



ROBINS BORGHEI LLP

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December 16, 2015

PROPOSITION 65 NOTICE OF VIOLATIONS

TO: Kamala D. Harris
Attorney General for the State of California

Dan Dow
San Luis Obispo County District Attorney

Alleged Violators: Phillips 66 Company, Phillips 66 Pipeline LLC, ConocoPhillips Company, Union Oil Company of California, Unocal Corporation, Unocal California Pipeline Company, Unocal Pipeline Company, Unocal 76 Products Company, Union Pipeline Company (California), Chevron Corporation, and Chevron U.S.A. Inc.

Re: Proposition 65 Notice of Violations of Section 25249.5 of California Health & Safety Code: Discharge or Release of Listed Chemicals into a Source of Drinking Water, Santa Margarita Pipeline

This correspondence provides a 60-day Notice of Violations of Proposition 65, the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code section 25249.5, pursuant to California Health & Safety Code section 25249.7(d).

Through this Notice, Robin L. Rossi, as Trustee of the Robin L. Rossi Living Trust (the Noticing Party) provides notice of the violations alleged herein to the Attorney General of California, the District Attorney for the County of San Luis Obispo, and to Phillips 66 Company, Phillips 66 Pipeline LLC, ConocoPhillips Company, Union Oil Company of California, Unocal Corporation, Unocal California Pipeline Company, Unocal Pipeline Company, Unocal 76 Products Company, Union Pipeline Company (California), Chevron Corporation, and Chevron U.S.A. Inc., their parents, subsidiaries, affiliates, and/or divisions via service of their attorneys of record and/or agents for service of process.

Should the public prosecutors not bring an action within 60 days after receipt of this Notice, pursuant to California Health & Safety Code section 25249.7(c)(d), the Noticing Party intends to bring suit. This Notice covers all violations of Proposition 65 that are known to the Noticing Party from records now available to the Noticing Party. When filed, this suit may also assert claims as to such other violations as may occur, be discovered, or become apparent after service of this Notice, as well as other legal claims the Noticing Party may have.

Location of Discharges or Releases

Phillips 66 Company and Phillips 66 Pipeline LLC are believed to own and/or operate two, parallel 8-inch diameter pipelines and one gas line formerly owned and/or operated by ConocoPhillips Company, Union Oil Company of California, Unocal Corporation, Unocal California Pipeline Company, Unocal Pipeline Company, Unocal 76 Products Company, Union Pipeline Company (California), Chevron Corporation, and/or Chevron U.S.A. Inc., and their predecessors-in-interest, successors-in-interest, and/or subsidiaries. These pipelines together will be referred to herein as the Santa Margarita Pipeline (“SMP”). Discharges or releases from the SMP are the subject of this Notice.

The SMP covers a distance of approximately 3.4 miles (18,000 feet) between the Santa Margarita Pump Station and Tassajara Creek Road in Santa Margarita, west-central San Luis Obispo County, California. The SMP 10-foot wide pipeline easement(s) extend northeastward along the west side of Highway 101 from a location of 500 feet south of Tassajara Creek Road across the Spanish Oaks Ranch to a location about 1,500 feet north of the Highway 58 interchange, where it crosses under Highway 101, traverses the Santa Margarita Ranch, and passes through the Santa Margarita Pump Station on the east side of El Camino Real. The pipeline easement crosses and/or runs adjacent to Tassajara Creek, Santa Margarita Creek, Yerba Buena Creek, and an unnamed tributary.

Robin L. Rossi Living Trust (the Noticing Party), individually, owns the headquarters portion of the Santa Margarita Ranch. A 1.8 mile segment of the SMP traverses this portion of the Ranch. Rossi and family also hold significant ownership in more than 10,000 acres of the Ranch’s numerous other lands.

General Identification of Discharges or Releases

The SMP pipelines were installed as early as 1909. In 1949, the original smaller lines were reportedly removed and replaced. In 1994, the two existing 8-inch diameter pipelines were installed, and the old 1949 lines were said to be subsequently removed. The Noticing Party is not aware of any significant work on or repairs made to the SMP since 1994.

