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16 SUPERIOR COURT OF THE STATE OF CALIFORNIA
17 COUNTY OF ORANGE
18

19
20 **THE PEOPLE OF THE STATE OF CALIFORNIA,**
21 **Plaintiff,**
22 **v.**
23 **AMPLIFY ENERGY CORP.;**
24 **BETA OPERATING COMPANY, LLC, dba,**
"BETA OFFSHORE"; and,
25 **SAN PEDRO BAY PIPELINE COMPANY,**
26 **Defendants.**

Case No. 22CM07111

**PLEA AGREEMENT AND
ADDENDUM TO CERTIFIED
PLEA FORM**

Hon. Larry Yellin
Dept. C47
Date: 9/8/22
Time: 1:30 p.m.

1 **PARTIES**

2 1. The People of the State of California, by and through Rob Bonta, Attorney General of
3 California, Paul Seo, Deputy Attorney General, and Todd Spitzer, District Attorney of Orange
4 County, William Fallon, Senior Deputy District Attorney, and Alicia Berry, Deputy District
5 Attorney, and Amplify Energy Corp, Beta Operating Company, LLC, dba, "Beta Offshore" and
6 San Pedro Bay Pipeline Company (referred to collectively herein as "Defendants"), by and
7 through counsel of record Kirkland & Ellis, LLP, Brian A. Benczkowski and Mark C. Holscher,
8 understand and enter into the following Plea Agreement:

9 **CHARGES**

10 2. Defendants are charged in a Complaint filed in Orange County Superior Court, case
11 number 22CM07111, with: one count of Government Code Section 8670.64, subdivision
12 (c)(2)(A), Failing to Immediately Report a Discharge of Oil in Waters of the State, a
13 Misdemeanor; one count of Fish and Game Code Section 5650, subdivision (a)(1), Water
14 Pollution, a Misdemeanor; two counts of Fish and Game Code Section 3511, subdivision (a)(1),
15 Take of a Fully Protected Bird, a Misdemeanor; and two counts of Fish and Game Code Section
16 3513, Take of a Migratory Nongame Bird, a Misdemeanor. The charged offenses are alleged to
17 have occurred in Orange County on or about and between October 1, 2021 through October 10,
18 2021, as set forth in the Complaint.

19 **ADVICE OF COUNSEL**

20 3. Defendants have discussed with their attorneys the facts of this case, any defenses
21 they may have, and the potential sentences that could result if convicted of the offenses with
22 which they are presently charged.

23 4. After speaking with their attorneys, it is Defendants' desire to plead no contest to the
24 charged crimes pursuant to the terms of this Plea Agreement.

25 5. Each of the Defendants understand that a change of plea pursuant to this Plea
26 Agreement is subject to the approval of the sentencing judge. Each of the Defendants further
27 understand that if convicted of one or more of the charged crimes at trial, its sentence would be
28 determined by that trial judge after hearing the trial.

1 d. Counts 5 and 6 in the Complaint, for separate violations of Fish and Game
2 Code Section 3513, the crime of Unlawful Take of a Migratory Nongame Bird, a Misdemeanor,
3 as more fully charged in the Complaint.

4 8. Defendants stipulate the factual basis for this Plea Agreement is the factual basis set
5 forth in Attachment A and is incorporated by reference as part of this Plea Agreement. The
6 factual basis will be entered into the record during the entry of Defendants' Plea in this matter.

7 **TERMS OF PLEA AGREEMENT:**

8 **INFORMAL PROBATION**

9 9. Defendants will be placed on informal unsupervised probation for a term of one year.
10 As a term and condition of this probation, Defendants, their subsidiaries and divisions, and any
11 agent, employee, representative and all persons, partners, corporations, or other entities acting by,
12 through, under, or on behalf of Defendants shall commit no further violations of the Lempert-
13 Keene-Seastrand Oil Spill Prevention and Response Act, codified at Government Code Sections
14 8670.1 *et seq.*, and shall commit no further violations of the Fish and Game Code.

15 **CRIMINAL FINES**

16 10. As to Count 1, Defendants agree to entry of judgment against each of them, and
17 agree as part of their sentence to be jointly and severally fined for the violation of Government
18 Code Section 8670.64, subdivision (c)(2)(A), in a total penalty amount of \$1,964,570.00, which
19 includes a base misdemeanor criminal fine of \$500,000.00 pursuant to Government Code Section
20 8670.64, subdivision (c)(1), plus all applicable Penal Code and Government Code penalty
21 assessments, plus a \$30.00 Criminal Conviction Assessment Fee per Government Code section
22 70373(a)(1) and a \$40.00 Court Operations Fee per Penal Code section 1202.5.

