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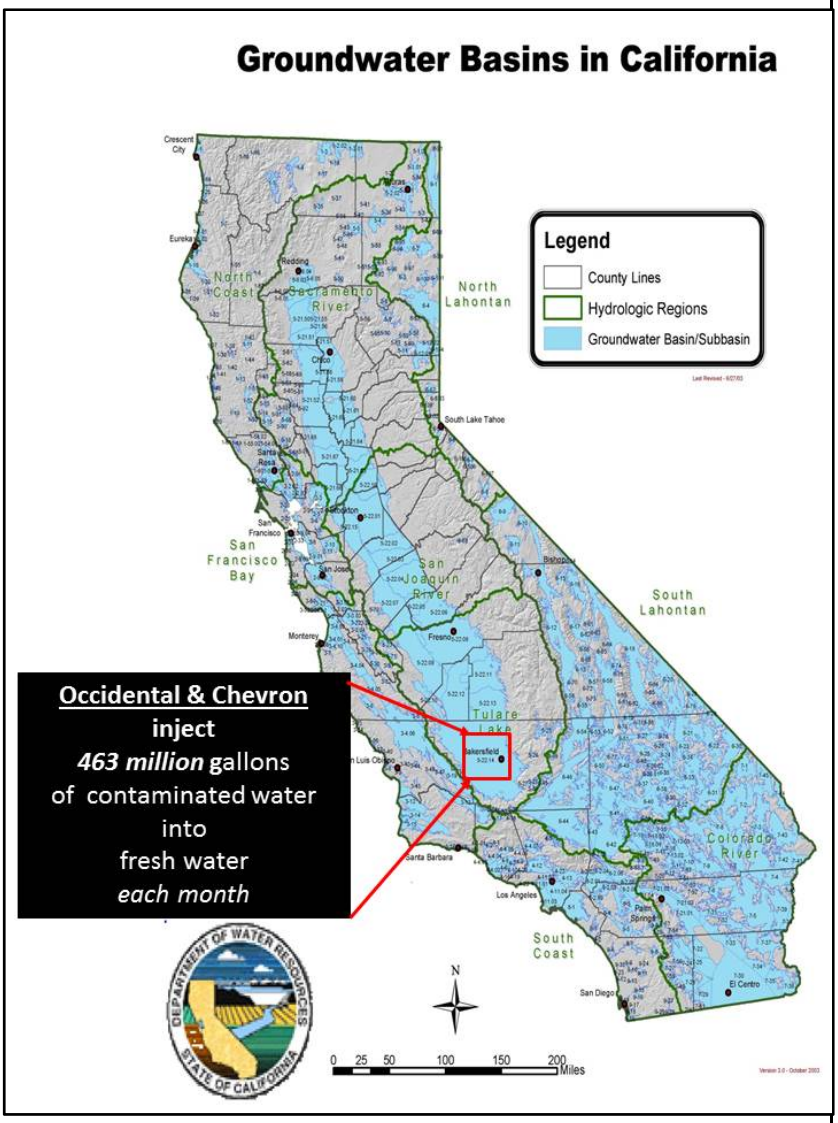
UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

COMMITTEE TO PROTECT OUR AGRICULTURAL WATER; MIKE HOPKINS, an individual, Plaintiffs, v. OCCIDENTAL OIL AND GAS CORPORATION, a Texas corporation; WESTERN STATES PETROLEUM ASSOCIATION (WSPA), a non-profit trade association; CALIFORNIA INDEPENDENT PETROLEUM ASSOCIATION (CIPA) a non-profit trade association; CHEVRON U.S.A. INC., a Pennsylvania corporation; CALIFORNIA DIVISION OF OIL, GAS & GEOTHERMAL RESOURCES (DOGGR); EDMUND G. BROWN, an individual; TIMOTHY R. KUSTIC, an individual; MARK NECHODOM, an individual; LORELEI H. OVIATT, an individual; and DOES 1 through 100, Defendants.	Case No.: **COMPLAINT FOR CONSPIRACY UNDER RICO AND DEPRIVATION OF CIVIL RIGHTS** **DEMAND FOR JURY TRIAL**

I. INTRODUCTION

1. Every month, Occidental and Chevron directly pump 2.63 times more toxic waste water into the San Joaquin Aquifer than oil released into the Gulf during the entire BP spill.[1] The California Division of Oil, Gas, and Geothermal Resources (DOGGR) plans to allow them to continue for another 21 months. This lawsuit is brought to stop the poisoning of the San Joaquin aquifer and to remediate the damage already done to the farmland of Kern County.



II. STATEMENT OF THE CASE

2. The Mediterranean climate of California's San Joaquin Valley is a fertile land with two precious resources underground – oil and fresh water.

3. The availability of both led to great success for farmers and oil companies in this Valley.

[1] This estimate is based upon the monthly average of waste directly injected into the aquifer by Chevron or Occidental from November 1, 2011 to December 31, 2014. The total according to DOGGR's records is at least 17.6 billion gallons in that three year and two month time period. This averages out to 463 million gallons each month. The Government estimated in the BP oil litigation, that BP released 176 million gallons. See, http://www.usatoday.com/story/money/business/2014/09/04/judge-bps-reckless-conduct-caused-gulf-oil-spill/15068955/. The information in this complaint comes from public sources including materials on DOGGR's website, from public statements by the Brown administration, and from emails produced in response to Public Records Act requests. As for the latter, DOGGR redacted much of the information and withheld other emails. Thus, the extent of the conspiracy and damage will be determined after discovery commences.

4. Farmers in the San Joaquin Valley grow 25 percent of all table food in the U.S.

5. Oil companies in this region produce most of the oil in California, making California the third largest oil-producing state.

6. Farmers and oil companies existed harmoniously in the Valley for over one hundred years.

7. The relationship between farmers and oil companies changed a few years ago in the wake of changes in oil production activities.

8. Oil production had steadily declined because the oil fields in this region were depleted. About 75% of all oil produced in California requires underground injections to enhance recovery. For example, oil companies inject steam to heat, loosen and then free the oil and water in order to push oil from one area into a production well.

9. Underground injections pose safety risks to oil field workers. The water and steam pushed down must enter an area with enough space to allow the free flow of water and steam underground. Gravity constantly puts pressure on the injection zone, and anything injected enters into idle wells. These idle wells act like straws, bringing the contaminated water, steam or gases back up, and creating sink holes that kill oil field workers. This happened in an oil field above the San Joaquin Valley on June 21, 2011.

10. Underground injections also pose safety risks to underground water. These risks are difficult to detect and usually show up first when crops die.

11. Contamination of water may happen as a result of both conventional and nonconventional oil production. The risk exists because every barrel of oil creates at least ten (10) barrels of toxic waste water. This waste is called “salt water,” “brine” or “produced water.” The waste water includes all chemicals found underground and all chemicals added by the oil companies to enhance oil production.

