA-325 A/B

cc: Doug Allen, Supervising Pipeline Safety Engineer, OSFM
Andy Chau, Supervising Pipeline Safety Engineer, OSFM
Brendan Feery, Supervising Pipeline Safety Engineer, OSFM
Huy Nguyen, Supervising Pipeline Safety Engineer, OSFM
Alin Podoreanu, Supervising Pipeline Safety Engineer, OSFM
Tuan Tran, Pipeline Safety Engineer, OSFM
Josh Cleaver, Staff Counsel, CAL FIRE
Max Kieba, Engineering and Research Division, PHMSA
Joshua Johnson, Engineering and Research Division, PHMSA

Exhibit E - Docket No. PHMSA-2025-0002 letter responding to Office of the State Fire Marshal granting a waiver to Sable for CA-324 Pipeline



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

1200 New Jersey Avenue, SE
Washington, DC 20590

February 11, 2025

Mr. James Hosler
Assistant Deputy Director
Chief of Pipeline Safety and CUPA Programs
Department of Forestry and Fire Protection
Office of the State Fire Marshal
3780 Kilroy Airport Way, Suite 500
Long Beach, CA 90806

Re: Docket No. PHMSA-2025-0002

Dear Mr. Hosler:

On December 17, 2024, pursuant to 49 United States Code (USC) § 60118(d), the Pipeline and Hazardous Materials Safety Administration (PHMSA) received a notification letter from CAL FIRE – Office of the State Fire Marshal (OSFM), granting a waiver of 49 Code of Federal Regulations (CFR) § 195.452(h)(4)(iii)(H) to Sable Offshore Corp (Sable). This waiver will allow Sable to manage the risk of corrosion under insulation that may occur as a result of inadequate cathodic protection due to the shielding effects of the polyurethane foam insulation and the polyethylene tape wrap.

The OSFM granted the state waiver to Sable in accordance with the terms of the Consent Decree between Plains Pipeline, L.P. (Plains), the United States of America, and the People of the State of California, DOJ Case Ref. No. 90-5-1-1-1130, as well as for variance from the evaluation and remediation requirements of 49 CFR § 195.452(h)(4)(iii)(H) for 10.86 miles of 24-inch diameter pipeline (Sable CA-324) between Las Flores Canyon and Gaviota, California. The state waiver requires Sable comply with over 60 conditions, including this pipeline be hydrostatically tested using a “spike” hydrostatic test prior to putting the pipeline into operation, and the pipeline be inspected with ultrasonic thickness wall measurement and ultrasonic shear wave crack detection in-line inspection tools capable of assessing seam integrity and detecting corrosion, deformation, and cracking-type anomalies within seven days of achieving initial steady state operation of the pipeline. Thereafter, the pipeline must be reassessed at least every year.

Pursuant to 49 USC § 60118(d), PHMSA does not object to granting of this waiver by the OSFM for the Sable CA-324 pipeline. PHMSA requests that a copy of OSFM's final waiver to Sable be forwarded to PHMSA within 30 days of the issuance.

If you wish to discuss this or any other pipeline safety matter, my staff would be pleased to assist you. Please contact Max Kieba, Director of Engineering and Research Division at 202-493-0595, for technical matters.

Sincerely,

Alan K. Mayberry,
Associate Administrator for Pipeline
Safety

Exhibit F - Docket No. PHMSA-2025-0002 letter responding to Office of the State Fire Marshal granting a waiver to Sable for CA-325A/B Pipeline



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

1200 New Jersey Avenue, SE
Washington, DC 20590

February 11, 2025

Mr. James Hosler
Assistant Deputy Director
Chief of Pipeline Safety and CUPA Programs
Department of Forestry and Fire Protection
Office of the State Fire Marshal
3780 Kilroy Airport Way, Suite 500
Long Beach, CA 90806

Re: Docket No. PHMSA-2025-0003

Dear Mr. Hosler:

On December 17, 2024, pursuant to 49 United States Code (USC) § 60118(d), the Pipeline and Hazardous Materials Safety Administration (PHMSA) received a notification letter from CAL FIRE – Office of the State Fire Marshal (OSFM), granting a waiver of 49 Code of Federal Regulations (CFR) § 195.452(h)(4)(iii)(H) to Sable Offshore Corp (Sable). This waiver will allow Sable to manage the risk of corrosion under insulation that may occur as a result of inadequate cathodic protection due to the shielding effects of the polyurethane foam insulation and the polyethylene tape wrap.

The OSFM granted the state waiver to Sable in accordance with the terms of the Consent Decree between Plains Pipeline, L.P. (Plains), the United States of America, and the People of the State of California, DOJ Case Ref. No. 90-5-1-1-1130, as well as for variance from the evaluation and remediation requirements of 49 CFR § 195.452(h)(4)(iii)(H) for 113.56 miles of 30-inch diameter pipeline (Sable CA-325A/B) between Gaviota, Sisquoc, and Pentland, California. The state waiver requires Sable comply with over 60 conditions, including this pipeline be hydrostatically tested using a “spike” hydrostatic test prior to putting the pipeline into operation, and the pipeline be inspected with ultrasonic thickness wall measurement and ultrasonic shear wave crack detection in-line inspection tools capable of assessing seam integrity and detecting corrosion, deformation, and cracking-type anomalies within seven days of achieving initial steady state operation of the pipeline. Thereafter, the pipeline must be reassessed at least every year.