23 10.1 The apportionment of the base fine pursuant to Government Code section
24 8670.68.5, that states in relevant part: "[t]wenty-five percent of any penalty collected under this
25 article shall be paid to the agency or office prosecuting the action" shall be set forth as follows:

26 10.1.a \$62,500.00, which is equal to 12.5% of the base fine, shall be paid
27 to the Office of the Attorney General of the State of California.
28

1 10.1.b \$62,500.00, which is equal to 12.5% of the base fine, shall be paid
2 to the Orange County District Attorney's Office.

3 11. As to Count 2, Defendants agree to entry of judgment against each of them, and
4 agree as part of their sentence to be jointly and severally fined for the violation of Fish and Game
5 Code Section 5650, subdivision (a)(1), in the total penalty amount of \$2,887,802.00. This fine is
6 specifically apportioned as follows:

7 11.1. Pursuant to Fish and Game Code section 12002, subdivision (b)(4), a total
8 criminal penalty amount of \$7,928.00, which includes a base criminal fine of \$2000.00 and all
9 applicable Penal Code and Government Code penalty assessments, plus a \$30.00 Criminal
10 Conviction Assessment Fee per Government Code section 70373(a)(1) and a \$40.00 Court
11 Operations Fee per Penal Code section 1202.5. Pursuant to Fish and Game Code section 13003,
12 this base fine of \$2000.00 shall be distributed as follows:

13 11.1.a \$1000.00, which is equal to 50% of the base fine for deposit in to
14 the State Fish and Game Preservation Fund, Fish and Wildlife Pollution Subaccount;

15 11.1.b \$1000.00, which is equal to 50% of the base fine to the county in
16 which the offense was committed. Pursuant to Fish and Game Code section 13100, this amount
17 shall be paid to and retained in the Orange County treasury for deposit in a county fish and
18 wildlife propagation fund and expended for the protection, conservation, propagation, and
19 preservation of fish and wildlife, under the direction of the board of supervisors.

20 11.2 An additional fine of \$246,960.00 imposed pursuant to Fish and Game Code
21 Section 12011, subdivision (a)(1), which allows for an additional fine of not more than \$10.00 for
22 each gallon of material discharged. This additional fine is not subject to Penal Code and
23 Government Code penalty assessments. This additional fine, upon payment by Defendants to the
24 court clerk, shall be deposited pursuant to Fish and Game Code Section 13003 as follows:

25 11.2.a \$123,480.00, which is equal to 50% of this Section 12011,
26 subdivision (a)(1), base fine for deposit in to the State Fish and Game Preservation Fund, Fish
27 and Wildlife Pollution Subaccount;

28

1 11.2.b \$123,480.00, which is equal to 50% of this Section 12011,
2 subdivision (a)(1), base fine to the county in which the offense was committed. Pursuant to Fish
3 and Game Code section 13100, this amount shall be paid to and retained in the Orange County
4 treasury for deposit in a county fish and wildlife propagation fund and expended for the
5 protection, conservation, propagation, and preservation of fish and wildlife, under the direction of
6 the board of supervisors.

7 11.3 An additional fine of \$2,632,914.00 imposed pursuant to Fish and Game Code
8 Section 12011, subdivision (a)(2), an amount equivalent to the costs incurred by the state and
9 local agencies for cleanup and abatement expenditures, plus additional amounts equivalent to
10 those expenditures that will be necessary to fully mitigate actual damages to fish, plant, bird or
11 animal life and habitat. This additional fine is not subject to Penal Code and Government Code
12 penalty assessments. Defendants agree these criminal fines are not the actual payment of
13 mitigation damages or funds to compensate for the damages to natural resources caused by their
14 criminal conduct, and these payments shall not be considered nor argued by Defendants as any
15 settlement or contribution towards the amounts that shall be paid in a natural resources damage
16 assessment action brought against Defendants for their conduct or for any restitution. This
17 additional fine, upon payment by Defendants to the court clerk, shall be deposited pursuant to
18 Fish and Game Code Section 13003 as follows:

