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13
 14 **UNITED STATES DISTRICT COURT**
FOR THE NORTHERN DISTRICT OF CALIFORNIA
 15 **WESTERN DIVISION**

17 **STATE OF CALIFORNIA,**

18 *Plaintiff,*

19 **v.**

20 **CHRIS WRIGHT**, in his official capacity
 21 as Secretary of the U.S. Department of
 22 Energy; **UNITED STATES**
 23 **DEPARTMENT OF ENERGY,**

24 *Defendants.*

Case No.

**COMPLAINT FOR
 DECLARATORY AND
 INJUNCTIVE AND OTHER
 RELIEF**

**(Defense Production Act, 50 U.S.C. §
 4501 et seq.; Administrative
 Procedure Act, 5 U.S.C. §§ 701–706;
 Violation of U.S. Constitution
 Separation of Powers and 10th
 Amendment; Declaratory Relief)**

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INTRODUCTION

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2 1. In a breathtaking power grab, the federal Executive Branch has asserted
3 that, with the stroke of a Cabinet Secretary's pen on an order under the Defense
4 Production Act, the federal government may preempt and supersede all state laws
5 governing hazardous oil pipelines, and any order of a state or federal court, in an
6 effort to extract as much petroleum as it can from the coastal waters off of
7 California. This stunning usurpation of California's police powers, and the powers
8 of the state and federal courts, should be struck down swiftly and certainly.

9 2. Onshore oil pipelines that run along the Santa Barbara, California, coast
10 and inland to Kern County, California, were shut down in 2015 following a
11 catastrophic rupture that spilled over 120,000 gallons of oil onto Refugio State
12 Beach and into the ocean. In recent years, the pipeline operator has made repairs to
13 the pipeline and sought to restart the pipelines, which fall within the jurisdiction of
14 at least eight state agencies with regulatory authority over the pipelines and related
15 facilities, or whose property the pipelines cross. The subset of those agencies that
16 must grant affirmative approval for the pipelines to restart have been carefully
17 examining the pipeline operator's requests, consistent with the specific safety and
18 legal requirements under their respective statutes. Some approvals have been
19 granted conditionally, while some remain under review pending the pipeline
20 operator's submission of additional information or completion of legally required
21 steps.

22 3. The pipeline operator was unhappy with the speed of those approvals,
23 however—not because they were taking longer than other similarly complex and
24 environmentally sensitive reviews, but because the pipeline operator was severely
25 undercapitalized and desperate to begin generating revenue. Accordingly, the
26 pipeline operator asked Defendant United States Secretary of Energy Chris Wright
27 to order it to restart the pipelines under the Defense Production Act (DPA).
28 Secretary Wright issued that order on March 13, 2026. *See* Secretarial Order

1 entitled *Pipeline Capacity Prioritization and Allocation Order* (the Wright Order).
2 91 Fed Reg. ____ (March 13, 2026). The pipeline operator then relied on the Wright
3 Order, and a contemporaneous opinion from the U.S. Department of Justice’s
4 Office of Legal Counsel, to argue that any state laws or existing court orders
5 standing in the way of restart could be ignored and set aside. The very next day, on
6 March 14, 2026, the pipeline operator restarted pumping oil through pipelines
7 despite an outstanding preliminary injunction in state court, despite not having
8 necessary permits from either the state or the federal government for pipeline
9 operation, despite still not having approval from several state agencies, and despite
10 not having a current or valid easement to keep or utilize the segment of its pipeline
11 crossing California state property.

12 4. By way of this action, the State of California seeks declaratory relief and
13 a permanent injunctive relief under the United States Constitution and the
14 Administrative Procedure Act (APA) and vacatur under the APA with respect to the
15 Wright Order.

16 5. The Wright Order directs the pipeline operator to immediately “prioritize
17 and allocate” transportation of hydrocarbon services, i.e., crude oil, produced at
18 three offshore platforms in the outer continental shelf (OCS) known as the Santa
19 Ynez Unit. The crude oil extracted from the Santa Ynez Unit is transported through
20 an undersea pipeline (the Offshore Pipeline), into a production facility onshore
21 where it is treated and separated into distinct petroleum products, and then enters a
22 different intrastate onshore pipeline system and travels approximately 120 miles to
23 an inland distribution station (Lines CA-324/325). The Wright Order also directs
24 the pipeline operator to “immediately commence performance” under contracts for
25 oil production and transportation from the Santa Ynez Unit through the Offshore
26 Pipeline, processing facility, and Lines CA-324/325, and to prioritize contracts
27 regarding such oil over other contracts the company may have.

28

1 6. Defendant Secretary Wright claims that his order is authorized by the
2 DPA. Defendants assert that Title I of the DPA “authorizes the Secretary to require
3 acceptance and priority performance of contracts or orders and to allocate materials,
4 services, and facilities, as deemed necessary or appropriate to promote the national
5 defense” with respect to energy production. Defendants cite the *Declaring a*
6 *National Energy Emergency* Executive Order (Executive Order 14156) and
7 generally claim that greenlighting the oil production and transportation from the
8 Santa Ynez Unit through the Offshore Pipeline, processing facility, and Lines CA-
9 324/325 is “necessary and appropriate to promote the national defense,” and
10 “maximize[s] domestic energy supplies” where those supplies are “scarce.”

11 7. A legal opinion issued by the U.S. Department of Justice’s Office of
12 Legal Counsel 10 days before the Wright Order opined that an order signed by a
13 Cabinet Secretary under the DPA fully preempts contrary state law, as well as
14 existing contrary federal and state court orders. As a result, the Wright Order
15 purports to authorize activity that is illegal or unauthorized under both state law,
16 and federal law, and barred by existing court orders, by directing and compelling
17 that lawless action from a privately owned oil company desperate for a shortcut to
18 restarting its oil production from the OCS through Lines CA-324/325 that have
19 been shut down since the disastrous 2015 oil spill. Nothing in the DPA authorizes
20 this usurpation of a State’s sovereign police powers or the authority of the courts to
21 enforce their own orders, and the federal Executive Branch’s self-serving legal
22 opinion to the contrary lacks merit.

23 8. The facts do not justify this overreach either. Restarting the flow of oil
24 through Lines CA-324/325 does not fix any of these purported problems.
25 Defendants’ national defense and national energy emergency justifications are
26 patently unreasoned. To the contrary, the offshore platforms have a maximum
27 expected gross oil rate of 50,000 barrels per day, contributing a fraction of a percent
28 to the domestic energy market. Although international conflict has driven up oil

1 prices globally by reducing oil exports from the Middle East, there is no actual
2 *shortage* of crude oil in the United States; the incremental oil production the Wright
3 Order directs would thus neither address a shortage (because there is none) nor
4 lower the cost of crude oil in the United States (because this miniscule incremental
5 production would not have an impact on the global price of oil). And even if there
6 were any marginal benefit to the “national defense,” it would be vastly outweighed
7 by the environmental and safety risks, as well as the unlawful and unconstitutional
8 displacement of the State’s police powers and the intrusion upon the State’s
9 sovereign property rights.

10 9. Indeed, without this Court’s intervention, the Wright Order would permit
11 the federal government to order and authorize the restart of unpermitted and
12 noncompliant infrastructure for oil and gas production and transportation in the
13 State of California. Defendants improperly use the DPA to authorize sweeping
14 preemption of state and federal regulatory frameworks governing oil and gas
15 production and transportation, coastal management, environmental protections,
16 property interests, and more. Such broad preemption is patently unauthorized by the
17 DPA, and the Wright Order amounts to an unprecedented and historic grant of
18 power to an oil corporation. If allowed to stand, the Wright Order would displace
19 California’s broad and comprehensive state environmental, pipeline safety, coastal
20 management, and common law frameworks. Unlawfully bypassing any and all state
21 requirements is an affront to the sovereignty of California and its right to exercise
22 its police powers within its own borders.