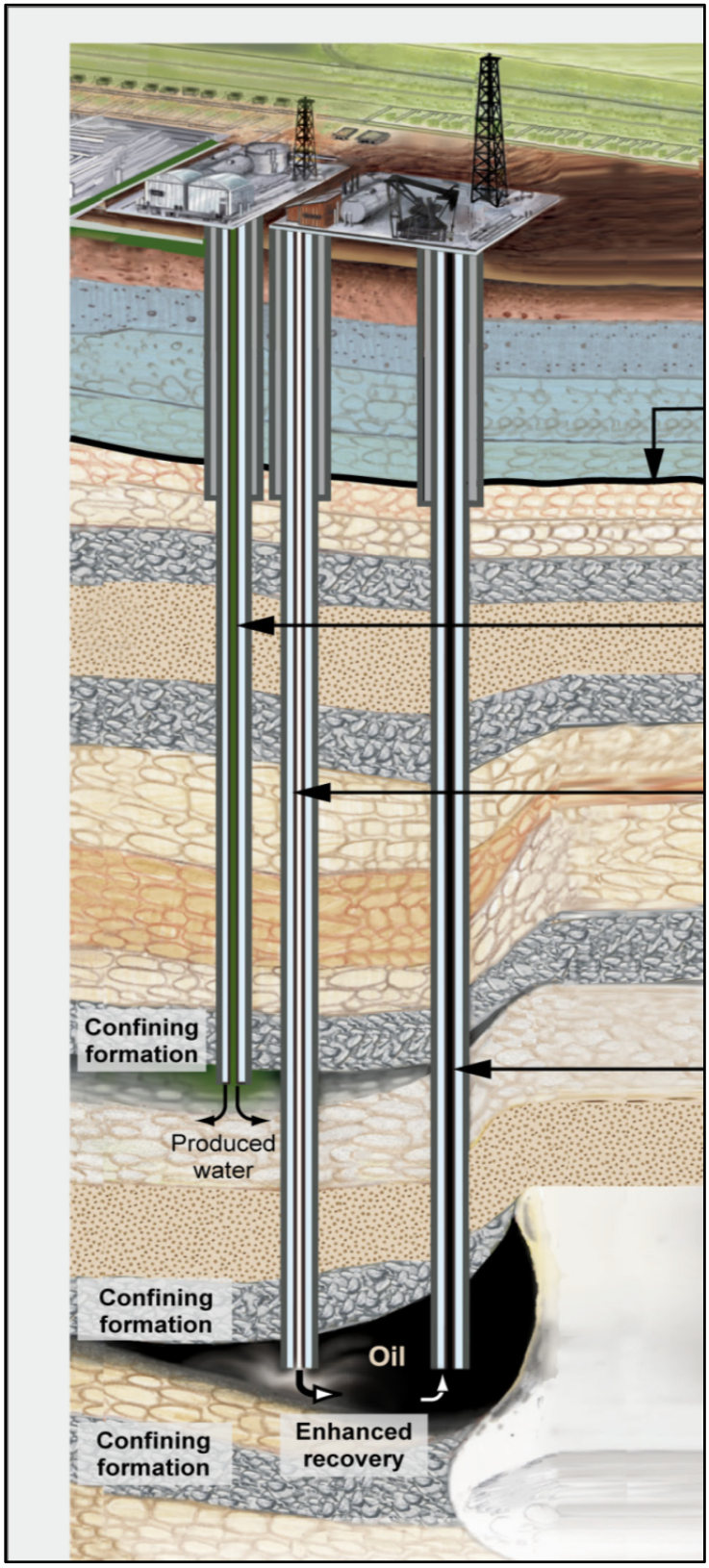
12. Of particular concern to farmers in the Valley is sodium chloride (or salt). Sodium chloride levels in water from oil production will often exceed the amount found in sea water.

13. When salt water from oil production enters fresh water used to irrigate crops, at some point, the contamination will be so great the salt water destroys crops, and the water becomes toxic to people and animals.

14. The concerns over the safety of the water led to the passage of the Safe Drinking Water Act in 1974, which requires permits before any company injects contaminated water underground.

15. Oil companies must: (1) clean the salt water, (2) inject it into water exempt from the regulations because it is already too contaminated to drink; or (3) inject it underground below a confining formation. (See photo). Confining formations usually consist of shale or some other impermeable rock.

16. To obtain a permit under the Safe Drinking Water Act, oil companies must provide geological and engineering studies. These studies are reviewed by the Division of Oil, Gas, and Geothermal Resources (DOGGR) – the California agency responsible for issuing permits under the Safe Drinking Water Act.



17. A conflict began brewing in 2010 when oil companies needed more injection well permits than ever before in California history.

18. The State Oil & Gas Supervisor at the time (Elena Miller) required the oil companies to provide the geological and engineering studies. Federal and state law required these documents.

19. The oil companies, however, refused to provide the geological and engineering studies. These studies would highlight two problems. Oil companies were injecting directly into an aquifer or injecting near wells with damaged casings that could leak into the aquifer. Oil companies would have to hire more workers to fix these problems. It also would increase expenses thus lowering profits. In addition, remediating the wells would bring unwanted attention to the damage to the water and soil used by farmers near the oil fields.

20. The State Oil & Gas Supervisor turned to the U.S. Environmental Protection Agency (EPA), the entity that provides federal funds to ensure California's compliance with the Safe Drinking Water Act. The EPA conducted an audit in 2011, which concluded that California improperly approved permits for underground injection wells. The EPA noted many problems and ordered DOGGR to adopt regulations to "clearly require the District Offices to protect USDW's to the federally-defined standard . . . in the permitting, construction, operation, and abandonment of Class II Injection wells."

21. The oil companies still refused to comply with Safe Drinking Water Act, and they asked DOGGR for an exception to these rules. One exception requested would be for underground injection wells that replaced another injection well or reworked an oil well. Most injection permits fall into this exception. Thus, the proposed exception would violate the Safe Drinking Water Act and allow for injections with little or no consideration to underground water.

22. Miller continued to insist on following the regulations in the Safe Drinking Water Act. Indeed, violating this law is a criminal offense and could lead to a criminal indictment.

23. The oil companies followed up with a public relations campaign claiming Miller caused job losses. The reality – the oil companies did not want the expense associated with jobs required to protect the welfare and safety of the communities depending on the San Joaquin Aquifer.

24. The oil companies complained to Governor Edmund G. Brown whose administration met with and ordered Miller to approve the permits as requested by the oil companies. She refused to violate the law.

25. Brown then "fired" Miller and then boasted: "There will be indictments and there will be deaths. But we're going to keep going."

26. Brown transitioned the position of State Oil & Gas Supervisor to a political appointment, ensuring that he could direct and control the new State Supervisor. Brown appointed Tim Kustic to this position. Kustic financial compensation was higher than any prior state supervisor.

27. Kustic promised oil companies a "flexible" approach and approved permits without the required documents. The oil companies went from receiving the typical 50 permits a year to 1,575 permits in 2012 alone.

28. 2012 was also a pivotal year for farmers in the San Joaquin Valley.

29. Sodium chloride levels increased to such a level, the chloride in underground water exceeded the maximum contaminant level allowed under the law. The excess chloride and total dissolved

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solids (both of which are associated with salt water from oil production) started damaging orchards.

30. By the end of 2012, one local farmer had to remove his cherry trees. The picture shown is an example of the damage the trees sustained from excess chloride.

31. Farmers contacted the local water board in the summer of 2012. The water board told the farmers to report the problem to DOGGR because oil production was the most likely source. The deputy at DOGGR disagreed and told the farmers that the injection wells did not cause the problem.