19 11.3.a \$1,316,457.00, which is equal to 50% of this Section 12011, subdivision
20 (a)(2), base fine for deposit in to the State Fish and Game Preservation Fund, Fish and Wildlife
21 Pollution Subaccount;

22 11.3.b \$1,316,457.00, which is equal to 50% of this Section 12011, subdivision
23 (a)(2), base fine to the county in which the offense was committed. Pursuant to Fish and Game
24 Code section 13100, this amount shall be paid to and retained in the Orange County treasury for
25 deposit in a county fish and wildlife propagation fund and expended for the protection,
26 conservation, propagation, and preservation of fish and wildlife, under the direction of the board
27 of supervisors.

1 12. As to Count 3, Defendants agree to entry of judgment against each of them, and
2 agree as part of their sentence to be fined for a violation of Fish and Game Code Section 3511,
3 subdivision (a)(1), for a total penalty amount of \$3,999.00, which includes a base criminal fine of
4 \$1,000.00 and including all applicable Penal Code and Government Code penalty assessments,
5 plus a \$30.00 Criminal Conviction Assessment Fee per Government Code section 70373(a)(1)
6 and a \$40.00 Court Operations Fee per Penal Code section 1202.5. Pursuant to Fish and Game
7 Code section 13003, the base fine of \$1000.00 shall be distributed as follows:

8 12.1 \$500.00, which is equal to 50% of the base fine for deposit in to the State
9 Fish and Game Preservation Fund;

10 12.2 \$500.00, which is equal to 50% of the base fines to the county in which
11 the offense was committed. Pursuant to Fish and Game Code section 13100, this amount shall be
12 paid to and retained in the Orange County treasury for deposit in a county fish and wildlife
13 propagation fund and expended for the protection, conservation, propagation, and preservation of
14 fish and wildlife, under the direction of the board of supervisors.

15 13. As to Count 4, Defendants agree to entry of judgment against each of them, and
16 agree as part of their sentence to be fined for a violation of Fish and Game Code Section 3511,
17 subdivision (a)(1), for a total penalty amount of \$3,999.00, which includes a base criminal fine of
18 \$1,000.00 and including all applicable Penal Code and Government Code penalty assessments,
19 plus a \$30.00 Criminal Conviction Assessment Fee per Government Code section 70373(a)(1)
20 and a \$40.00 Court Operations Fee per Penal Code section 1202.5. Pursuant to Fish and Game
21 Code section 13003, the base fine of \$1000.00 shall be distributed as follows:

22 13.1 \$500.00, which is equal to 50% of the base fine for deposit in to the State
23 Fish and Game Preservation Fund;

24 13.2 \$500.00, which is equal to 50% of the base fines to the county in which
25 the offense was committed. Pursuant to Fish and Game Code section 13100, this amount shall be
26 paid to and retained in the Orange County treasury for deposit in a county fish and wildlife
27 propagation fund and expended for the protection, conservation, propagation, and preservation of,
28 fish and wildlife, under the direction of the board of supervisors.

1 14. As to Count 5, Defendants agree to entry of judgment against each of them, and
2 agree as part of their sentence to be fined for a violation of Fish and Game Code Section 3513 for
3 a total penalty amount of \$19,715.00, which includes a base criminal fine of \$5,000.00 and
4 including all applicable Penal Code and Government Code penalty assessments, plus a \$30.00
5 Criminal Conviction Assessment Fee per Government Code section 70373(a)(1) and a \$40.00
6 Court Operations Fee per Penal Code section 1202.5. Pursuant to Fish and Game Code section
7 13003, the base fine of \$5000.00 shall be distributed as follows:

8 14.1 \$2,500.00, which is equal to 50% of the base fine for deposit in to the
9 State Fish and Game Preservation Fund;

10 14.2 \$2,500.00, which is equal to 50% of the base fines to the county in which
11 the offense was committed. Pursuant to Fish and Game Code section 13100, this amount shall be
12 paid to and retained in the Orange County treasury for deposit in a county fish and wildlife
13 propagation fund and expended for the protection, conservation, propagation, and preservation of
14 fish and wildlife, under the direction of the board of supervisors.