23 10. Not only does the Wright Order seek to preempt California law, but it
24 also seeks to authorize the pipeline operator to directly violate two separate court
25 orders—one from a state superior court and one from another federal court—
26 requiring the operator to meet certain conditions before it can restart operating the
27 pipelines. This violation of the Constitutional separation of powers between the
28 Executive and Judicial branches is yet another attempt by the current federal

1 administration to undermine the rule of law and to eviscerate a co-equal
2 branch of the federal government.

3 11. To prevent these harms to Plaintiff, this Court should declare that the
4 Wright Order is unlawful under the APA and violates the United States
5 Constitution. For these and other reasons discussed below, the Wright Order should
6 be declared unlawful and vacated.

7 **JURISDICTION AND VENUE**

8 12. This action arises under the United States Constitution, the
9 Administrative Procedure Act, 5 U.S.C. § 701 et seq.; the Defense Production Act,
10 50 U.S.C. §§ 4501 et. seq.; and federal regulations implementing the Defense
11 Production Act. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§
12 1331 and 2201(a). Jurisdiction is also proper under the judicial review provisions of
13 the Administrative Procedure Act, 5 U.S.C. § 702.

14 13. Venue is proper in this district pursuant to 28 U.S. § 1391(b)(3).

15 **PARTIES**

16 **Plaintiff**

17 14. Plaintiff the State of California is a sovereign State of the United States.
18 Attorney General Bonta is the chief law officer of the State of California and head
19 of the California Department of Justice. He has the authority to file civil actions to
20 protect California's rights and interests and the resources of this State. Cal. Const.,
21 art. V, § 13; Cal. Gov't Code §§ 12510-11. The State of California administers its
22 laws through various Executive Branch agencies and independent commissions of
23 the State, including the Department of Forestry and Fire Protection's Office of the
24 State Fire Marshal, the Department of Conservation's Geologic Energy
25 Management Division, the California Coastal Commission, the State Lands
26 Commission, the Department of Parks and Recreation, the State and Regional
27 Water Resources Control Boards, the Department of Fish and Wildlife and that
28 department's Office of Spill Prevention and Response.

Defendants

15. Defendant Chris Wright is the Secretary of the United States Department of Energy (DOE), and that agency's highest-ranking official. He is charged with the supervision and management of all decisions and actions of that agency. He is sued in his official capacity. 42 U.S.C. § 7131.

16. Defendant United States Department of Energy is a cabinet agency within the Executive Branch of the United States government. 42 U.S.C. § 7131.

ALLEGATIONS

I. Congress Enacted the DPA to Respond to Legitimate Needs for Goods and Services in Times of Emergency

17. Congress enacted the DPA, 50 U.S.C. §§ 4501 *et seq.*, to provide the President, and Executive Branch officials by delegation, with authority to shape military preparedness and provide necessary industrial supplies for the national defense.

18. The DPA authorizes the Executive to employ three tools to carry out its purpose. Title I of the DPA provides for the "allocation and prioritization" of government contracts for strategic and critical goods. Title II allows the Executive to utilize financial incentives to expand capacity. Title VII authorizes the Executive to enter into voluntary agreements with private industry. (Other titles of the DPA have since expired and are no longer in effect.)¹

19. The cornerstone provision of the DPA is Title I, which authorizes the President to require industry to prioritize and give preference to federal contracts or orders and to allocate materials, services and facilities which he deems necessary for national defense.² Additionally, the President may "allocate materials, services,

¹ 50 U.S.C. §§ 4501 *et seq.*

² 50 U.S.C. § 4511.

1 and facilities in such manner, upon such conditions, and to such extent as he shall
2 deem necessary or appropriate to promote the national defense."³

3 20. "National defense" is broadly defined to encompass "programs for
4 military and energy production or construction, military or critical infrastructure
5 assistance to any foreign nation, homeland security, stockpiling, space, and any
6 directly related activity," as well as "emergency preparedness activities conducted
7 pursuant to title VI of The Robert T. Stafford Disaster Relief and Emergency
8 Assistance Act and critical infrastructure protection and restoration."⁴

9 21. Historically, the DPA has primarily been invoked for military contracts
10 for goods and services and to react to a global crisis, such as the COVID-19
11 pandemic. The Executive has used the DPA to direct industry to prioritize the
12 fulfillment of government contracts for specific goods it deemed critical and
13 strategic, such as meat production⁵ and medical supplies in response to COVID-19,
14 and for the Department of Defense to "allocate" civilian aircraft for potential use by
15 the government during a national defense emergency.⁶

16 22. The DPA confers a distinct grant of authority specifically directed at
17 contracts and allocation orders for energy production. It provides that
18 "[n]otwithstanding any other provision of this chapter, the President may, by rule or
19 order, require the allocation of, or the priority performance under contracts or
20 orders . . . relating to, materials, equipment, and services in order to maximize
21 domestic energy supplies" upon making certain statutory findings.⁷ Critically, this
22 authority may not be invoked unless the President finds that the relevant materials,
23 services, and facilities are "scarce, critical, and essential" to maintaining or

24 ³ 50 U.S.C. § 4511(a)(2).

25 ⁴ 50 U.S.C. § 4552 (14).

26 ⁵ Exec. Order No. 13917, 85 Fed. Reg. 26,313, 26,313 (Apr. 28, 2020).

27 ⁶ The allocation authority supports the Civil Reserve Air Fleet (CRAF)
28 program, which was created initially in 1951, and is now managed by the U.S.
Department of Transportation. <https://www.congress.gov/crs-product/R43767#fn23>

⁷ 50 U.S.C. § 4511(c)(1).

1 expanding energy exploration, production, refining, or transportation, and that these
2 objectives "cannot reasonably be accomplished without exercising" this authority.⁸
3 These are required threshold findings of fact, not merely discretionary recitals.

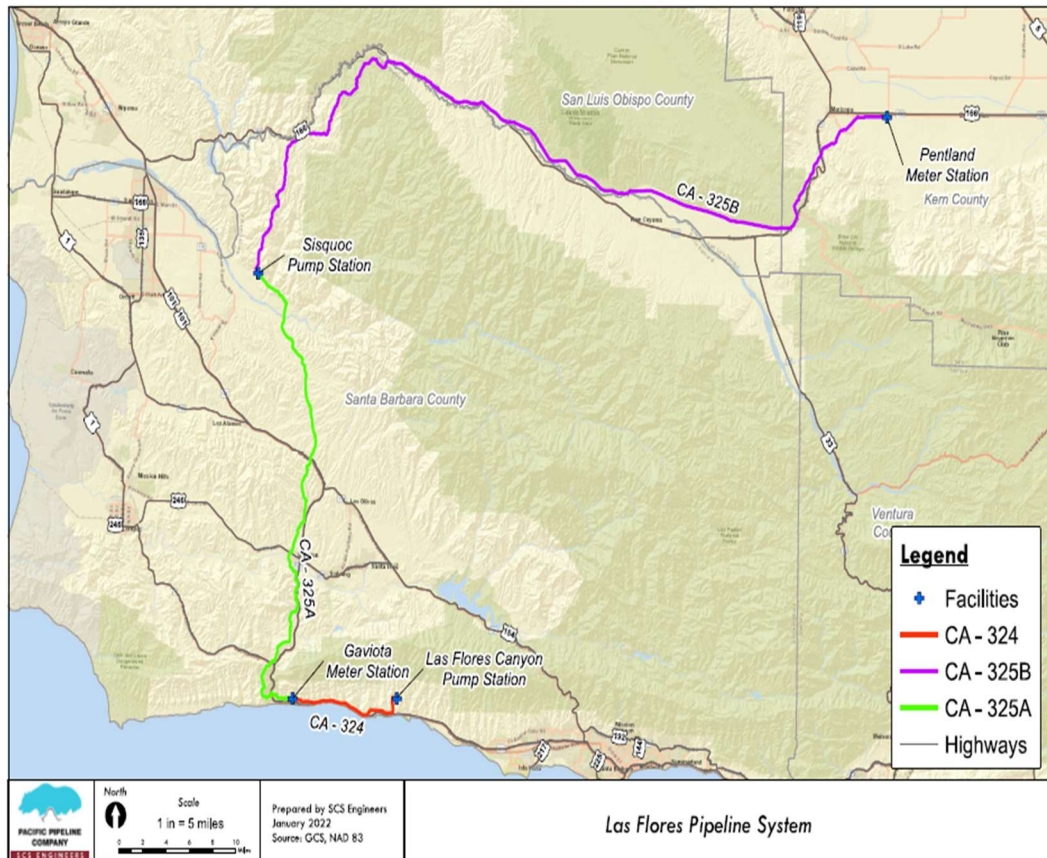
4 23. The DPA contains no provision indicating that it displaces judicial power
5 or state power preserved by Congress in other statutes, coastal management,
6 environmental protections, property interests, and more.