32. The farmers then met with Kustic and discussed the problems. Kustic did not change the "flexible" approach to approving permits that let DOGGR employees decide whether to require all of the geological and engineering studies needed for a permit.

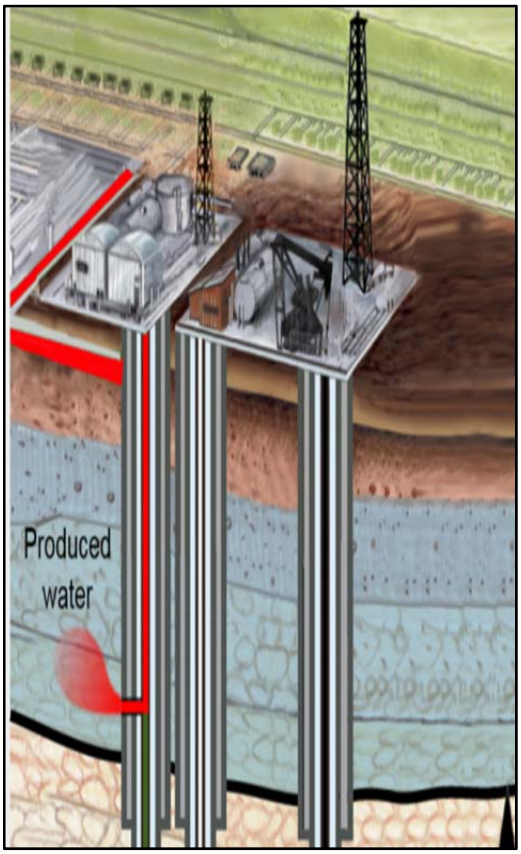
33. There is also no record in DOGGR's files indicating that anyone actually investigated the complaints by the farmers about water contamination.

34. Kustic's "flexible" approach also violated the California Environmental Quality Act (CEQA) because it authorized DOGGR employees to use discretion in deciding whether to permit the underground injection. Discretionary decisions trigger the requirement that DOGGR conduct environmental review under CEQA. DOGGR issued most injection permits without following CEQA or giving notice to the public.

35. Lorelei Oviatt, the Director of the Kern County Planning and Development Department, is responsible for compliance by Kern County under CEQA for all oil production activities in Kern County. Oviatt also knew of complaints by farmers and of environmental problems before anyone else in the community. She used her position to delay public notice of the problems and to block efforts to adopt environmental laws protecting Kern County residents.

36. Oviatt received a telephone call from a Brown appointee, Mark Nechodom, who replaced Miller's boss (Derek Chernow) as the Director of the California Department of Conservation. Nechodom telephoned Oviatt about CEQA.

37. Nechodom afterwards emailed to thank Oviatt for her support and noted that he was "delighted to have you and Kern Co. as a partner (**unindicted co-conspirator**?)." (Emphasis added.) Oviatt agreed with Nechodom in email – "We all have the **same goal**."



38. DOGGR's flexible approach became notorious on February 6, 2015 when DOGGR admitted it approved 532 permits to oil companies injecting directly into water protected by the Safe Drinking Water Act. DOGGR reported that 490 of the wells still have water of sufficient quality to be used for drinking or farming. DOGGR claimed, however, there was no contamination.

39. On May 15, 2015, DOGGR dropped 80 wells off the list of 490. DOGGR now admits, however, that 53 "injection wells are potentially impacting water supply wells."[2] DOGGR further admits that 207 "injection wells have injection zones that are less than 1500 feet below ground surface."[3]

40. Since the termination of Miller and Chernow by Brown, Occidental and Chevron injected an average of 463 million gallons of contaminated water into fresh water each month. An example of the direct injection process is shown in this photo.

41. DOGGR afterwards asked the United States Environmental Protection Agency to allow the oil companies to inject into protected water (including the water in the region near the farms shown on the first page of this complaint) until February 15, 2017.

[2] See, May 15, 2015 letter to Michael Montgomery at the EPA from Dr. Steve Bohlen and Jonathan Bishop at p. 2.

[3] Id. at p. 3.

42. Notice of the rampant contamination of the San Joaquin Valley Aquifer led to a hearing before the California Senate. Nechodom took the stand, telling the California Senate that DOGGR had not focused on whether oil companies directly injected into federally protected waters (specifically aquifers not exempted from the Safe Drinking Water Act) because DOGGR was so focused on hydraulic fracturing. This is directly contracted by emails from Kustic sent in June of 2012 telling the EPA hat hydraulic fracturing had the media's attention, but "the bulk of our resources are going towards the UIC program improvements."

43. DOGGR further provided advance notice (prior to the public disclosure) of all regulations being considered under SB4, the bill proposed by Senator Pavley to require public disclosure of chemicals used in hydraulic fracturing. The regulations ultimately created in the partnership between DOGGR and the Oil Companies to create a loophole that exempted most well stimulation from SB4. Such activities took place outside of the public sphere.

44. In sum, state and local government officials (including DOGGR, Brown, Nechodom, Kustic, and Oviatt) and the Oil Companies named as Defendants did "all have same goal" – the permitting of injection wells in violation of the Safe Drinking Water Act. DOGGR issued these discretionary permits outside of the public scrutiny, also violating the California Environmental Quality Act. There were no indictments given the conspiracy reached to the highest of California's government officials.

45. Members of the Enterprise took actions to avoid public disclosure of the indictable acts described herein. They held secret meetings – without public notice – to discuss legislative and litigation matters. In some cases, this led to early disclosure of proposed regulations to oil companies most engaged in nonconventional oil stimulation methods to obtain their approval of regulations before public disclosure. Finally, the administration of Governor Brown took over responsibility for providing documents in response to Public Records Act requests and then withheld or redacted information to avoid public disclosure.

46. Defendants Brown, Nechodom, Kustic, Oviatt, DOGGR, WSPA, CIPA, OCCIDENTAL OIL AND GAS CORPORATION, CHEVRON U.S.A. INC., and others known and unknown, formed an "enterprise" ("the Enterprise") to achieve through illegal means the goal of increasing oil production and maximizing profits and tax revenue by allowing the Oil Companies to inject salt water into fresh water in violation of the Safe Drinking Water Act. The Enterprise sought to minimize labor expenses that would have arisen if they followed the law while at the same time taking federal funds under the Safe Drinking Water Act. The Enterprise engaged in numerous indictable acts including:

- 18 U.S.C. § 371 – conspiracy to defraud the United States by obtaining federal funds in 2012, 2013, and 2014 under the Safe Drinking Water Act;
- 18 U.S.C. §§ 241 – intimidation of witnesses engaged in free exercise of speech or Constitutional right to protect their community from water contamination;
- 18 U.S.C. § 1341 – mail fraud arising from the use of U.S. mail to send false letters suggesting job losses;
- 18 U.S.C. § 1343 – wire fraud arising from sending emails with false information and utilizing telephones and emails to execute;
- 18 U.S.C. § 1346.43 – depriving the community of honest government services by misappropriating federal funds for protection of water, making misrepresentations at the California Senate hearing, interfering with local communities trying to protect their water, participating in secreting meetings and communications with regulated companies to adopt public policies, violating the California Environmental Quality Act, and withholding information under the California Public Records Act; and
- 18 U.S.C. § 1512 (b) and 1513(b) –intimidating and threatening witnesses who discovered contaminated water.