Pursuant to 49 USC § 60118(d), PHMSA does not object to granting of this waiver by the OSFM for the Sable CA-325A&B pipeline. PHMSA requests that a copy of OSFM's final waiver to Sable be forwarded to PHMSA within 30 days of the issuance.

If you wish to discuss this or any other pipeline safety matter, my staff would be pleased to assist you. Please contact Max Kieba, Director of Engineering and Research Division at 202-493-0595, for technical matters.

Sincerely,

Alan K. Mayberry,
Associate Administrator for Pipeline
Safety

Exhibit G – AVEVA Product Datasheet – Pipeline Operations for Liquids

AVEVA is part of the new control system and is providing the tools/software for the RTTM LDS system. The below brochures provide a glimpse of what the software/system will provide.



AVEVA

PRODUCT DATASHEET

AVEVA™ Pipeline Operations for Liquids

Powerful tools for real-time operations of any pipeline

AVEVA Pipeline Operations for Liquids provides everything needed to efficiently manage real-time pipeline operations using both non-simulation and simulation-based applications.

To say the least, it's a challenge to move petroleum liquids through miles of pipeline; you need to optimize schedules, power usage, staffing, and other critical factors. Even the most skilled personnel require sophisticated tools to front-end their efforts. Where can you find the robust, flexible solutions you need to do the job?

AVEVA offers a broad range of software available for crude oil, refined products, and natural gas pipeline engineering, as well as operational, measurement, and business processes. AVEVA suite of pipeline applications is used by many of the largest operators in the industry in North, Latin, and South America; Western and Eastern Europe; Asia; the Middle East; North Africa; and Australia. All applications are rich, robust, and flexible – and can be cost-effectively integrated into existing corporate IT infrastructures to provide highly accessible information.

Focus on your business

AVEVA Pipeline Operations for Liquids provides comprehensive tools to maximize operational efficiency and the bottom line. We enable you to make decisions in real time for a competitive advantage that can improve every aspect of your business. To meet your unique needs, the applications are available à la carte or are easily combined to provide a robust, integrated system.

AVEVA Pipeline Operations for Liquids neatly organizes major portions of your business into functional areas that are drawn into a powerful, centralized platform. Each application runs on well-known operating systems and provides an industry-leading combination of proven functionality, flexibility, redundancy, historical record keeping, enterprise integration, and assured security to ensure consistent performance.

Non-simulation-based applications

AVEVA Pipeline Operations for Liquids is a comprehensive set of tools for real-time management of scheduling and measurement. Using a standards-based open architecture, it is easily adopted to meet your unique needs.

- Pipeline Operations determines net metered volumes and flow rates for each point of measurement in the pipeline system using API calculations as part of its Virtual Flow Computer functionality.
- Pipeline Operations provides the ability to store, view, and edit pending, active, and completed tickets as part of its Batch Transfer Management functionality.
- Pipeline Operations calculates net and gross volumes of fluid within tanks based on telemetered tank levels as part of its tank management functionality.
- Other functionalities for pump management, product transfer, line blockage and action sequence are also available as part of Pipeline Operations.

Simulation-based applications

AVEVA Pipeline Operations for Liquids is a transient pipeline modeling and simulation system for gas and liquids pipelines. It is the most technologically advanced and dependable pipeline simulation system in the industry. AVEVA Pipeline Operations for Liquids optimizes management of your pipeline operations for greater efficiency, effectiveness, and an improved bottom line.

Use Pipeline Operations simulation-based capabilities to create simple or advanced pipeline environment simulations to aid a plethora of functionality.

- Pipeline Operations calculates and displays a number of hydraulic profiles in real time, e.g. pressure, head, flow, density, viscosity, diameter, etc. along the pipeline.
- Pipeline Operations tracks the movement and predicts the estimated time of arrival for products, batches, scrapers (pigs), transmix, quality, and anomalies through a pipeline system.
- Pipeline Operations calculates the inventory either very accurately using the advanced real-time transient model or using API 2005 standards for changes in volume due to temperature and pressure.

An integrated approach

AVEVA Pipeline Operations for Liquids is one of the offerings based upon a common advanced application development environment for building advanced software applications for the pipeline industry. This allows Pipeline Operations to have common configuration tools, common database, common pipeline model connectivity, and common runtime environment with other offerings from AVEVA creating a unique integrated solution.

An easy choice to make

Leading energy companies worldwide can attest to the power and proven performance of AVEVA systems. In North America alone, AVEVA systems manage over 60 percent of all hydrocarbon movements. Choose the industry leader – AVEVA's AVEVA Pipeline Operations for Liquids.