15 15. As to Count 6, Defendants agree to entry of judgment against each of them, and
16 agree as part of their sentence to be fined for a violation of Fish and Game Code Section 3513 for
17 a total penalty amount of \$19,715.00, which includes a base criminal fine of \$5,000.00 and
18 including all applicable Penal Code and Government Code penalty assessments, plus a \$30.00
19 Criminal Conviction Assessment Fee per Government Code section 70373(a)(1) and a \$40.00
20 Court Operations Fee per Penal Code section 1202.5. Pursuant to Fish and Game Code section
21 13003, the base fine of \$5000.00 shall be distributed as follows:

22 15.1 \$2,500.00, which is equal to 50% of the base fine for deposit in to the
23 State Fish and Game Preservation Fund;

24 15.2 \$2,500.00, which is equal to 50% of the base fines to the county in which
25 the offense was committed. Pursuant to Fish and Game Code section 13100, this amount shall be
26 paid to and retained in the Orange County treasury for deposit in a county fish and wildlife
27 propagation fund and expended for the protection, conservation, propagation, and preservation of
28 fish and wildlife, under the direction of the board of supervisors.

1 detection system for up to 180 days after production is authorized to restart to ensure that the new
2 leak detection system is appropriately calibrated to the pipeline.

3 19. The Court shall impose the following additional probationary terms applicable to the
4 operations of Defendants (Beta Operating Company, LLC, Amplify Energy Corp. and San Pedro
5 Bay Pipeline Company):

6 a. The operator of the pipeline shall report any indication of lateral or elevation
7 movement as identified by the GPS tracking from ROV visual inspections and report any
8 indication of damages identified from the visual inspections, such as the concrete casing being
9 damaged or displaced. Data indicating deviation from the permitted location of the pipeline shall
10 be provided to PHMSA, the State Lands Commission, and the State Fire Marshal within seven (7)
11 days after the ROV videos are processed and provided to Amplify.

12 b. After each leak detection alarm, Defendants shall notify the Cal-OES State Warning
13 Center of the leak detection alarm.

14 c. Defendants shall establish and maintain a contract with an oil spill response
15 organization, vessel service company, or other entity that will promptly deploy upon request, and
16 that has the capability to detect oil on the surface of the water at night or in low-light conditions.

17 d. Defendants must conduct actual visual inspections of the pipeline semiannually (*e.g.*,
18 an ROV). Driving a boat on the surface of the water over the route of the pipeline is not
19 sufficient. Anomalies found on the pipeline shall be reported to PHMSA, BSEE, and to the
20 California State Fire Marshal.

21 e. Defendants shall revise the Risk & Hazard Analysis in their oil spill contingency plan
22 that has been approved by the Office of Spill Prevention and Response (OSPR) [Plan # M5-24-
23 3231] to expressly account for the risk to pipelines from anchors, vessels, or fishing operations.

24 f. Defendants shall resubmit its oil spill contingency plan to the Office of Spill
25 Prevention and Response (OSPR) [Plan # M5-24-3231], with updates reflecting the changes
26 required by these probationary terms.

27 g. Defendants shall review and ensure adequacy of the existing O & M manual and
28 sections related to Leak Detection (Section 5.02), Abnormal Operating Conditions (PSOM

1 section 17.08), and Emergency Response Procedures (PSOM Section 17.09). Once the review
2 and changes are completed, Defendants shall submit updated documents to OSPR.

3 h. Defendants shall review and update the SPBPL 16" Manual Leak Detection
4 Procedure (SPBPL-001.00 rev: REA 7/11) to reflect current practices and compliance with
5 probation terms. Once the review and updates are completed, Defendants shall submit updated
6 documents OSPR.

7 i. Defendants shall review and update all of the spill notification procedures found in
8 their plan submitted to OSPR [Plan # M5-24-3231] to ensure compliance with requirements for
9 immediate notification pursuant to California Government Code Section 8670.25.5. Once
10 completed, Defendants shall submit the updated procedures to OSPR.

11 j. Defendants shall provide training to operational employees and related management
12 personnel on all requirements and updated spill notification procedures for immediate
13 notification, in compliance with California Government Code Section 8670.25.5, to appropriate
14 federal, state and local authorities, including the Cal-OES State Warning Center.