7 24. Finally, the DPA contains a sunset provision that requires Congress to
8 periodically reauthorize it to retain effect. Notably, in 2009, Congress did not
9 reauthorize the provision that allowed the President to use the DPA to requisition
10 private property.

11 **II. Faulty Maintenance of Line CA-324 Resulted in One of the Largest Oil**
12 **Spills in California History and Extensive Damage to the State, and its**
13 **Unlawful Restart by an Irresponsible Company is a Dangerous**
14 **Usurpation of California's Police Powers.**

15 25. The Wright Order directs a pipeline operator, Sable Offshore Corporation
16 (Sable), to restart production and transportation of oil and gas through pipelines that
17 were shut down since a devastating oil spill in 2015. By way of background, the
18 Wright Order pertains to several processes and pieces of infrastructure. Crude oil
19 and other hazardous liquids are produced at three offshore drilling platforms off the
20 Santa Barbara Coast (the Santa Ynez Unit) and transported by undersea pipelines to
21 a processing facility immediately onshore, called the Las Flores Canyon Processing
22 Facility. There, the liquids and natural gas are separated and treated, and the
23 processed oil product is then placed into different Lines CA-324/325 that span more
24 than 120 miles from the Santa Barbara County coast inland to Kern County,
25 California, for storage and ultimately distribution. The Santa Ynez Unit, the Las
26 Flores Canyon Processing Facility, and the Offshore and Lines CA-324/325 came
27 online between 1970 and the mid-1990s.

28 ⁸ 50 U.S.C. § 4511(c)(2).



15 26. On May 19, 2015, Line CA-324 (then known as Line 901) ruptured,
16 releasing over 120,000 gallons of heavy crude oil into the environment along the
17 Santa Barbara coast at Refugio State Beach, which came to be known as the
18 Refugio Oil Spill. The spill coated seven miles of shoreline with crude oil and tar
19 balls and damaged beaches more than 100 miles down the coast.

20 27. Investigations determined that Lines CA-324/325's system designed to
21 prevent corrosion used a defective design that could not be remediated. The
22 investigation report determined that the cause of the rupture was external corrosion
23 of the pipeline wall at the point of failure.

24 28. The Refugio Oil Spill caused widespread damage to California's natural
25 resources, lands, and livelihoods. The spill oiled the Pacific Ocean and the coastal
26 zone from Refugio Beach to as far south as Manhattan Beach in Los Angeles
27 County.
28

1 29. The spill adversely impacted natural resources under the trusteeship of
2 the State of California, including marine mammals and fish, kelp and eelgrass, and
3 it degraded marine and coastal habitats. It harmed migratory marine mammals and
4 birds that spend a portion of their lifecycle within the waters of the Channel Islands
5 National Marine Sanctuary. The California Department of Fish and Wildlife had to
6 close commercial and recreational fishing. The spill also impeded shoreline and
7 offshore recreation and boating at Channel Islands National Park and marred and
8 closed Santa Barbara's beaches to public use and enjoyment.

9 30. Lines CA-324/325 were taken out of operation after the spill, and state
10 and federal regulators, as mentioned, investigated the failure. Around that time, in
11 2016, the Pipeline and Hazardous Materials Safety Administration (PHMSA)
12 determined that Lines CA-324/325 were *intrastate* pipelines, and that the State of
13 California had authority to regulate and impose safety standards pursuant to the
14 Pipeline Safety Act.⁹ In 2016, regulatory authority over the Pipelines was then
15 transferred from PHMSA to the California Department of Forestry and Fire
16 Protection, Office of the State Fire Marshal (OSFM).

17 31. On May 12, 2020, the United States, California state regulatory agencies,
18 and the University of California filed a civil action against then-owner and operator,
19 Plains All American Pipeline Company (Plains), for causing the Refugio Oil Spill.
20 *U.S. v. Plains All American Pipeline*, Case No. 2:20-cv-02415 (March 13, 2020).

21 32. State and federal agencies engaged in efforts that culminated in an
22 agreed-upon Consent Decree, filed in 2020 in the Central District of California,
23 which required that the operator pay over \$60 million in damages and penalties, and
24 which prescribed terms for any future restart of the pipelines. The Court (Hon.
25 Philip S. Gutierrez) signed the Consent Decree on October 14, 2020, which is a
26 judgment binding all parties.

27
28 ⁹ See 49 U.S.C. § 60105.

1 33. Plains was also found guilty of a felony and eight misdemeanors for
2 failing to properly maintain these pipelines.

3 34. The United States and California presented OSFM as the agency that
4 would be responsible for oversight of the Lines CA-324/325, consistent with
5 PHMSA's confirmation of OSFM jurisdiction in 2016.

6 35. The Consent Decree requires that, prior to restarting Line 901 [now Line
7 CA-324], Plains shall apply for a State Waiver [i.e., state approval to use anti-
8 corrosion measures that differ from the federally required technology, cathodic
9 protection] from the OSFM. The Consent Decree also assigned OSFM the power to
10 approve a restart plan and provided procedures for its modification and termination,
11 as well as for the Court's retention of jurisdiction to enforce compliance with its
12 terms. In its acquisition of Lines CA-324/325, Sable agreed to be bound by the
13 Consent Decree.

14 36. For more than ten years, Lines CA-324/325 remained idle until March
15 14, 2026, when Sable restarted Lines CA-324/325 based on the Wright Order.

16 37. Since Sable acquired the Pipelines in 2024, it has consistently
17 demonstrated that it is willing to cut corners and disregard legal compliance in its
18 crusade to return to production to dig itself out of a financial hole.

19 38. In February 2024, Sable acquired the Santa Ynez Unit, Las Flores
20 Canyon Processing Facility, and Lines CA-324/325 from ExxonMobil for a total of
21 \$625 million dollars, financed almost entirely by a \$622 million loan from
22 ExxonMobil.

23 39. Sable was and remains undercapitalized. As a condition of the
24 acquisition, if Sable did not restart production by January 1, 2026, ExxonMobil had
25 the right of reversion. The maturity date was extended to March 31, 2027, but with
26 a higher interest rate, pursuant to the Second Amendment to Senior Secured Term
27 Loan Agreement.
28

1 40. Sable’s precarious financial position dictated that it prioritize restarting
2 the pipelines quickly, above all else. Shortly after the acquisition, Sable began its
3 venture to restart oil production at the Santa Ynez Unit, transport crude oil through
4 Lines CA-324/325, and sell the oil commercially. In order to do so Sable ultimately
5 opted to repair instead of replace the pipelines. Sable’s crews began working on
6 Lines CA-324/325 despite not having received several requisite permits or
7 approvals.