Since 1995, the SMP has been part of a crude oil and semi-refined petroleum (i.e., gas oil and petroleum distillate) transmission system extending 78 miles from the Santa Maria refinery to the Junction Pump Station in the San Joaquin Valley. Prior to 1995, the SMP pipelines were used to transmit crude oil. These pipes are, for the most part, buried below the ground surface.

Since 2004, chemicals that are associated with semi-refined petroleum products (i.e., gas oil and petroleum distillate) have been detected at elevated concentrations in groundwater, soil vapor, and/or soil in and adjacent to the SMP pipeline easement (extending hundreds of feet from the pipelines and to as yet undetermined depths beyond 20 feet). These chemicals include Total Petroleum Hydrocarbons (TPH) in the gasoline range, TPH in the diesel range, benzene, toluene, ethylbenzene, and xylenes. The presence of elevated concentrations of these chemicals, which

are lighter-end hydrocarbons and aromatics, is an indicator of releases of petroleum products transported through the SMP beginning as early as 1995 and continuing to present. Also, ethanol was detected in soil vapor samples collected near the SMP in 2015. Ethanol has been used as an oxygenate in reformulated gasoline since approximately 2000, and is rarely, if ever found in crude oil. The presence of ethanol in soil vapor is indicative of releases of petroleum products transported through the SMP beginning as early as 2000 through the present.

The violators named herein have knowingly discharged or released the chemicals named herein through the spilling, leaking, pumping, pouring, emitting, emptying, discharging, escaping, and/or leaching of chemicals from the SMP directly into water that is a source, or potential source, of drinking water, or into water or onto or into land where such chemicals have passed, currently pass, or probably will pass into a source, or potential source, of drinking water.

Sources of Drinking Water into Which the Discharges or Releases are Alleged to Have Occurred, To Be Occurring, or To Be Likely To Occur

“A ‘source of drinking water’ means either a present source of drinking water or water which is identified or designated in a water quality control plan adopted by a regional board as being suitable for domestic or municipal uses.” Health and Safety Code 25249.11(d).

The Regional Water Quality Control Board’s Water Quality Control Plan for the Central Coastal Basin (“Basin Plan”) identifies the groundwater basins under and around the Santa Margarita Ranch and the SMP as suitable for municipal and domestic water supply. The Basin Plan also identifies municipal and domestic supply as a beneficial use for Tassajara Creek.

The groundwater under and around the SMP has been and is used presently for domestic and municipal purposes. This basin is presently the primary source of water for the communities of Santa Margarita and Garden Farms via a separate system of wells completed in the alluvial basin created by the watersheds of Santa Margarita Creek and Yerba Buena Creek. Beginning in 2016, the Santa Margarita Ranch Mutual Water Company further plans to recharge purchased water into the aquifer beneath the SMP to offset future groundwater pumping for potable supply within the Santa Margarita Ranch property.

Accordingly, groundwater under and around the SMP, and surface water of Tassajara Creek, Santa Margarita Creek, Yerba Buena Creek, and the unnamed tributary are sources of drinking water into which the discharges or releases described herein are alleged to have occurred, to be occurring, or to be likely to occur.

Chemicals Discharged or Released

The specific violations alleged herein are past and ongoing discharges or releases of the following chemicals known by the State of California to cause cancer and/or reproductive toxicity.

Chemical	Type of Toxicity	Proposition 65 Listing Date by the State
Benzene	cancer developmental, male	February 27, 1987 December 26, 1997
Toluene	developmental	January 1, 1991
Ethylbenzene	cancer	June 11, 2004
Benz(a)anthracene	cancer	July 1, 1987
Benzo(a)pyrene	cancer	July 1, 1987
Benzo(b)fluoranthene	cancer	July 1, 1987
Benzo(k)fluoranthene	cancer	July 1, 1987
Chrysene	cancer	January 1, 1990
Dibenz(a,h)anthracene	cancer	January 1, 1988
Indeno(1,2,3-cd)pyrene	cancer	January 1, 1988
Naphthalene	cancer	April 19, 2002

Approximate Time Period of Alleged Violations

The violators have discharged the above-named chemicals in the manner described herein since as early as 1995. On information and belief, such violations have been ongoing since that time to the present day.