15 k. Defendants shall make modifications to their Existing Pipeline Related Procedures.
16 These modifications will require financial investment of at least \$250,000.00 and Defendants will
17 use best efforts to implement any procedural improvements Eagle Energy Services LLC
18 concludes to be necessary before the pipeline is restarted with the pumping of oil, to the extent
19 such proposed procedural improvements are not in conflict with any requirements from PHMSA
20 and BSEE, the agencies responsible for approving the restart of operations on the pipeline.

21 l. Defendants shall provide mandatory training to operational employees and related
22 management personnel on these updated operational policies and procedures, and engage a
23 qualified third-party provider to provide updated training on shipping, shut-down, and restart
24 before restarting pipeline operations.

25 **OTHER ORDERS AND ACKNOWLEDGMENTS**

26 20. Defendants forfeit all evidence seized by the California Department of Fish and
27 Wildlife as part of this investigation.

1 21. Defendants acknowledge that, except as set forth in the terms of this "Plea
2 Agreement," there are no other promises, understandings or agreements between Defendants and
3 the Attorney General and the District Attorney of Orange County pertaining to criminal charges.

4 22. Defendants understand and agree this Plea Agreement does not cover any future
5 criminal actions. In other words, if Defendants commit a new crime after the signing of this Plea
6 Agreement, Defendants can and should anticipate being prosecuted for any such crime.

7 23. Defendants have also been charged in a parallel federal criminal case (Case Number
8 21-226-DOC in the United States District Court for the Central District of California) with one
9 misdemeanor count of negligently discharging oil into the waters of the contiguous zone of the
10 United States, in violation of 33 U.S.C. 1321(b)(3), 1319(c)(1)(A). Defendants have agreed to
11 plead guilty to the above federal charge and pay a separate criminal fine in that case of \$7.1
12 million. Defendants acknowledge and assert they have the financial ability to pay all criminal
13 fines (both in this case and in the federal case) within the times set forth in each plea agreement.

14 **For the People:**


15 ROB BONTA
16 Attorney General of California

17 
18 _____
19 PAUL SFO
Deputy Attorney General

9/8/22

DATE

21 TODD SPITZER
22 District Attorney of Orange County

23 
24 _____
25 WILLIAM FALLON
Senior Deputy District Attorney

9/8/22

Date

1 **For Amplify Energy Corp:**

2 I, as an officer of Amplify Energy Corp, have read this Plea Agreement and carefully
3 discussed every part of it with an attorney. I understand the terms of this Plea Agreement, and I,
4 on behalf of Defendant Amplify Energy Corp, voluntarily agree to its terms. Our attorney has
5 advised us of our rights, of possible defenses, and of all consequences of entering into this Plea
6 Agreement. No promises or inducements have been made other than those contained in this Plea
7 Agreement. No one has threatened or forced Amplify Energy Corp, in any way, to enter this plea
8 or sign this Plea Agreement, and I am satisfied with the representations of our attorney in this
9 matter.

10 **AMPLIFY ENERGY CORP**

11

12 
13 BY: MARTYN WILLSSHER
14 TITLE: PRESIDENT AND CEO

12 9/8/22
13 DATE

14

15 **Beta Operating Company, LLC:**

16 I, as an officer of Beta Operating Company, LLC, have read this Plea Agreement and carefully
17 discussed every part of it with an attorney. I understand the terms of this Plea Agreement, and I,
18 on behalf of Defendant Beta Operating Company, LLC, voluntarily agree to its terms. Our
19 attorney has advised us of our rights, of possible defenses, and of all consequences of entering
20 into this Plea Agreement. No promises or inducements have been made other than those
21 contained in this Plea Agreement. No one has threatened or forced Beta Operating Company,
22 LLC, in any way, to enter this plea or sign this Plea Agreement, and I am satisfied with the
23 representations of our attorney in this matter.

24 **BETA OPERATING COMPANY, LLC, dba, "BETA Offshore"**

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26 
27 BY: MARTYN WILLSSHER
28 TITLE: PRESIDENT AND CEO

26 9/8/22
27 DATE

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For San Pedro Bay Pipeline Company:

I, as an officer of San Pedro Bay Pipeline Company, have read this Plea Agreement and carefully discussed every part of it with an attorney. I understand the terms of this Plea Agreement, and I, on behalf of Defendant San Pedro Bay Pipeline Company, voluntarily agree to its terms. Our attorney has advised us of our rights, of possible defenses, and of all consequences of entering into this Plea Agreement. No promises or inducements have been made other than those contained in this Plea Agreement. No one has threatened or forced San Pedro Bay Pipeline Company, in any way, to enter this plea or sign this Plea Agreement, and I am satisfied with the representations of our attorney in this matter.