8 41. By Plaintiff’s knowledge and information, there are several active
9 lawsuits to date related to the potential restart. Since early 2025, several state and
10 local entities have issued administrative notices of violation and brought
11 enforcement actions, and actions seeking other forms of relief, against Sable,
12 alleging the company failed to comply with certain requirements of the state
13 framework in performing pipeline maintenance and potential restart, including
14 obtaining applicable property rights.¹⁰ Sable, including its wholly owned
15 subsidiaries, sued California regulators and local authorities for, *inter alia*,

16
17 ¹⁰ See *Sable Offshore Corp. et al. v. California Coastal Commission*, Case
18 No. 25CV00974 (Santa Barbara Sup. Ct., Apr. 16, 2025) (Coastal Commission
19 cross complained against Sable to enforce administrative fine for unpermitted repair
20 work in the coastal zone); *The People of the State of California v. Sable Offshore*
21 *Corp.*, Case No. 25-000333 (Santa Barbara Sup. Ct., Sep. 16, 2025)(Santa Barbara
22 County District Attorney brought criminal charges alleging intentional violations of
23 the California Water Code and Fish and Game Code related to the unpermitted
24 repair work); *People of the State of California ex rel. California Regional Water*
25 *Quality Control Board, Central Coast Region v. Sable Offshore Corp.*, Case No.
26 25CV06285 (Santa Barbara Sup. Ct., Oct. 3, 2025)(alleging violations of the
27 California Water Code involving failure to comply with an investigative order;
28 failure to report waste discharges; and discharge of waste into “waters of the state”
without permits); (*Cal. Dep’t of Parks and Recreation v. Sable Offshore Corp., et*
al., Case No. 26CV01759 (Santa Barbara Super. Ct., Mar. 17, 2026) (State Parks
alleged trespass by Sable relating to use of the pipeline, including to transport oil
through Gaviota State Park without a valid property interest) (removed Mar. 19,
2026 into federal district court as *Cal. Dep’t of Parks and Recreation v. Sable*
Offshore Corp., et al., C.D.Cal. 2:26-cv-02946).

1 attempting to implement State law and taking enforcement action regarding Sable's
2 legal violations.¹¹ Nonprofits have sued challenging OSFM's issuance of State
3 Waivers for alternative anti-corrosion technology for Lines CA-324/325.¹²

4 42. Importantly, the Santa Barbara County Superior Court issued a
5 preliminary injunction on July 29, 2025, which enjoined Sable from restarting the
6 Pipelines until 10 court days following the filing and service of notice by or on
7 behalf of Sable that Sable has received all necessary approvals and permits for
8 restarting the Pipelines, and that Sable intends to commence such restart. As of the
9 date of this Complaint, that preliminary injunction remains in place—which Sable
10 is now in violation of—despite Sable twice attempting to dissolve it. Nonprofits
11 have also sued the United States Bureau of Oceanic Energy Management and
12 Bureau of Safety and Environmental Enforcement regarding federal leases for the
13 Santa Ynez Unit.¹³

14 43. On September 11, 2025, Sable submitted a restart plan to OSFM for
15 review and approval. On October 22, 2025, OSFM informed Sable that the State
16

17 ¹¹ See *Sable Offshore Corp. et al. v. California Coastal Commission*, Case
18 No. 25CV00974 (Santa Barbara Sup. Ct., Feb. 18, 2025)(challenging the Coastal
19 Commission's jurisdiction to enforce an administrative penalty); *Sable Offshore*
20 *Corp. v. Quintero*, Case, No. 2:26-cv-02739 (C.D. Cal., March 13, 2026)) (seeking
21 declaratory relief related to issue of obtaining easement within Gaviota State
22 Parks); *Sable Offshore Corp. v. CalGEM, et al.*, Case No. 26WM000036
23 (Sacramento Sup. Ct., February 17, 2026) (challenging CalGEM's bond
24 requirement for production facilities under Public Resources Code section 3205.8
25 and applicability of SB 1137).

24 ¹² *Environmental Defense Center et al v. California Dep't of Forestry and*
25 *Fire Protection, Office of the State Fire Marshal et al.*, Case No. 25CV02247
26 (Santa Barbara Sup. Ct, Apr. 15, 2025) and *Center for Biological Diversity et al v.*
27 *California Dep't of Forestry and Fire Protection, Office of the State Fire Marshal*
28 *et al.*, Case No. 25CV02244 (Santa Barbara Sup. Ct, Apr. 15, 2025).

27 ¹³ *Center for Biological Diversity et al. v. Doug Burgum et al.*, Case No.
28 2:25-cv-02840, (C.D. Cal, Apr. 2, 2025); *Center for Biological Diversity et al v.*
Debra Haaland et al., Case No. 2:24-cv-05459 (C.D. Cal, June 27, 2024).

1 Waivers required Sable to, before any restart, repair metal loss anomalies detected
2 during in-line inspections and declined to approve the restart plan at that time.

3 44. Rather than coming into compliance with the State Waiver requirements,
4 on November 26, 2025, Sable instead petitioned PHMSA to step in and unilaterally
5 assume jurisdiction over the Pipelines. Sable’s letter to PHMSA “notif[ied]” the
6 agency of *Sable’s* determination that the pipelines were interstate— a determination
7 that PHMSA must make, and one counter to PHMSA’s longstanding determination
8 —and asked that PHMSA assume exclusive authority over the pipelines by
9 redesignating them as interstate under the Pipeline Safety Act, 49 U.S.C. § 60100 et
10 seq.

11 45. On December 17, 2025, PHMSA adopted Sable’s determination. The
12 agency issued an order redesignating the Pipelines as *interstate*, purporting to strip
13 OSFM of its authority to regulate the *intrastate* pipelines, and declaring the
14 Pipelines under PHMSA’s “exclusive regulatory authority” (Federalization Order).

15 46. On December 22, 2025, PHMSA issued a one-page letter approving
16 Sable’s Restart Plan for the Pipelines.

17 47. On December 23, 2025, PHMSA issued an Emergency Special Permit to
18 Sable, waiving compliance from certain requirements related to remediation of
19 corrosion in the pipeline wall. PHMSA also stated that the granting of the
20 Emergency Special Permit was necessary to address the energy emergency declared
21 in Executive Order 14156, *Declaring a National Energy Emergency*. 90 Fed. Reg.
22 8433 (Jan. 20, 2025).

23 48. On January 23, 2026, California filed a petition for review in the Ninth
24 Circuit Court of Appeals challenging PHMSA’s Federalization Order, PHMSA’s
25 approval of the restart plan, and the emergency special permit.¹⁴

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¹⁴ *State of Calif. v. PHMSA et al.*, No. 25-508, consolidated with *Env’tl Def. Ctr. v. PHMSA*, No. 25-8059 (9th Cir.).

1 49. On February 26, 2026, Sable announced that it was abandoning its State
2 Waivers, citing PHMSA’s Federalization Order as the basis.

3 50. Sable’s restart of the Pipelines, absent the requisite permits and
4 compliance with state and federal law, is an affront not only to California’s police
5 powers, but also the proper and safe regulation of the Pipelines. Furthermore,
6 Sable’s loan indebtedness and pressure to restart before its assets revert to
7 ExxonMobil, give the company an incentive to prioritize its own financial solvency
8 over the safety and compliance of its project. Sable’s desire to circumvent the law is
9 not only borne out by its actions, but plainly evidenced by two letters requesting
10 that federal regulators, first PHMSA and now DOE, help the company restart in
11 circumvention of California law and court orders. Defendants’ unprecedented act of
12 government assistance to a single struggling oil company endangers the health and
13 safety of California’s residents and the environment.

14 **III. The Wright Order was Issued at Sable’s Request to Restart the**
15 **Pipelines by Bypassing State and Federal Law, Including Two**
16 **Judicial Orders**

17 51. On December 12, 2025, Sable sent a letter to DOE requesting that it act
18 under the DPA to authorize and order the restart of the Pipelines.¹⁵

19 52. On March 3, 2026, the U.S. Department of Justice’s Office of Legal
20 Counsel issued an opinion entitled *Preemptive Effect of Defense Production Act*
21 *Order on State Law* (OLC Opinion). 50 Op. O.L.C. __ (Mar. 3, 2026). At DOE’s
22 request, the OLC Opinion addressed whether an order issued under the DPA to
23 Sable by the President or his delegee “would preempt the California laws currently
24 impeding Sable from resuming production and operating the associated pipeline
25

26 ¹⁵ 50 Op. O.L.C. __ (March 3, 2026) Slip Op. at 3, citing to a Letter for
27 Jonathan Brightbill, General Counsel, Department of Energy, from James W. Noe,
28 Partner, Holland & Knight LLP, Re: Sable Offshore Corp.—Request for Action
Under the Defense Production Act at 1 (Dec. 12, 2025).