Each and every day during which the violators have discharged or released the chemicals named herein into water that is a source, or potential source, of drinking water, or into water or onto or into land where such chemicals have passed, currently pass, or probably will pass into a source, or potential source, of drinking water constitutes a separate violation of Health & Safety Code section 25249.5, and each chemical released or discharged constitutes a separate violation for each day on which each chemical was released or discharged.

Identities of Alleged Violators

The persons and entities who in the course of doing business have committed the violations alleged herein are Phillips 66 Company, Phillips 66 Pipeline LLC, ConocoPhillips Company, Union Oil Company of California, Unocal Corporation, Unocal California Pipeline Company, Unocal Pipeline Company, Unocal 76 Products Company, Union Pipeline Company (California), Chevron Corporation, and/or Chevron U.S.A. Inc., and their predecessors-in-interest, successors-in-interest, subsidiaries, employees, officers and/or directors.

These parties have been sent a copy of this Notice through first class U.S. Mail, return receipt requested, to the addresses and persons listed in the Certificate of Service accompanying this Notice. Pursuant to Title 27 of California Code of Regulations section 25903(b)(1), Appendix A, *The Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65): A Summary*, was included with this Notice sent to each alleged violator.

Identity of Noticing Party

The name, address, and telephone number of the party giving this Notice (Noticing Party) are:

Robin L. Rossi, as Trustee of the Robin L. Rossi Living Trust
750 Pismo Street
San Luis Obispo, CA 93401
(805) 543-4333

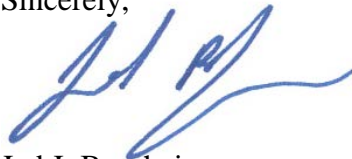
The names, address and telephone number of Counsel for the Noticing Party are:

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Should you have any questions regarding this Notice, please contact Counsel for the Noticing Party.

Sincerely,



Jed J. Borghei

ROBINS BORGHEI LLP

Enclosure: Appendix A, *The Safe Drinking Water and Toxic Enforcement Act of 1986*
(*Proposition 65*): A Summary

(Enclosure not included with copies of this notice sent to the Attorney General for the State of California and San Luis Obispo County District Attorney per California Health & Safety Code § 25903(b)(1))

CERTIFICATE OF SERVICE

I, Gian Gualco-Nelson, hereby declare as follows:

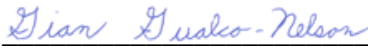
1. I am over the age of 18 years and am not a party to this cause. I am employed with Robins Borghei LLP; my business address is 649 Mission Street, Suite 500, San Francisco, CA 94105.

2. On the date listed below, I served PROPOSITION 65 NOTICE OF VIOLATIONS OF SECTION 25249.5 OF CALIFORNIA HEALTH & SAFETY CODE: DISCHARGE OR RELEASE OF LISTED CHEMICALS INTO A SOURCE OF DRINKING WATER, enclosed herewith, on all individuals or entities listed below by the methods indicated:

X To Kamala D. Harris, Attorney General for the State of California, by uploading the document to and completing the accompanying electronic service requirements on the Attorney General's web page at <https://oag.ca.gov/prop65/add-60-day-notice>.

X To all other individuals or entities listed in the accompanying Mail Service List, by mailing the document to such individuals or entities by registered first class mail, with return receipt requested. I am readily familiar with my firm's practice of collection and processing of correspondence for mailing. Under this practice, this mailing will be deposited with the U.S. Postal Service the same day with postage thereon fully prepaid. The foregoing document was placed for collection on the date indicated below following ordinary business practices.

3. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on December 16, 2015, at San Francisco, California.


Gian Gualco Nelson

MAIL SERVICE LIST

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