SAN PEDRO BAY PIPELINE COMPANY

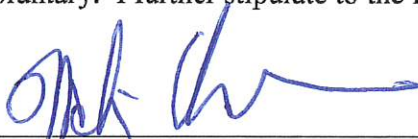


BY: MARTYN WILLISHER
TITLE: PRESIDENT AND CEO

9/18/22

DATE

I am the attorney for Defendants, I have carefully discussed every part of this Plea Agreement with my clients, and I have fully advised each separate entity and company of its rights, of all possible defenses, and of the consequences of entering a plea and signing this Plea Agreement. To my knowledge, my clients' decision to enter into this Plea Agreement is fully informed and voluntary. I further stipulate to the factual basis stated in this Plea Agreement.



MARK C. HOLSCHER
BRIAN A. BENCZKOWSKI
Attorney for Amplify Energy Corp,
Beta Operating Company, LLC, dba, "Beta Offshore",
San Pedro Bay Pipeline Company

9/18/22

DATE

ATTACHMENT A

ATTACHMENT A TO PLEA AGREEMENT AND ADDENDUM

People v. Amplify Energy Corp., et al.
FACTUAL BASIS FOR DEFENDANTS' PLEA

At all times relevant herein, Defendants AMPLIFY ENERGY CORP., BETA OPERATING COMPANY, LLC, doing business as "Beta Offshore," and SAN PEDRO BAY PIPELINE COMPANY (collectively, "Defendants"), owned and operated the 17-mile San Pedro Bay Pipeline (the "Pipeline"), which shipped crude oil from Defendants' Platform Elly in San Pedro Bay to Defendants' onshore terminal station in Long Beach, California. Portions of the Pipeline are located in the waters of the state of California and within Orange County, California.

The Anchor Drags

Defendants maintain that: 1) during a storm on January 25, 2021, one or more ships' anchors crossed over and struck an offshore and underwater section of the Pipeline, and dragged a 4,000-foot portion of the Pipeline approximately 105 feet from its original location; 2) the first anchor struck the Pipeline multiple times on the morning of January 25, 2021, damaging and displacing the Pipeline; 3) the second anchor struck the Pipeline on the morning of January 25, 2021, also damaging and displacing the Pipeline; 4) as it was displacing the Pipeline, the second anchor slid along the length of the Pipeline until it reached the location where the Pipeline ultimately leaked; and 5) these anchor drags likely were the primary cause of the oil discharged into the waters on October 1 and 2, 2021, described below. The People acknowledge that these anchor drags appear to have occurred, that these anchor drags may have weakened the Pipeline, and that these anchor drags may have been one cause of the oil release on October 1 and 2, 2021. Defendants maintain that they did not learn of the January 2021 anchor drags until after the oil spill on October 1 and 2, 2021. In an ongoing civil action, captioned Peter Moses Gutierrez et al v. Amplify Energy Corporation et al. (C.D. Cal. Case No. 8:21-CV-01628-DOC), Defendants claims, among other things, that the ships allegedly involved in the anchor drags negligently failed to notify Defendants of the anchor drags and therefore those ships are also responsible for the oil spill described below.

The Pipeline Rupture

At approximately 4:05 p.m. on October 1, 2021, the Pipeline ruptured at the approximate location of the apparent anchor drags that occurred on January 25, 2021.

Earlier in the day on October 1, 2021, AMPLIFY's crewmembers had been dealing with an "upset" on Platform Elly, which involved the inversion of crude oil and produced water in a "knockout vessel" on Platform Elly. Such upsets had happened in the past on Platform Elly, but the upset on October 1 was more severe and took longer to fix than previous upsets. As a result of the upset, AMPLIFY's crewmembers pumped crude oil containing a higher-than-normal concentration of produced water past the flow and pressure meters and into the Pipeline.

AMPLIFY's Leak Detection System

At all times relevant herein, AMPLIFY used a leak detection system ("LDS") for the Pipeline. Essentially, the LDS was an automated system that was intended to monitor and compare, among other things, the amount of oil being pumped into the Pipeline at Platform Elly with the amount of oil coming out of the

Pipeline onshore at Defendants' terminal station, and monitor the pressure at both ends of the Pipeline. When the data indicated a potential leak, the LDS issued visual and audio alarms to alert AMPLIFY's control-room operators at Platform Elly and onshore about a potential leak. The LDS is designed to indicate the estimated size and rate of a potential leak, as well as a suspected location of a potential leak.