1 infrastructure.”¹⁶ The OLC Opinion concluded that an “order issued under [the
 2 DPA] could preempt state law either expressly or by conflict. And it may displace
 3 certain provisions of the Consent Decree . . . including those vesting authority over
 4 resumption of transportation [of oil through the Pipelines] with [OSFM].”¹⁷

5 53. Shortly thereafter, on March 13, 2026, President Trump issued an
 6 Executive Order (EO) titled, *Adjusting Certain Delegations Under the Defense*
 7 *Production Act*.¹⁸ The EO amended previous Executive Order 13603 (National
 8 Defense Resources Preparedness) of March 2012, which delegates certain
 9 authorities of the President under the DPA to specified Executive department and
 10 agency heads, by adding the Secretary of Energy.

11 54. That same day, the Wright Order was issued pursuant to Title I of the
 12 DPA.¹⁹ Specifically, the Wright Order directs Sable to:

13 . . . [I]mmediately prioritize and allocate pipeline
 14 transportation services for hydrocarbons from the SYU
 15 through the SYPS [Santa Ynez Pipeline System],
 16 including transportation service activities at the onshore
 17 facilities at Las Flores Canyon, California, to the Pentland
 18 Station terminal in Pentland, California.

19 . . . [I]mmediately commence performance under
 20 current contracts or orders for services, including
 21 contracts or order hereinafter entered into or sought, for
 22 hydrocarbon transportation capacity in the SYPS from the
 23 point of production in the SYU through the SYPS,
 24 including transportation service activities at the onshore
 25 facilities in Las Flores Canyon, California, to the Pentland
 26 Station terminal;

27

28 . . . [C]omply with this order immediately and to
 maintain that compliance until such time as the conditions

25 ¹⁶ *Id.* at 1.

26 ¹⁷ *Id.* at 22.

27 ¹⁸ <https://www.whitehouse.gov/presidential-actions/2026/03/adjusting-certain-delegations-under-the-defense-production-act/>

28 ¹⁹ DPA § 4511; The Order was issued pursuant to the delegation of authority conferred on the Secretary by Executive Order 13603.

1 and restarted the Pipelines, and that it was no longer going to abide by the Consent
2 Decree.²³

3 **IV. Secretary Wright Orders the Immediate Restart of the Pipelines in**
4 **Direct Contravention of the DPA and its Regulations.**

5 60. Secretary Wright issued the Wright Order pursuant to the DPA's Title I
6 prioritization and allocation authority that permits orders that compel the
7 performance of government contracts with industry necessary to promote the
8 national defense with respect to energy.²⁴

9 61. This authority gives the Secretary the power to require industry
10 contractors to perform some orders before others or to allocate already-available
11 resources to some orders before others.²⁵

12 62. Notably, the DPA's Title I regulations establish a "Department of Energy
13 Priorities and Allocations Program" specifically for regulating the prioritization and
14 allocation of government contracts with industry.²⁶

15 63. These Title I contracts are called "requirements contract," "basic ordering
16 agreement," "prime vendor contract," or "similar procurement document . . ."²⁷

17 64. The DPA regulations assign levels of priority to contracts based on a
18 rating system that rates a contract as "DO" or "DX" or "unrated."²⁸ DX rated orders
19 are prioritized over DO orders, and DO orders are prioritized over unrated orders.

20 65. Any contracting decisions made under this system must be made with a
21 "strong preference" for small businesses, especially those in economically
22 depressed areas.²⁹ Sable is not a small business.

23 _____
24 ²³ Letter from Anthony C. Duenner, Executive Vice President, General
25 Counsel and Secretary, Sable Offshore Corp., March 17, 2026.

26 ²⁴ DPA § 4511 A.

27 ²⁵ 50 U.S.C. § 4511(a), (c).

28 ²⁶ 10 C.F.R. § 217.3.

²⁷ 10 C.F.R. § 217.32

²⁸ 10 C.F.R. § 217.31

²⁹ 10 C.F.R. § 216

1 66. Notably, the DPA’s Title I regulations require that these contracts include
2 a specific delivery date. The word “immediately,” as used in the Wright Order to
3 authorize the restart, does not constitute a delivery date as required.³⁰

4 67. However, the Wright Order does not say, and no public information
5 indicates, that Sable holds a Title I government contract or that Sable is required to
6 sell its crude to the government in a Title 1 contract. The Wright Order also fails to
7 state where, or to whom, Sable will sell the crude oil it produces.

8 68. It is simply inexplicable and unclear how the Secretary purports to utilize
9 the DPA’s Title I authority to direct the wholesale and “immediate” restart of the
10 pipelines in the absence of any required Title I contracts, orders, or allocations.

11 69. The Secretary’s use of the DPA’s Title I authority to order the immediate
12 restart of the pipelines out of the context of ordering the performance of a
13 government contract or allocation order is incongruent with the statute and
14 regulations that support the DPA’s Title I power and amounts to an unprecedented
15 abuse of power by the Secretary, and the order is contrary to law and arbitrary and
16 capricious.

17 70. Even if Sable applied for or obtained a Title I government contract to
18 supply its oil to the government, the Wright Order is still be invalid because it fails
19 to meet the threshold findings requirements of Title I.

20 71. The DPA only authorizes the Secretary to require priority performance of
21 contracts or allocation orders for domestic energy if two key findings are made.

22 72. First, he must find that the covered “materials, services, and facilities are
23 *scarce, critical, and essential*—(i) to maintain or expand exploration, production,
24 refining, transportation; (ii) to conserve energy supplies; or (iii) to construct or
25 maintain energy facilities[.]” (Emphasis added.)

26 73. Second, he must determine that the “maintenance or expansion of
27 exploration, production, refining, transportation, or conservation of energy supplies

28 ³⁰ 10 C.F.R. § 217.32

1 or the construction and maintenance of energy facilities *cannot reasonably be*
2 *accomplished* without exercising the authority specified in paragraph (1) of this
3 subsection."³¹ (Emphasis added.)

4 74. The law governing agency actions requires that these findings must be
5 more than mere declarations, but rather, supported by sound reasoning that supports
6 the choice made.

7 75. The Wright Order declares that the offshore Santa Ynez Unit oil field is a
8 “critical energy resource on the West Coast” and the largest offshore oilfield, but
9 fails to provide necessary information to support this determination, fails to make
10 the required findings, and fails to consider all aspects of the problem with restarting
11 the pipelines.

12 76. For example, there is no information provided that describes the quantity
13 or quality of oil or the cost of extraction on the environment or community. Nor is
14 there an identification of other energy sources or a comparison to other possible
15 energy sources that might provide more energy independence with fewer impacts,
16 such as a renewable energy source. The Secretary failed to explain why the DOE
17 chose to favor Sable’s oil project above all others.

18 77. The Order also fails to discuss the impact of another oil spill on
19 California’s economy.

20 78. The impacts of the 2015 oil spill—which caused hundreds of millions of
21 dollars of damage to California’s natural resources and economy—coupled with the
22 ongoing safety issues, are another vital piece of the problems surrounding Sable’s
23 restart that were ignored in the Wright Order.

24 79. The Wright Order also does not attempt to articulate why the pipelines, in
25 particular, are critical to the national defense. The Wright Order also does not allege
26 that Sable is part of a national energy program or a national defense program.

27
28 ³¹ DPA § 4511(c).