47. Because of these actions, the Enterprise deprived members of the Committee to Protect Our Agricultural Water fresh water, fair opportunities to earn an income, and honest government services. The Committee brings this suit against Oil Companies who knowingly inject toxic waste water into the San Joaquin Valley aquifer. The Committee also seeks an injunction mandating the public disclosure of any studies conducted by the State and Local Officials who conspired with the Oil Companies to approve these injections. When will the toxic waste injections reach a tipping point and contaminate forever the fresh water needed by all Californians and by members of the Committee? The Committee further seeks to recover lost income and costs for remediation of

contaminated water currently destroying water quality. And the Committee seeks a declaration revoking any illicitly obtained permits and requiring compliance with the laws designed to protect the water

III. JURISDICTION

48. This court has subject matter jurisdiction under 28 U.S.C. § 1331 over Plaintiffs' claims for violations of the RICO Act, 18 U.S.C. § 1961 *et seq.* and under 28 U.S.C. §§ 1331 and 1343(a)(3) for violations of 42 U.S.C. § 1983.

49. This Court has personal jurisdiction as to Defendant Occidental Oil and Gas Corporation ("Occidental"), in so far as (a) Occidental has a corporate headquarters in Los Angeles, California; (b) conducts substantial activities in California; and (c) engaged in conduct originating in California that caused Plaintiffs' injuries. Occidental (and its subsidiaries) appear to have injected more contaminated water into the San Joaquin Valley aquifer than any other oil company.

50. This Court has personal jurisdiction as to Defendant Western States Petroleum Association, a non-profit trade association ("WSPA") in so far as (a) WSPA is a California non-profit trade association; (b) has its principal place of business in California; (c) conducts substantial activities in California; (d) engaged in conduct originating in California that caused Plaintiffs' injuries; (e) has availed itself of the protections of the laws of this state.

51. This Court has personal jurisdiction as to Defendant California Independent Petroleum Association, a non-profit trade association ("CIPA") in so far as (a) CIPA is a California non-profit trade association; (b) has its principal place of business in California; (c) conducts substantial activities in California; (d) engaged in conduct originating in California that caused Plaintiffs' injuries; (e) has availed itself of the protections of the laws of this state.

52. This Court has personal jurisdiction as to Defendant Chevron U.S.A. Corporation ("Chevron"), in so far as (a) has a corporate headquarters in California; (b)

conducts substantial activities in California; (c) engaged in conduct originating in California that caused Plaintiffs' injuries.

53. This Court has personal jurisdiction as to Defendant California Division of Oil, Gas, and Geothermal Resources ("DOGGR"), in so far as; (b) DOGGR is a California State Agency; (c) engaged in conduct originating in California that caused Plaintiffs' injuries.

54. This Court has personal jurisdiction as to Defendant Edmund G. Brown, who lives in California.

55. This Court has personal jurisdiction as to Defendant Timothy R. Kustic, who served as the State Oil & Gas Supervisor from November 2011 to February 2014 and lives in California.

56. This Court has personal jurisdiction as to Defendant Lorelai Oviatt. She lives in California.

IV. VENUE

57. Further, venue is proper in this judicial district under 28 U.S.C. § 1391(d) because California is a state which has more than one judicial district and Defendant Occidental, is a corporation subject to personal jurisdiction at the time this action commenced, and therefore Occidental resides in this judicial district due to its contacts with this judicial district.

58. Venue is proper in this judicial district under 28 U.S.C. § 1391 and 18 U.S.C. § 1965(a). Defendant WSPA has offices in the Central District.

59. Venue is also proper in this judicial district under 28 U.S.C. § 1391(b) because a substantial part of the events or omissions giving rise to the claims occurred in this District.

V. THE PARTIES

A. Plaintiffs

60. COMMITTEE TO PROTECT OUR AGRICULTURAL WATER ("Committee" or "Plaintiffs") is a citizen organization comprised of farmers, business

owners, and individuals concerned about the environment and quality of life in California. The Committee has undertaken public outreach, sought public records, and taken other advocacy efforts targeting the permitting of underground injection wells. Members of the Committee regularly use the underground water and rely upon the clean quality of the air, land, and water in operating their business and farms that grow food products, including almonds, cherries, and pistachios. These interests are protected when the agricultural areas are maintained, and they are adversely affected or destroyed by excess oil production and the resulting pollution of the air, land, and water.

61. The ability of the Committee and its members, including the individual Plaintiffs, to engage in farming and in the advocacy on behalf of farmers is injured by the Oil Companies failure to comply with the Safe Drinking Water Act, California Environmental Quality Act, and the California Code of Regulations. In addition, by using the mails and wires to violate these laws, Defendants violated the Federal RICO statutes, all to the detriment of the Committee members. By violating these laws, rules, and regulations, the Oil Companies are causing unnecessary destruction of agriculture and farmland, and unnecessarily polluting the air, land, and water in Kern County.

62. Plaintiff Mike Hopkins is a farmer in Kern County, overseeing the management of several orchards including his family's farming operations. The income from his farming operations has declined as a result of lower yields – he ultimately had no choice but to remove an entire orchard of cherry trees due to chloride contamination. This contamination caused a substantial decline in yield and sustainability.

B. Defendants

63. Occidental is a corporation organized and existing under the laws of the State of Texas and having a principal place of business at 5 Greenway Plaza, Houston, Texas, 77046, whose registered agent for service of process is located in Los Angeles. Occidental's headquarters for most of the relevant time period were in Los Angeles.

64. WSPA is, according to their website, "a non-profit trade association that represents companies that account for the bulk of petroleum exploration, production,

refining, transportation and marketing in the five western states of Arizona, California, Nevada, Oregon, and Washington." (https://www.wspa.org/what-is-wspa). Members of WSPA include, but are not limited to, Chevron Corporation, , and Occidental Oil and Gas Corporation. (https://www.wspa.org/member-list). WSPA is a non-profit organized and existing under the laws of the State of California and has a principle place of business at 1415 L Street, Suite 600, Sacramento, California 95814.

65. CIPA is, according to their website, "a non-profit, non-partisan trade association representing approximately 500 independent crude oil and natural gas producers, royalty owners, and service and supply companies operating in California. [CIPA] members represent approximately 70% of California's total oil production and 90% of California's natural gas production." (http://www.cipa.org/i4a/pages/index.cfm?pageid=91). CIPA is a non-profit organized and existing under the laws of the State of California and has a principle place of business at 1001 K Street, 6th Floor, Sacramento, California, 95814.

66. Chevron is a corporation organized and existing under the laws of the State of Pennsylvania and having a principal place of business at 6001 Bollinger Canyon Road, San Ramon, CA 95483.

67. The California Division of Oil, Gas, and Geothermal Resources ("DOGGR") is a state governmental entity which has been delegated certain permitting responsibilities under state and federal environmental laws. Among other items, DOGGR must "address the needs of the state, local governments, and industry by regulating statewide oil and gas activities with uniform laws and regulations." DOGGR also "supervises the drilling, operation, maintenance, and plugging and abandonment of onshore and offshore oil, gas, and geothermal wells, preventing damage to: (1) life, health, property, and natural resources; (2) underground and surface waters suitable for irrigation or domestic use; and (3) oil, gas, and geothermal reservoirs."