On October 1 and 2, 2021, AMPLIFY's crewmembers believed, incorrectly, that the LDS alarms (as described below) were caused by the higher-than-normal quantity of produced water being pumped through the Pipeline as a result of the upset described above. In addition, all of the LDS alarms on October 1 and 2, 2021, indicated that the likely location of the suspected leak was "Mile 0," which corresponded to Platform Elly, rather than the undersea Pipeline itself. In response to the alarms described below and in reliance on the "Mile 0" indication, AMPLIFY's crewmembers searched multiple times for a leak on Platform Elly but found nothing.

The company that provided the LDS to AMPLIFY (the "LDS Provider") offered daily technical support to its clients, including AMPLIFY. The LDS Provider had a phone number (staffed 24 hours a day) through which its clients could ask for help regarding LDS alarms and how to respond, including for an additional fee after regular business hours. On October 1 and 2, 2021, AMPLIFY never contacted the LDS Provider to ask for assistance regarding the eight LDS alarms described below.

AMPLIFY's Response to the Discharge

At approximately 4:10 p.m. on October 1, 2021, AMPLIFY's LDS issued an alarm for the first time that day, indicating a potential leak in the Pipeline. In response to this alarm, AMPLIFY shut down the Pipeline at approximately 5:10 p.m. on October 1, 2021. At approximately 5:40 p.m., AMPLIFY's crewmembers, due in part to issues relating to the earlier upset, incorrectly assessed there was no leak, and started pumping crude oil through the Pipeline again.

At approximately 5:52 p.m. on October 1, 2021, AMPLIFY's LDS issued another alarm. In response, at approximately 5:53 p.m. on October 1, 2021, AMPLIFY shut down the Pipeline for the second time that day. At approximately 7:03 p.m. on October 1, 2021, AMPLIFY's crewmembers, incorrectly assessing there was no leak, started pumping crude oil through the Pipeline again.

At approximately 7:15 p.m. on October 1, 2021, AMPLIFY's LDS issued another alarm. In response, at approximately 7:42 p.m. on October 1, 2021, AMPLIFY shut down the Pipeline for the third time that day. At approximately 8:29 p.m. on October 1, 2021, AMPLIFY's crewmembers, incorrectly assessing there was no leak, started pumping crude oil through the Pipeline again.

At approximately 8:39 p.m. on October 1, 2021, AMPLIFY's LDS issued another alarm. In response, at approximately 8:43 p.m. on October 1, 2021, AMPLIFY shut down the Pipeline for the fourth time that day. At approximately 9:12 p.m. on October 1, 2021, AMPLIFY's crewmembers, incorrectly assessing there was no leak, started pumping crude oil through the Pipeline again.

At approximately 9:23 p.m. on October 1, 2021, AMPLIFY's LDS issued another alarm. In response, at approximately 9:24 p.m. on October 1, 2021, AMPLIFY shut down the Pipeline for the fifth time that day. At approximately 9:44 p.m. on October 1, 2021, AMPLIFY's crewmembers, incorrectly assessing there was no leak, started pumping crude oil through the Pipeline again.

At approximately 10:01 p.m. on October 1, 2021, AMPLIFY's LDS issued another alarm. In response, at approximately 10:33 p.m. on October 1, 2021, AMPLIFY shut down the Pipeline for the sixth time that day. At approximately 11:15 p.m. on October 1, 2021, AMPLIFY's crewmembers, incorrectly assessing there was no leak, started pumping crude oil through the Pipeline again.

At approximately 11:30 p.m. on October 1, 2021, AMPLIFY's LDS issued another alarm. AMPLIFY's crewmembers, incorrectly assessing there was no leak, continued pumping crude oil through the Pipeline until approximately 2:27 a.m. on October 2, 2021, when they shut it down for the seventh time.