1 80. The Wright Order cites the *Declaring a National Energy Emergency*
2 Executive Order (Executive Order 14156), which is currently being challenged in
3 federal court.³²

4 81. The United States already produces significantly more oil and gas than it
5 uses. It is the world’s largest exporter of liquified natural gas and exports millions
6 of barrels a day of crude oil. It has been a net energy exporter since 2019, when
7 President Trump declared the nation energy independent.³³

8 82. The Wright Order also fails to provide any rational basis that connects
9 how ordering Sable to “require acceptance and prioritize performance” of
10 “contracts” or “allocations” would promote the national defense with respect to
11 energy.

12 83. The Secretary fails to rationally explain why the Wright Order only
13 favors Sable, nor does it provide any credible information to support the restart of
14 Sable’s pipeline in a manner that is “immediate” and circumvents state and federal
15 law, as well as existing court orders.

16 **V. The Wright Order Impermissibly Tries to Displace a Robust,**
17 **Coordinated Apparatus of State Law and Attempts to Usurp State**
18 **Agency Jurisdiction.**

19 84. In the three-page Wright Order, Secretary Wright gave Sable a
20 convenient escape from compliance with state pipeline regulation and

21 ³² *State of Washington, et al. v. Donald Trump, et al.*, Case No. 2:25-cv-
22 00869 (U.S.D.C. Western Dist. of WA).

23 ³³ U.S. Energy Information Admin., In-Brief Analysis: The United States was
24 the world’s largest liquified natural gas exporter in 2023 (Apr. 1, 2024). Available
at <https://www.eia.gov/todayinenergy/detail.php?id=61683>.

25 U.S. Energy Information Admin., U.S. Exports of Crude Oil (Jan. 31, 2025),
Available at
26 <https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=p&s=mc&f=a>.

27 U.S. Energy Information Admin., U.S. Energy Facts Explained (July 15,
28 2024), Available at <https://www.eia.gov/energyexplained/us-energy-facts/imports-and-exports.php>; U.S. Energy Independence Set New Record In 2023

1 environmental, and land use laws that it, in multiple instances to date, has failed to
2 comply with. This attempts to make inapplicable the comprehensive state
3 regulatory framework governing the restart. Secretary Wright's use of the DPA to
4 broadly authorize preemption of state law in the Wright Order is contrived, in direct
5 conflict with the statute, and without lawful and reasoned explanation.

6 85. The California regulatory framework governing the restart vests authority
7 in eight different state agency regulators, who play crucial and interrelated roles in
8 regulating the Pipelines restart. The state scheme is critical for California's safety.

9 86. A variety of state laws apply to the restart. First, two California state laws
10 and regulations govern pipeline safety and oil spill response.

11 87. The Elder California Pipeline Safety Act of 1981, Cal. Gov. Code
12 § 51010 et seq., applies to public safety, risk reduction, and spill prevention of
13 hazardous liquid pipelines within California. OSFM implements the law.

14 88. The Lempert-Keene-Seastrand Act of 1990, Cal. Gov. Code section §§
15 8574.1 et seq., applies to oil spill prevention, preparedness and response. The
16 Office of Spill Prevention and Response, within the California Department of Fish
17 and Wildlife, implements the law.

18 89. Second, California state laws and regulations govern the restart's impacts
19 to water quality.

20 90. The Porter-Cologne Water Quality Control Act of 1969, Cal. Wat. Code,
21 § 13000 et seq., applies to the discharge of waste, stormwater, and land
22 disturbances that could occur during pipeline repair or construction. The California
23 State and Regional Water Quality Control Boards implement the law.

24 91. Third, California state laws and regulations govern the restart's impacts
25 to wildlife and habitats.

26 92. The California Endangered Species Act of 1984, Cal. Fish & Game
27 Code, § 2050 et seq., applies to the management and protection of listed species.
28 And section 1602 of the California Fish and Game Code requires a lake or

1 streambed alteration permit if the pipeline’s onshore activities may substantially
2 adversely impact fish and wildlife. The California Department of Fish and Wildlife
3 implements these laws.

4 93. Fourth, California state laws and regulations govern activity and
5 development in the coastal zone. The California Coastal Act of 1976, Public
6 Resources Code §§ 30000 et seq., regulates development in the “coastal zone.”³⁴

7 94. Senate Bill 237 (SB 237), which became effective January 1, 2026,
8 amended the California Coastal Act and requires that a new coastal development
9 permit be obtained for the repair, reactivation, and maintenance of an oil and gas
10 facility, including an oil pipeline, that has been idled, inactive, or out of service for
11 five years or more and is located in the coastal zone, such as the pipelines. Cal. Pub.
12 Res. Code § 30262. The California Coastal Commission implements these laws.

13 95. Fifth, California state laws and regulations apply to certain oil and gas
14 production facilities, including the Las Flores Canyon Processing Facility.

15 96. Section 3106 of the California Public Resources Code ensures that
16 operators carry out oil and gas production, operation, and decommissioning of
17 “production” facilities in a manner that prevents damage to the health and safety of
18 California’s citizens, or damage to the environment and natural resources. The
19 California Department of Conservation, Geologic Energy Management Division
20 (CalGEM) implements the law.

21 97. Furthermore, the pipelines cross state land and are subject to state
22 property law. The State’s lands are administered and managed by several state
23 agencies.

24 98. The California State Lands Commission issues and manages leases for
25 existing oil and gas operations in State waters. The California State Lands
26 Commission currently holds two of Sable’s undersea pipelines leases, one for oil
27 and one for natural gas, that together connect the Santa Ynez Unit offshore

28 ³⁴ Cal. Pub. Res. Code, § 30103.

1 platforms to the Santa Ynez Pipeline System and onshore Las Flores Canyon
2 Facilities.

3 99. California Department of Parks and Recreation (State Parks) may grant
4 easements for oil or gas pipelines on property that it owns.³⁵ Because the onshore
5 pipelines cross approximately four miles of Gaviota State Park, which is owned by
6 State Parks, Sable must obtain an easement from State Parks to run its oil across
7 state land.

8 100. Sable does not currently have any easement rights or other property
9 rights that allow it to transport oil through Gaviota State Park.

10 101. In 1987, State Parks granted an easement to Sable's predecessor-in-
11 interest, Celeron Pipeline Company of California, to transport hydrocarbon
12 substances through the segment of Line CA-325 (then Line 903) that crossed
13 Gaviota State Park. This easement was for a term of 30 years. It began on July 28,
14 1986, and expired on July 27, 2016.

15 102. Since 2016, State Parks has issued annual Right of Entry (ROE) permits
16 to Sable's predecessors-in-interest or companies affiliated with Sable that have
17 allowed them to access Gaviota State Park in order to perform maintenance on the
18 then-dormant Line CA-325.

19 103. The ROE permits are not easements. Sable does not currently have any
20 easement rights or other property rights that would allow it to transport oil through
21 Gaviota State Park. The ROEs are necessary because Sable does not have an
22 easement that would otherwise allow it to access the Park.

23 104. To the extent the Wright Order directs Sable to trespass on state land by
24 operating without an easement, the Order infringes on state property rights and is
25 unconstitutional.

26 105. In the days following Sable's March 14, 2026 restart announcement,
27 State Parks, the State Lands Commission and the California Coastal Commission

28

³⁵ Cal. Pub. Res. Code § 5012.

1 issued letters to Sable seeking confirmation from that company that it would adhere
2 to state law obligations. State Parks received no responses to its letter.

3 106. Through these state agencies, the State of California carefully exercises
4 its police powers to protect the public health and welfare as required by the
5 Legislature of the State of California through its duly enacted laws. The DPA does
6 not authorize the Secretary to issue an order that preempts California's laws.