68. Brown is the governor of California during the relevant time period.

69. Nechodom is the Director of the California Department of Conservation during the relevant time period.

70. Kustic was the State Oil & Gas Supervisor during the relevant time period.

71. Oviatt was the Director of the Kern County Planning and Development Department.

72. Defendants, Does 1 through 100, inclusive, are sued under fictitious names. Their true names and capacities are unknown to Plaintiffs. When their true names and capacities are ascertained, Plaintiffs will amend this Complaint by inserting their true names and capacities. Plaintiffs is informed and believes and alleges that each of the fictitiously named Defendants are responsible in some manner for the occurrences alleged, and that Plaintiffs' damages as alleged were proximately caused by such Defendants.

73. Defendants Brown, Nechodom, Oviatt, Kustic, DOGGR, WSPA, CIPA, Occidental, Chevron, and DOES 1 through 100 (collectively referred to as "Defendants") were in some manner responsible for the acts alleged and the harm, losses and damages suffered by Plaintiffs as alleged. Plaintiffs also informed and believes that, while participating in such acts, each Defendant was the agent, alter ego, conspirator, and aider and abettor of the other Defendants and was acting in the course and scope of such agency and/or acted with the permission, consent, authorization or ratification of other Defendants.

VI. CLAIMS FOR RELIEF

A. Environmental Setting

74. The San Joaquin Valley is blessed with two precious underground resources – fresh water and oil. Both resources led to the development of some of the best farms and oil fields in the world.

75. California produces nearly half of all of the fruits, nuts, and vegetables in the United States. Twenty-five percent is grown in just one California region, the San Joaquin Valley. The Mediterranean climate and the availability of abundant fresh water in the San Joaquin Valley Aquifer make this prime and unique farmland.

76. The oil fields in and around the Valley produce up to 75% of all oil in California, and because the oil fields are mature, they are depleted. This means they require substantial underground injections to enhance or stimulate the oil production.

77. These underground injections happen near the fragile San Joaquin Aquifer. If too much waste is injected, or if the waste leaks into the aquifer, it will reach a tipping point that make it impossible to restore the aquifer for use by the farms or Californians.

78. All oil production creates toxic waste that may contaminate water used for drinking and farming if the waste is not cleaned before disposal or properly disposed underground.

79. Conventional oil production alone produces an average of one (1) barrel of oil for every ten (1) barrels of toxic waste (also called "salt water" or "brine" or "produced water").

80. Oil companies historically either re-injected salt waste water underground or discarded it in above ground pits. Salt waste water – whether placed on the ground in pits or injected underground – can enter fresh water supplies. This concern led to the passage of the Safe Drinking Water Act, a law proposed, passed, and strengthened by three Republican Presidents. Congress, with the support of President Ronald Reagan, adopted amendments to strengthen the Act in 1986.

81. Many states, like California, entered agreements with the United States agreeing to adopt and enforce laws as part of an Underground Injection Control program ("UIC"). In 1989, the U.S. Government Accountability Office (a nonpartisan Congressional agency that investigates how federal funds are spent) concluded that existing programs were not protecting underground water from injections by oil companies. "Contamination is difficult to detect." The U.S. General Accounting Office (now Government Accountability Office) also noted that monitoring wells were of "limited value" for large aquifers.

82. Most often, contamination was discovered only after the "**water supplies became too salty to drink or crops were ruined.**" See, July 1989, "DRINKING

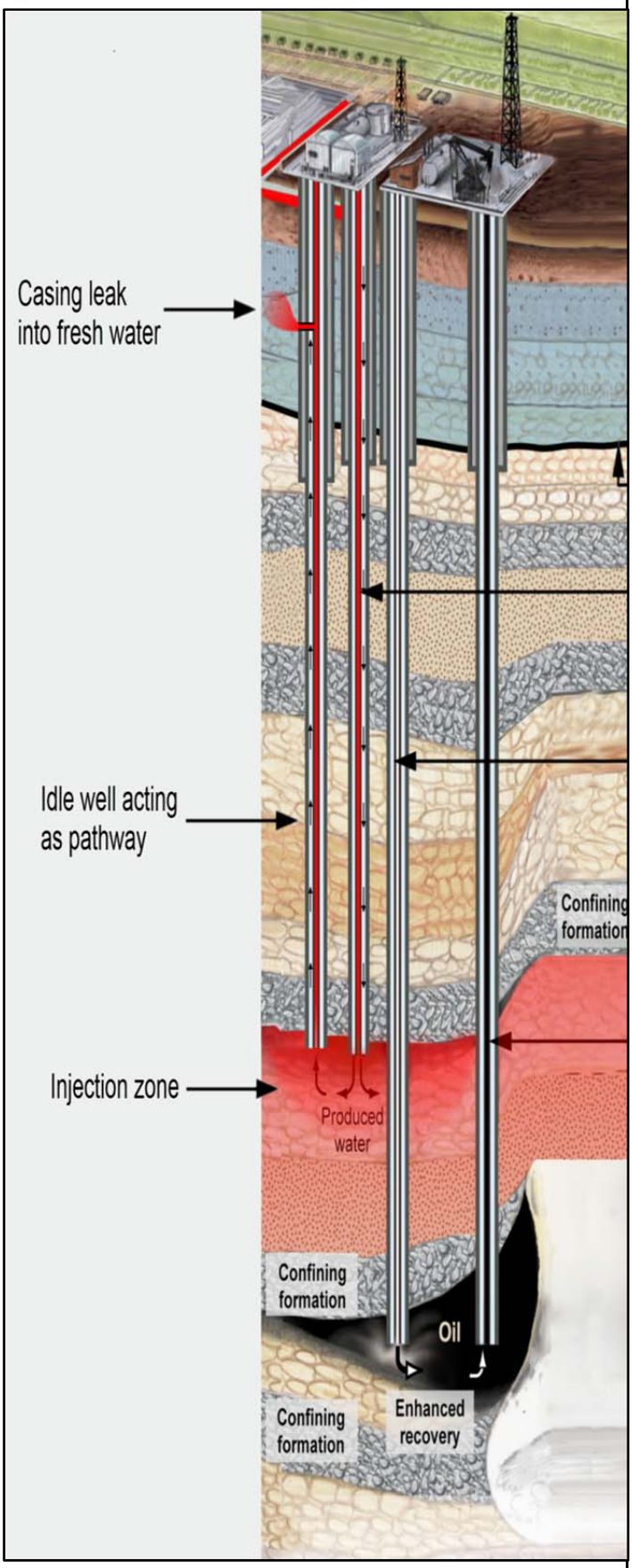
WATER: Safeguards Are Not Preventing Contamination From Injected Oil and Gas Wastes" (Emphasis added.)

83. The U.S. Government Accountability Office identified two causes of water contamination from oil injection wells. *First*, oil companies might directly inject contaminated salt water into fresh water. Or salt water might leak directly into fresh water.