The main reason why AMPLIFY's crewmembers continued pumping crude oil through the Pipeline from approximately 11:15 p.m. on October 1 to approximately 2:27 a.m. on October 2 was so that they could conduct a "manual leak detection test" to further investigate whether there was an actual leak. In a manual leak detection test, crewmembers track flow meter data at each end of the Pipeline to monitor the quantities of crude oil being pumped into the Pipeline at Platform Elly and the quantities of oil arriving onshore at the end of the Pipeline, at specific intervals every thirty minutes, to determine if there is an imbalance suggesting a leak. AMPLIFY's crewmembers conducted a manual leak detection test, taking readings from flow meters at the respective ends of the Pipeline every thirty minutes from approximately 12:20 a.m. to 2:20 a.m. on October 2, 2021. The flow meter readings taken at approximately 12:50 a.m. and 1:20 a.m. each revealed that approximately ten barrels more was being pumped into the Pipeline at Platform Elly than was arriving onshore, further indicating a potential leak. AMPLIFY's crewmembers incorrectly believed that the ten-barrel difference was the result of the higher quantity of produced water pumped into the Pipeline earlier in the day.

At approximately 2:30 a.m. on October 2, 2021, after the manual leak detection tests, AMPLIFY decided to request that a third party conduct a "line ride," in which a boat travels above the course of the underwater Pipeline, from shore to Platform Elly, in order to determine if there is any indication of an oil spill or other problems. This was the first time AMPLIFY had requested a line ride for the Pipeline in response to LDS alarms, and the first time that AMPLIFY had requested a nighttime line ride for the Pipeline. The line ride was conducted from approximately 3:30 a.m. to 4:30 a.m. on October 2, 2021, in the dark of night using flashlights on a boat. AMPLIFY personnel understood that it would be difficult for a line ride to identify an oil discharge in the middle of the night by means of a flashlight. The third party conducting the line ride did not identify any sign of a leak during the line ride and reported that to AMPLIFY personnel. As a result of AMPLIFY's continued erroneous belief that there was no leak, AMPLIFY started pumping oil through the Pipeline at approximately 5:11 a.m. on October 2, 2021.

At approximately 5:28 a.m. on October 2, 2021, AMPLIFY's LDS issued another alarm. Nonetheless, AMPLIFY did not shut the Pipeline down for the eighth and final time until 6:04 a.m., when it decided – according to its control-room logbook – to "wait for daylight" (sunrise was at approximately 6:47 a.m. that day). At approximately 7:00 a.m. on October 2, 2021, at AMPLIFY's request, a third party began conducting a second line ride. With the benefit of daylight, the second line ride identified the oil discharge at approximately 8:00 a.m. and notified AMPLIFY. AMPLIFY thereafter initiated its oil spill response plan, including, at approximately 8:30 a.m., contacting its disaster response firm.

In light of the foregoing, Defendants failed to immediately report to the Office of Emergency Services a discharge or a threatened discharge of oil into the waters of the state, a violation of California Government Code Section 8670.64, subdivision (c)(2)(A), and discharged oil into San Pedro Bay and into

the waters of the State of California, in violation of California Fish and Game Code section 5650, subdivision (a)(1).

The Quantity of Discharged Oil

The discharge from the Pipeline, beginning at approximately 4:05 p.m. October 1, 2021, caused approximately 588 barrels (24,696 gallons) of crude oil to be released into the San Pedro Bay, which eventually dispersed throughout waters of the state within Orange County, California. This was a quantity that was harmful to the public health, welfare, and environment.

The Impact of the Discharge

The discharge of oil impacted to varying degrees a diverse group of stakeholders, ranging, for example, from local surfers and beachgoers, to recreational and commercial fishermen, to tourism businesses, to individuals and businesses involved in the Great Pacific Airshow that was scheduled for its final day on October 3, 2021 but was cancelled, to nonprofits involved in the clean-up of the discharged oil, as well as local, state, and federal governmental agencies. For example, after the discharge of oil, an area of approximately 650 square miles was closed to fishing, including approximately 45 miles of shoreline. Two days after the discharge, Governor Newsom declared a state of emergency due to the far-reaching impacts of the discharge of oil and the related response efforts.

Over 37 oil samples were collected from dead birds or other waterfowl located in the waters of the state that were covered in oil seemingly discharged from the Pipeline. Based on lab analysis, two brown pelicans, one Western Grebe and one Brandt's Cormorant were determined to have been killed as a result of oil discharged from the Pipeline, in violation of California Fish and Game Code section 3511, subdivision (a)(1), and section 3513, respectively.