7 **VI. Defendants Impermissibly Wield Executive Power to Abrogate**
8 **Federal Law and Judicial Orders**

9 107. The Wright Order, if allowed to stand, purports to subvert a vast array of
10 long-standing federal laws, a federal judicial Consent Decree, and a state
11 preliminary injunction that put conditions on any restart of the Pipelines. The DPA
12 contains no provision that allows it to direct Sable to circumvent federal law, the
13 Consent Decree that arose from the devastating Refugio Oil Spill and pipeline
14 safety problems from the Pipelines, or the state court's preliminary injunction.
15 While actions to enforce the Consent Decree and preliminary injunction are
16 pending in the courts that issued those orders—and thus the State does not ask this
17 Court to enforce those orders itself against nonparty Sable—the Wright Order's
18 suggestion that it could upend those judicial orders is infirm and should be
19 invalidated.

20 108. In addition to California's regulatory framework governing the safe and
21 secure production of oil from Sable's pipelines, there are several federal statutes
22 that are not preempted by the DPA, such as the Pipeline Safety Act, the Submerged
23 Lands Act, and the Coastal Zone Management Act.

24 109. Furthermore, the Consent Decree and preliminary injunction are judicial
25 orders that Sable must comply with, and the Wright Order cannot modify or abridge
26 them.

27 110. Sable has not met the conditions for restart. The DPA does not authorize
28 the Secretary to use a Title I DPA Order to sidestep Judicial Orders and require

1 Sable to restart “immediately” in violation of the Consent Decree and preliminary
2 injunction.

3 **VII. Defendants’ Actions Harm California**

4 111. Without this Court’s intervention, the Wright Order voids state laws,
5 resulting in harms to California.

6 112. The Wright Order is an affront to, and usurpation of, the traditional
7 police powers delegated to the states, in that it seeks to override any and all
8 California laws that stand in the way of the restart of the Pipelines. The Wright
9 Order also tramples over California’s property rights to the extent it purports to
10 allow Sable to operate Line CA-325 through a state park without an easement—or
11 the safety and environmental conditions the Department of Parks and Recreation
12 previously imposed under a now-expired easement—and to operate the Offshore
13 Pipeline through leases from the California State Lands Commission without
14 abiding by lease terms, including those mandating compliance with all other state
15 laws.

16 113. Without cathodic protection or the safe alternative required by the State
17 Waivers, there is also increased risk of oil spills in pipelines.

18 115. Spills resulting from restarting the pipelines under a handcuffed state
19 regulatory framework would have serious environmental impacts across multiple
20 categories, including water quality safety, coastal protection, and species protection.

21 116. Given the devastating impact of the Refugio Oil Spill and Sable’s
22 numerous pipeline safety violations, Sable’s unlawful restart poses significant risks
23 to California’s economy, natural resources, and communities’ health, safety, and
24 welfare.

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1 **CAUSES OF ACTION**

2 **COUNT I**

3 **Violations of Administrative Procedure Act, § 706(2)(B)-(C)**

4 **Contrary to Law, In Excess of Statutory Authority**

5 117. Plaintiff incorporates by reference the allegations contained in the
6 preceding paragraphs.

7 118. An agency may not take any action that exceeds the scope of its
8 statutory authority or violates federal law.

9 119. The Wright Order is an agency action subject to the APA. 5 U.S.C. §
10 551.

11 120. Under the APA, a court must “hold unlawful and set aside agency
12 action, findings, and conclusions found to be . . . contrary to constitutional right,
13 power, privilege, or immunity,” or “in excess of statutory jurisdiction, authority, or
14 limitations, or short of statutory right.” 5 U.S.C. §§ 706(2)(B) – (C).

15 121. Defendants may only exercise authority conferred by statute.

16 122. Congress enacted the APA “as a check upon administrators whose zeal
17 might otherwise have carried them to excesses not contemplated in legislation
18 creating their offices.” *Loper Bright Enterprises v. Raimondo*, 603 U.S. 369, 391
19 (2024) (quoting *U.S. v. Morton Salt*, 338 U.S. 632, 644 (1950)). In *Loper Bright*,
20 the Supreme Court clarified that historical principles of “respect” did not amount to
21 deference—rather, “Section 706 makes clear that agency interpretations of
22 statutes—like agency interpretations of the Constitution—are *not* entitled to
23 deference.” *Id.* at 392 (emphasis in original). Rather, it “remains the responsibility
24 of the court to decide whether the law means what the agency says.” *Id.* (quoting
25 *Perez v. Mortgage Bankers Ass’n*, 575 U.S. 92, 109) (2015) (Scalia, J., concurring
26 in judgment)).

27 123. Defendants have no authority under the DPA to immunize Sable from
28 compliance with state and federal laws and Court Orders, including the Consent
Decree and preliminary injunction. There is no express nor implied authority in the

1 DPA to preempt all relevant state and federal laws governing the restart. If allowed
2 to stand, this illegal assertion of authority to displace a broad regulatory framework
3 could have wide-ranging applications and extend beyond judicially enforceable
4 limits.

5 124. In addition, to the extent the Wright Order purports to preempt
6 Plaintiff's right to own, manage, and dispose of its own land in Gaviota State Park,
7 Defendants have no authority for such preemption absent a clear congressional
8 judgment. See, e.g., *Bldg. & Const. Trades Council of Metro. Dist. v. Associated*
9 *Builders & Contractors of Massachusetts/Rhode Island, Inc.*, 507 U.S. 218 (1993).
10 Defendants unlawfully claim power beyond what Congress intended when it
11 enacted the DPA.

12 125. The Wright Order is contrary to requirements for contract
13 prioritizations and allocation orders codified in the statute and regulations, which
14 specifically apply to government contracts and government contractors, conditions
15 that are not applicable here.

16 126. The Wright Order is contrary to Title I's required specificity in
17 description of contract prioritizations and allocations. The Wright Order lacks
18 specificity as to any Title I contracts, orders, or allocations that Sable must enter
19 into. The Wright Order fails to state where, or to whom, Sable will sell its crude
20 from the pipelines.

21 127. The Wright Order does not meet the regulatory requirements of an
22 allocation order because it continues in perpetuity, without a start and end date, fails
23 to include a detailed description of the required allocation actions, and does not
24 comply with other details required by 10 C.F.R. § 217.

25 128. Even if the Wright Order otherwise complied with the DPA, it would
26 not have the sweeping preemptive scope that Defendants claim. Nothing in the
27
28

1 DPA purports to preempt all state laws and regulations that affect or apply to
2 contracts governed by the DPA.

3 129. Pursuant to 5 U.S.C. § 706 and 28 U.S.C. § 2201, Plaintiff is entitled
4 to a declaration that Defendants lack legal authority under the DPA and its
5 implementing regulations in enacting the Wright Order, and, in so doing, acted
6 contrary to law and in violation of the APA.

7 130. Plaintiff is also entitled vacatur of the Wright Order pursuant to 5
8 U.S.C. § 706.

9 **COUNT II**

10 **Violation of Administrative Procedure Act 5 U.S.C. § 706(2)(A)** 11 **Arbitrary and Capricious**

12 131. Plaintiff incorporates by reference the allegations contained in the
13 preceding paragraphs.

14 132. Defendants are included as “agenc[ies]” under the APA, 5 U.S.C. §
15 551(1), and the Wright Order is agency action subject to review under the APA.

16 133. The APA requires that a court “hold unlawful and set aside agency
17 action, findings, and conclusions found to be . . . arbitrary, capricious, an abuse of
18 discretion, or otherwise not in accordance with law.” 5 U.S.C. § 706(2)(A).

19 134. An agency action is arbitrary or capricious where it is not “reasonable
20 and reasonably explained.” *FCC v. Prometheus Radio Project*, 592 U.S. 414, 423
21 (2021). This requires that an agency provide “a satisfactory explanation for its
22 action[,] including a rational connection between the facts found and the choice
23 made.” *Motor Vehicle Mfrs. Ass’n of the U.S., Inc. v. State Farm Mut. Auto. Ins.*
24 *Co.*, 463 U.S. 29, 43 (1983) (internal quotation marks omitted). An action is also
25 arbitrary and capricious if the agency “failed to consider . . . important aspects of
26 the problem” before it. *Dep’t of Homeland Sec. v. Regents of the Univ. of*
27 *California*, 591 U.S. 1, 25 (2020) (quoting *Motor Vehicle Mfrs.*, 463 U.S. at 43).