> Geological studies demonstrate the location of fresh water. California requires these studies to confirm that oil companies do not inject toxic waste water into fresh water. See, 14 CCR 1724.7(b).

84. *Second*, toxic water is injected deep underground but can travel "into improperly plugged abandoned wells" near the injection wells. This happens as gravity pushes downward on the injected water that then travels back up idle wells (much like any fluid that flows up a straw when the pressure is unequal).

- Engineering studies and casing diagrams of nearby idle wells



identify problems that could lead to this contamination. California requires oil companies to provide engineering studies and casing diagrams to obtain waste disposal injection well permits. 14 CCR 1724.7(a).

- This is part of what is called an Area of Review or "AOR."
- To obtain a permit (and avoid leaking into the aquifer as shown in this photo), oil companies must remediate any nearby idle wells that have damaged casings.

B. Increased Underground Injections

85. Kern County is home to the third largest oil field in the United States, Midway-Sunset Oil Field, which is the location of the second largest oil disaster in history. In 1910, a geyser of crude oil erupted in this oil field and spewed 378 million gallons of oil for 18 months.

86. A recent photo of the Midway Sunset oilfield is shown below, demonstrating the density of oilfield operations in some parts of Kern County.

87. After that disaster, California formed the Division of Oil & Gas (later the Division of Oil, Gas & Geothermal Resources ("DOGGR") to supervise drilling and "preventing damage to: (1) life, health, property, and natural resources; (2) underground

and surface waters suitable for irrigation or domestic use; and (3) oil, gas, and geothermal reservoirs."

88. DOGGR is also the state agency responsible for making sure oil companies in California comply with the underground injection control (UIC) program and live up to their obligations under the Safe Drinking Water Act. UIC programs regulate the construction, operation, permitting, and closure of all injection wells that place fluids underground.

89. In recent years, DOGGR reported a decrease in conventional oil production in California and an increase in well stimulation through underground injections of steam and water.

90. One type of injection well requires injection of steam into the oil well for a period of days or weeks. The well is closed in with steam until the heat loosens and frees the oil. Hot steam from this process can migrate up nearby idle wells (just like salt water migrates up nearby idle wells when injected for disposal). This is called cyclic steaming to stimulate oil production.

91. By January of 2011, oil companies in California also hoped to recover oil from the Monterey Shale. News broke out later that year suggesting that the Monterey Shale contained more oil than half of the United States recoverable shale oil.

92. Reaching the shale oil would require hydraulic fracturing. Hydraulic fracturing (or "fracking") is the pressurized injection of water and toxic chemicals deep underground to fracture geologic formations. A propping chemical or sand is then pumped downward to keep the cracks open and release oil. Fracking produces large volumes of waste including produced water, drilling fluids, foam treatment waste, oily sludge, and waste gas.

C. Audit of DOGGR's Operations

93. In 2008, Governor Arnold Schwarzenegger named Derek Chernow as chief deputy director of the Department of Conservation. Chernow hired Elena Miller to serve

as the State Oil & Gas Supervisor (the senior staff member in charge of DOGGR's operations) in 2009.

94. The Schwarzenegger administration counted on Miller and Chernow to improve the quality of California's compliance with the Safe Drinking Water Act. This was needed at the time because of the increased need for injection well permits and increased waste.

95. The United States Environmental Protection Agency ("EPA") is the federal agency responsible for ensuring California's underground injection control (UIC) program complies with the Safe Drinking Water Act.

96. The EPA began to audit DOGGR's program in 2010.

97. Miller learned in the process that DOGGR was not properly approving permits. Among other problems, oil companies failed to provide the following for injection well permits:

- ***Engineering study & casing diagrams.*** Oil companies must submit casing diagrams for all wells affected by the stimulation treatments, and an engineering study to show that the project would "not have an adverse effect . . . or cause damage to life, health, property, or natural resources." CCR 1724.7(a)(4).
- ***Geologic mapping.*** Oil companies must provide geologic studies of the wells and an injection plan regulating the underground injections. CCR 1724.7(b).
- ***Testing of casing for leaks.*** Oil companies must conduct and invite DOGGR to observe mechanical integrity tests. CCR 1724.10(j).
- ***Pressure limits.*** Oil companies must submit injection plans and determine the "maximum allowable pressure" for all injections. CCR 1724.10(i). Pressure limits ensures that casings are strong enough to avoid well failure.

98. Miller faced internal resistance from DOGGR employees in trying to regulate underground injections. One former deputy, Randy Adams, had a practice of approving injection wells. This included approvals of wells to ***inject poison gas*** (hydrogen sulfide) without following the safety rules or regulations. Hydrogen sulfide is a highly toxic and deadly gas. Exposure is noticed immediately but hydrogen sulfide

deadens the sense of smell. People exposed will quickly not realize hydrogen sulfide is reaching deadly levels until it is too late.

99. Miller also faced external resistance from oil companies.

100. One oil company (PXP) had to comply with the regulations to obtain new permits for injections. The information provided by PXP to DOGGR demonstrated that the oil company had to remediate eleven (11) wells. PXP nonetheless demanded "an injection permit **before** remediation, since it could take a year to remediate all the wells." (Emphasis in original email from Chernow.) PXP told Chernow on a telephone call on March 29, 2011 it was being "**pressured by other operators who don't want to see a precedent for having to remediate wells as a condition for permitting!**"

101. Chevron also objected to compliance and remediation in the Spring of 2011. It refused to stop injections, noting in March 14, 2011 email to DOGGR Chevron's refusal to stop injecting near wells with mechanical integrity issues.

102. Chevron's failure to follow the law led to the death of an oil field worker on June 21, 2011. Steam, hot water, and hydrogen sulfide percolated to the surface of an abandoned well in the Midway Sunset field and created a sink hole that sucked Chevron construction supervisor, David Taylor, underground. DOGGR admitted that "damaged well casings may be . . . partially responsible," but it had to investigate "from a distance of approximately 50 to 60 yards." Chevron's violation of the Safe Drinking Water Act resulted in a small $350 fine.

103. The reluctance of oil operators to comply with the Safe Drinking Water Act was confirmed on July 18, 2011, when the United States Environmental Protection Agency sent Miller the results of an audit of California's underground injection control program. The EPA concluded that California's regulations and practices did not adequately protect water from improperly plugged wells and wells that "lack of cement in the casing/wellbore annulus." The EPA highlighted other "program deficiencies":

- DOGGR failed to "clearly require the District Offices to protect" water to federally-defined standards.

- DOGGR failed to conduct the proper area of review "for injection wells throughout the state."
- DOGGR failed to do the proper test for determining "maximum surface injection pressure" and needed to test pressure levels to ensure casings remained intact.

The EPA asked that DOGGR provide an action plan for corrections by September 1, 2011.

D. Oil Companies Refuse to Comply

104. Compliance with the Safe Drinking Water Act would require that the oil companies conduct an area of review (AOR) and remediate wells needing repairs. Remediation would be the only way DOGGR could permit the salt water injection wells to protect fresh water. This in turn would focus attention on problems with underground injection activity like hydraulic fracturing.

105. After the audit, the oil companies demanded that Miller approve injection permits without the required engineering studies or casing diagrams.