AVEVA

aveva.com

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AVEVA

PRODUCT DATASHEET

AVEVA™ Pipeline Integrity Monitor

Tools to prevent, detect, and mitigate pipeline commodity releases

AVEVA Pipeline Integrity Monitor offers pipeline companies a holistic view toward preventing, detecting, and mitigating the impact of commodity releases.

Oil and gas pipelines are considered critical assets of economic development for any country and the pipeline companies operating the pipelines are generally required to ensure the safety of the population and environment where these pipelines run either due to regulatory compliance or internal company policies.

Additionally, unauthorized and dangerous extractions (theft) in the middle of the pipeline are not uncommon in some parts of the world. In these cases, leak detection is not strictly about protecting the environment and pipeline property, but includes protection of the safety of the thieves themselves.

Focus on pipeline integrity

As a result of the above complexities, pipeline companies are putting a greater emphasis on utilizing pipeline integrity management. The purpose of pipeline integrity management is to ensure that pipelines do not cause harm to people or the environment, while at the same time provide reliable and secure service to pipeline operators and customers. Pipeline Integrity can coarsely be divided into preventing the leak from occurring, detecting the leak if it occurs, and mitigating the impact of the leak after it has occurred. AVEVA Pipeline Integrity Monitor is perfectly positioned to assist pipeline operators in this respect.

Prevent it from occurring

AVEVA Pipeline Integrity Monitor assists the pipeline operator with preventive features like over/ under pressure detection analysis.

Mitigate the impact

AVEVA Pipeline Integrity Monitor assists the pipeline operator with impact assessment analysis tools like giving an estimate as to the amount of volume lost and performing a location analysis.

Detect it

AVEVA Pipeline Integrity Monitor offers a number of methodologies for detecting a leak:

- Computational Pipeline Monitoring (CPM) based around Real-Time. Transient Model methodology as outlined in API RP 1130.
- CPM based around Volume Balance methodology as outlined in API RP 1130.
- CPM based around Compensated Volume Balance methodology as outlined in API RP 1130.
- Rate of Change (ROC) and Rate of Change Combination (ROCC) monitoring for rupture detection.
- Pressure loss leak detection for pinhole (theft) or rupture detection dependent on implementation.
- Shut-in detection taking into account pressure and temperature changes in a closed off section.
- Additionally, AVEVA Pipeline Integrity Monitor has the following functionality available:
 - Dynamic thresholds allow thresholds to be automatically raised and lowered due to activities being performed physically on the pipeline.
 - Leak location capability is available either based to nearest milepost or to identified operating section.
 - Intelligent voting mechanism (alarm layer) for analyzing output from various leak detection methodologies to consolidate to one leak/ no leak alarm.



An integrated approach

AVEVA Pipeline Integrity Monitor is one of the offerings based upon a common advanced application development environment for building advanced simulation software applications for the pipeline industry. This allows AVEVA Pipeline Integrity Monitor to have common configuration tools, common database, common pipeline common pipeline model connectivity, and common runtime environment with other offerings from AVEVA creating a unique integrated solution.

Trust the experts with the large customer base

AVEVA has been designing leak detection systems for pipelines for 20+ years and is recognized in the industry as experts in their field. During this time it has become apparent that there is no one leak detection methodology that fits every pipeline, there is no one-size-fits-all; each pipeline should be evaluated independently and recommendations made accordingly. AVEVA Pipeline Integrity Monitor continues the trend of providing leak detection fit for purpose while allowing the customer to take a holistic view of the why, where, and when associated with pipeline commodity releases.

To learn more, please contact your AVEVA representative or visit us online at aveva.com

AVEVA

aveva.com

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All product names mentioned are the trademarks of their respective holders.

PROOF OF SERVICE

I, Josie Cisneros, declare:

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is Alston & Bird LLP, 350 South Grand Avenue, 51st Floor, Los Angeles, CA 90071.

July 7, 2025, I served the document(s) described as **DECLARATION OF BRIEN VIERRA IN SUPPORT OF REAL PARTIES' OPPOSITION TO PRELIMINARY INJUNCTION** on the interested parties in this action by enclosing the document(s) in a sealed envelope addressed as follows: *See Attached Service List.*

BY ELECTRONIC MAIL TRANSMISSION WITH ATTACHMENT: On this date, I transmitted the above-mentioned document by electronic mail transmission with attachment to the parties at the electronic mail transmission address set forth on the attached service list.

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

Executed on July 7, 2025, at Los Angeles, California.

/s/ Josie Cisneros

Josie Cisneros

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Julie Teel Simmons, Esq.
David Pettit, Esq.
Talia Nimmer, Esq.
Center for Biological Diversity
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tregnifo@environmentaldefensecenter.org

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Protection, Office of the State Fire Marshal;
Daniel Berlant, in his official capacity as State
Fire Marshal

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