28

1 137. The Wright Order provides no reasoned basis and fails to explain why
2 and how the restart of oil production and transportation from the Santa Ynez Unit
3 through the Offshore and Lines CA-324/325 is necessary to “promote the national
4 defense” and address purported domestic energy shortages. Relatedly, the national
5 defense rationale is pretextual, not a valid justification.

6 135. The Wright Order failed to consider important aspects of the problem,
7 such as the fact that immediately restarting transportation of crude oil through the
8 pipelines would violate state and federal law and Court Orders.

9 136. Further, the Wright Order contains no reasoning as to the impact it
10 would have, if allowed to stand, on California’s state regulatory framework.

11 137. Pursuant to 5 U.S.C. § 706 and 28 U.S.C. § 2201, Plaintiff is entitled
12 to a declaration that the Wright Order violates the APA because it is arbitrary and
13 capricious.

14 138. Plaintiff is also entitled to vacatur of the Wright Order pursuant to 5
15 U.S.C. § 706.

16 **COUNT III**
17 **Violation of the U.S. Constitution**
18 **Separation of Powers**

19 139. Plaintiff incorporates by reference the allegations contained in the
20 preceding paragraphs.

21 140. Article III, Section 1 of the United States Constitution vests the
22 judicial Power of the United States in federal courts. U.S. Const., art. III, Sec. 1.

23 141. It is the constitutional role of the judiciary to control, by Article III
24 judges, the interpretation, declaration, and application of federal law. *See Northern*
25 *Pipeline Construction Co. v. Marathon Pipeline Co.*, 458 U.S. 50, 76–81 (1982).

26 142. The Constitution identifies specific roles for the Executive in the
27 lawmaking process, via the Recommendation Clause and the Presentment Clause,
28 which creates the President’s veto power; outside these roles, the Executive Branch

1 has no authority to change the law to suit the President’s policy. U.S. Const. art. II,
2 § 3; *id.* § 7, cl. 2; *Youngstown Sheet & Tube Co. v. Sawyer*, 343 U.S. 579, 587
3 (1952).

4 143. Congress cannot vest review of Article III court decisions in Executive
5 Branch officials, and, by extension, the legislative and Executive Branches cannot
6 unilaterally override judicial determinations. Separation of powers principles
7 protect judicial independence by ensuring that once a court renders a decision, it
8 cannot be subject to Executive revision or nullification.

9 144. Congress also possesses the power to legislate. Article I, Section 1 of
10 the U.S. Constitution states “[a]ll legislative Powers herein granted shall be vested
11 in a Congress of the United States, which shall consist of a Senate and a House of
12 Representatives. U.S. Const., art. I, § 1.

13 145. The Executive’s powers are limited to those specifically conferred by
14 “an act of Congress or from the Constitution itself.” *Youngstown Sheet & Tube Co.*
15 *v. Sawyer*, 343 U.S. 579, 585 (1952). The Executive has no power “to enact, to
16 amend or to repeal statutes.” *Clinton v. City of New York*, 524 U.S. 417, 438 (1998).

17 146. With the Wright Order, Defendants attempt to usurp the judiciary’s
18 authority to modify or reverse judicial judgments in direct violation of the
19 separation of powers. The Executive Branch’s attempt to overrule the careful
20 judgements of the Judicial branch by ordering Sable to restart is in direct
21 contravention of the Consent Decree and the preliminary injunction, both judicial
22 orders. Because the Consent Decree is an exercise of this court's Article III power,
23 only an Article III court can modify or retract it.

24 147. Defendants violated constitutional separation of powers constraints
25 because, through the Wright Order, Defendants claim to have overridden
26 Congress’s considered judgments by attempting to broadly preempt state law, when
27 the text of the DPA does not empower Defendants to do so.
28

1 148. Further, Defendants impermissibly attempt to substitute the President’s
2 policy priorities for the will of Congress in enacting the DPA.

3 149. Plaintiff is aggrieved persons suffering a legal wrong or adversely
4 affected by Defendants’ conduct under 5 U.S.C. § 702.

5 150. Pursuant to 28 U.S.C. § 2201, Plaintiff is entitled to a declaration that
6 the Wright Order violates the constitutional principles of separation of powers
7 doctrine and impermissibly arrogates to the Executive Branch power that is
8 reserved to the Judicial branch.

9 **COUNT IV**
10 **Violation of the Tenth Amendment to the U.S. Constitution**
11 **Sovereign Interests**

12 151. Plaintiff incorporates by reference the allegations contained in the
13 preceding paragraphs.

14 152. The Tenth Amendment provides that “[t]he powers not delegated to
15 the United States by the Constitution, nor prohibited by it to the states, are reserved
16 to the states respectively, or to the people.” U.S. Const. amend X.

17 153. Each state as a sovereign has reserved power to own, manage, and
18 dispose of its property, including state parkland.

19 154. To the extent the Wright Order directs Sable to trespass on state land
20 in Gaviota State Park by operating even without an easement, or to force California
21 to grant Sable an easement or other property right to transport oil through Gaviota
22 State Park, the Order infringes upon California’s sovereign power to own, manage,
23 and dispose of its property.

24 155. Defendants have no authority under the DPA to infringe upon or
25 preempt California’s sovereign power to own, manage, and dispose of its property.
26 A state’s power to own, manage, and dispose of its property is not subject to
27 preemption absent a clear congressional judgment. *See, e.g., Bldg. & Const. Trades*
28 *Council of Metro. Dist. v. Associated Builders & Contractors of*

1 *Massachusetts/Rhode Island, Inc.*, 507 U.S. 218 (1993); *Airline Serv. Providers*
2 *Ass'n v. Los Angeles World Airports*, 873 F.3d 1074, 1079 (9th Cir. 2017).

3 156. And the federal government has no constitutional power to commandeer
4 state property for federal ends in violation of the Tenth Amendment, including by
5 compelling the state to give a private company free use of that property in potential
6 violation of the State's own constitutional prohibition on gifting public funds or
7 things of value to private parties (Cal. Const., Art. XVI, section 6).

8 157. If Congress intends to override a state's right to own, manage, and
9 dispose of its own property, it must speak clearly as to such intention, which it has
10 not done in the DPA.

11 158. Plaintiff is an aggrieved person suffering a legal wrong or adversely
12 affected by Defendants' conduct under 5 U.S.C. § 702.

13 159. Pursuant to 28 U.S.C. § 2201, Plaintiff is entitled to a declaration that,
14 to the extent the Wright Order directs Sable to trespass on state land in Gaviota
15 State Park by operating even without an easement, or to force California to grant
16 Sable an easement or other property right to transport oil through Gaviota State
17 Park, the Wright Order violates the Tenth Amendment to the U.S. Constitution.

18 **PRAYER FOR RELIEF**

19 WHEREFORE, Plaintiff prays this Court:

- 20
- 21 1. Issue a judicial declaration that the Wright Order is unconstitutional and/or
22 unlawful because it violates the APA and the U.S. Constitution;
 - 23 2. Vacate the Wright Order pursuant to 5 U.S.C. § 706;
 - 24 3. Enjoin Defendants from invoking the Wright Order to authorize or compel
25 operation of the Santa Ynez Unit and the pipelines, and from allowing
26 anyone operating as Defendants' agents or working in concert with them to
27 rely on or invoke the Wright Order to operate the Santa Ynez Unit and the
28

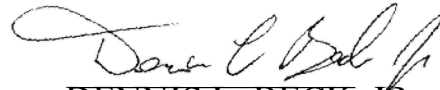
1 pipelines without having received necessary state-law approvals and
2 without satisfying the terms of court orders;

3 4. Grant other such relief as this Court may deem proper.
4

5 Dated: March 23, 2026

Respectfully submitted,

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7 Attorney General of California
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9 Acting Senior Assistant Attorney
10 General
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17 *California*
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