106. Occidental admitted on July 26, 2011 that "[a] total of 22 wells did not pass the [zonal isolation] criteria." But Occidental refused to provide the casing diagrams for a lawful area of review (AOR) for permits to inject in 18 wells in the Wilmington field.

107. Western States Petroleum Association (WSPA) then stepped into the fray on behalf of its members. WSPA represents all major Oil Companies including Defendants Chevron, and Occidental. WSPA emailed to falsely complain about DOGGR's "***new policy***."

108. The California Natural Resources Agency (the agency overseeing the California Department of Conservation of which oversees the Division of Oil, Gas and Geothermal Resources). On August 8, 2011, the Natural Resources Agency pointed out the falsity of this statement by WSPA:

> "I would like to understand why this is being seen as something new. It's been on the books for over 25 years.
>
> 14 CCR 1724.7 was approved . . . in 1978 . . .amended in 1984 and then there were some typos corrected in 1996.
>
> Pursuant to title 14, section 1724.7, subdivision (a), **every injection project must be supported by an engineering study that includes casing diagrams for all idle, plugged and abandoned, and deeper-zone**

> **producing wells within the area affected by the project.** The regulation requires casing diagrams in the engineering study evidencing that plugged and abandoned wells in the area will not have an adverse effect on the project or cause damage to life, health, property, or natural resources. If there are wells within the area of influence of proposed injection that could allow injection fluids to migrate outside of the intended zone, then approval to conduct injection operations would be conditioned on addressing those problem wells.
>
> . . . . We've already changed the process on our end by virtue of the fact that companies are being notified when an application is submitted whether there is information that is missing. *The problem, at this point, appears to be that the industry is not responding to that notification and providing the missing information. Instead, they want to fight about whether the required/requested information is necessary*." (First emphasis in the original; second added.)

109. Western States Petroleum Association (WSPA) then set up a meeting to be held on September 12, 2011, with Miller to discuss a document entitled the "Proposed Interim Solution." This solution was prepared by an attorney, Meg Rosegay, representing WSPA. The Proposed Interim Solution recommended developing a work group to discuss the underground injection control UIC program.

110. WSPA's Interim Solution proposed that if an operator sought an injection well permit for conversion of a prior oil well, DOGGR must approve the permit *without* an area of review (AOR). No geological studies or engineering studies to confirm the safety of drinking water. Because most waste disposal wells are reworks of old wells, this was a large loophole.

111. Miller would not approve WSPA's Interim Solution and sought guidance from the United States Environmental Protection Agency.

112. The EPA confirmed that the "Interim Proposal" would violate the Safe Drinking Water Act. Miller and Chernow stood firm in the wake of the EPA's confirmation and refused to approve injection wells without the proper engineering and geological studies.

E. Discretionary Authority to Permit Injection Wells

113. The oil companies then asserted the State Supervisor of Oil & Gas has the discretion to approve the permits as requested by WSPA and CIPA. For instance, PXP

emailed Miller on October 10, 2011 regarding the discretion to operate a "Phased Corrective Action" for underground permits.

114. If the UIC permitting process is discretionary, DOGGR must comply with the California Environmental Quality Act ("CEQA"). Pub. Res. Code § 21080(a). CEQA requires each state agency to prepare and Environmental Impact Report if a discretionary project **may** have a significant impact on the environment. Pub. Res. Code § 21002.1, 21061, 21080(a). If a project **would not** have a significant effect on the environment, the agency must adopt a "negative declaration." Pub. Res. Code § 21064, 21080(c). In limited circumstances, an agency may approve a project as exempt from CEQA if the project falls within one of the "categorical exemptions." Cal. Code Regs. 14 § 15061(b)(2), 15300-33. These exemptions apply to projects within predefined activities. Pub. Res. Code § 21084(a); Cal. Code Reg. 14 Pub. Res. §15300.

115. Miller did not have the discretionary authority to permit wells without complying with CEQA, and full environmental review would subject the oil companies to even more scrutiny and long delays for the public notice process.

F. Mail and Wire Fraud by Oil Companies

116. WSPA representatives worked with representatives from California Independent Petroleum Association ("CIPA"), a non-profit, non-partisan trade association representing approximately 500 independent crude oil and natural gas producers, royalty owners, and service and supply companies operating in California.

117. CIPA followed with a meeting and threat to file suit on behalf of the industry against DOGGR because of "unnecessary delays in Sacramento's review of oil field injection projects."

118. CIPA used electronic wires to misrepresent the problem – the delay arose from the oil companies' refusal to comply with the Safe Drinking Water Act, including industry wide refusal to provide casing diagrams.

119. CIPA and WSPA also organized a letter writing campaign to the governor claiming "that a minimum of 3,000 jobs will be lost from the contractor workforce . . . **if a**

solution to issuing permits is not found." The letters were form letters distributed to all members to send.

120. The claim of lost jobs was false.

121. Compliance with the underground injection control UIC regulations should have increased jobs. More companies would have had to repair damaged wells or drill new injection wells. Indeed, there were 9,849 permits issued in 2011, more than any year except 2013.

122. Oil companies also experienced record jumps in profits and revenues in 2011, a trend noticed as early as October 28, 2011 when the *LA Times* reported that: "Occidental Petroleum's earnings rose 50% and its revenue was up 26%, Exxon Mobil saw increases of 41% in profit and 32% in revenue, and Royal Dutch Shell says its earnings doubled and revenue rose 36%."

123. The oil companies knew the falsity of the representations about permitting and job losses. They nonetheless, utilized electronic wires and the United States Mail to send fraudulent letters suggesting that failing to issue permits cost the people in California jobs.

G. The Conspiracy

124. Beginning in 2011, the Oil Companies kept close attention to the EPA audit. The Oil Companies knew that they ignored the regulations to protect underground water, and if the public knew of the risks, the Oil Companies would face massive liability for potential contamination of groundwater (historical and future).

125. The Oil Companies also knew that they needed government approvals to engage in hydraulic fracturing. If the public knew of their failure to comply with underground injection control (UIC) requirements for waste water, the Oil Companies would be subject to greater scrutiny for hydraulic fracturing – waste water from fracking includes added chemicals. The Oil Companies also knew that they needed landowners to approve the hydraulic fracturing, and if these landowners knew of these problems, the

landowners would not allow the Oil Companies to proceed with actions that would damage the farms and water supplies.

126. By at least October 27, 2011, the Oil Companies agreed that no company would provide DOGGR with the documents to show protection of fresh water including (1) *geological studies*; (2) *engineering studies*; or (3) *casing diagrams*. This continues to the present day.

127. In early October of 2011, Occidental also directly contacted Governor Brown and told him to fire Miller and Chernow.

128. Brown's office then requested records about the permitting process as it related to Occidental.

129. On October 14, 2011, Chernow sent documents regarding Occidental's California operations to the senior officials handling the inquiry from Governor Brown. Chernow emailed that he was "willing to follow any direction as required. If direction is different than what the Department is currently pursuing, I would appreciate as explicit direction as possible."

130. Less than a week later, on October 19, 2011, Occidental started reporting that "it cannot get the permits it needs for new drilling projects in California." This was a misrepresentation of the problems arising from Occidental's own decision not to follow the law.

131. On October 27, 2011, Occidental's environmental engineer admitted to Chernow it had "the necessary information . . . However, he's been told to stand down (by a lawyer is all I know) and not give us anything. There is apparently a meeting in Bakersfield at Oxy's offices this afternoon to discuss whether they give us what we need or continue to give us nothing."

132. Governor Brown's office and his senior advisor, Cliff Rechtschaffen, scheduled a meeting with Miller and Chernow held the next day. Rechtschaffen notified them that DOGGR must immediately fast track permit approval. His team presented a document entitled the Temporary Assistance Program or TAP. Miller sought guidance

from the United States Environmental Protection Agency about the list of demands. The EPA representative reviewed and commented on it, and Miller responding by writing she "I agree with your point that this has similarities to what was prepared by [Western States Petroleum Association] WSPA."

133. On November 2, 2011, Miller and Chernow went to another meeting which Rechtschaffen joined over the phone. Miller told Rechtschaffen the proposal violated the Safe Drinking Water Act. Rechtschaffen told her this was an order from Governor Brown.

H. Deprivation of Honest Services by Government

134. Brown utilized electronic wires to report he fired Miller and Chernow on November 3, 2011. DOGGR used emails and electronic wires to promise flexibility in permitting.

135. On December 2, 2011, Daniel Dudak emailed the team at DOGGR to provide an update on the underground injection control program. He wrote to notify the team that DOGGR could bypass the AOR process for the Wilmington Field, which was owned by Occidental:

> As was emphasized in the beginning of Friday morning's UIC Program Update meeting, the UIC program is in a state of flux and will likely be changed or modified again. We must all realize that there is not a perfect box in which to package our program. Not all fields, Districts, wells, etc. are the same, and interpretations of laws and regs, let alone geology and engineering, vary among individuals inside and out of the Division, industry, the general public, environmental groups, Legislature, Gov's office, etc. We deal with very complex issues, many of which are unique. It is challenging, to say the least, to be open to uncertainty. You are all very talented and knowledgeable individuals… Please remember to be flexible and professional throughout this process.
>
> That being said, Ken and I had a follow-up discussion with HQ regarding Friday morning's videoconference with HQ. Based on our follow-up discussion, the path forward in Inglewood and Wilmington – THUMS/Tidelands is this, generally, with more information to come:
>
> ***
>
> • Wilmington AOR process will continue as it has with some modifications – where an injection well is being replaced, and there is no expansion to injection, providing there are no obvious overriding considerations such as numerous sheared-off well bores in the area (one example), **we can bypass**

> **the AOR process and issue a permit**. This should be done on a case-by-case basis using good engineering judgement. For AORs, HQ will review for comments only; D1 will determine final remediation list and permit.

136. The Wilmington project related to the same Occidental project that led to its calling Brown and demanding the termination of Miller and Chernow. Occidental did not have to comply with the Safe Drinking Water Act.

137. A month later, on December 5, 2011, Brown announced his tax increase proposition.

138. The oil companies immediately supported Brown's tax increase proposition – Occidental contributed its first $250,000 by January 31, 2012. Chevron contributed $100,000 by May 19, 2012. In total, the oil companies contributed over $1 million and agreed not to oppose the tax increase.

139. Governor Brown also received substantial direct support from Occidental – this oil company contributed over $835,000 to the Governor's campaign programs since 2006.

140. Brown also transitioned the position of State Oil & Gas Supervisor to a political appointment, guaranteeing Brown's control over the new supervisor. Contrary to custom, his administration did not announce the appointment on the website to allow for other candidates to apply.

141. Brown ultimately appointed Tim Kustic to replace Miller. Kustic demanded and received the highest salary ever paid to the state supervisor. Brown also appointed Mark Nechodom to replace Chernow as the Director of the California Department of Conservation.

142. In January of 2012, Governor Brown told the public that "There will be **indictments** and there will be deaths. But we're going to keep going." (Emphasis added.) No one was indicted with the change to regulators who agreed as Kustic did to an approach that violated the Safe Drinking Water Act.

143. Kustic utilized electronic wires in January 2012 and promised a "more flexible approach" to streamline approval of injection projects, including approval of

"replacement wells." He described "replacement wells" as the wells drilled in an oil field *after* the failure of an older well. DOGGR presumably would want to know about the well failure to require remedial action.

144. Examples of the flexible approach to permitting showed up in the following email sent by John Geroch of DOGGR on February 14, 2012:

> Case 1 – Location of Excess Cement: I informed Jim that we would give VRU_152 and administrative pass on this well due to the potential for cement to seal off the out annulus just below the TIZ and it appeared that there could be a void within the annulus where the TIZ intersects, that **technically this well is bad**, but due to the low risk, for this well we could **give it a pass in this instance**.

145. This is believed to be one example of many decisions that were discretionary nature and that should have resulted in environmental review under the California Environmental Quality Act (CEQA). It did not result in such review. When the state admitted on February 6, 2015 of this year it approved injections directly into protected water, the State did not address its failure to comply with CEQA. Everyone knew of this obligation.

146. After their discussion about CEQA, on August 31, 2012, Nechodom emailed to thank Oviatt for her support and noted that he was "delighted to have you and Kern Co. as a partner (***unindicted co-conspirator***?)." (Emphasis added.) Oviatt agreed with Nechodom in email – "We all have the same goal."

147. The Oil Companies, DOGGR, Brown, Nechodom, Kustic, Oviatt, their various agents and employees, and their co-conspirators, formed the Enterprise to achieve, through illegal means, the goal of maximizing profits (including county and state tax revenue) by allowing the injection of salt water into fresh water in violation of the Safe Drinking Water Act. The fundamental goal of the Enterprise and conspiracy was to preserve and expand the ability to inject underground chemicals and toxic waste, thereby expanding their oil production and maximizing profits, including tax revenues and funding from federal sources, regardless of the impact on fresh water. This deprived the Committee members of fresh water, fair opportunities to earn an income, and honest government services.

148. DOGGR's approval of improper permits resulted in the misuse of funds provided by the U.S. to California to follow the mandates of the Safe Drinking Water Act and protect fresh water. DOGGR ignored the regulations that require geological or engineering studies. DOGGR approved permits to inject directly into fresh water. DOGGR also approved permits to inject in areas where the salt water could easily travel to nearby idle wells and up into fresh water.

149. Defendants acted in concert with each other to further their fraudulent scheme. Each Defendant has participated in the operation and management of the Enterprise and has committed numerous acts to maintain and expand the Enterprise. This Enterprise and conspiracy still continues to this day.

150. Defendants also engaged in a widespread scheme to frustrate public scrutiny by making false and deceptive statements and concealing documents (including documents under the California Public Records Act. DOGGR and Defendants Brown, Kustic, and Oviatt suppressed research, destroyed documents, and refused to provide all information requested under the California Public Records Act. And Kustic quit using emails to avoid creating any footprints about his actions. The State Oil & Gas Supervisor last issued a full annual report for 2009, a 267 page document.[4] DOGGR now only has 19 page draft reports for 2012 and 2013. There was no reason for DOGGR to withhold the requested information. Employees at DOGGR continue and repeatedly use the telephone and email systems to block disclosure of the information requested about contamination of water.

151. Before 2011, DOGGR issued no more than fifty (50) injection permits a year. In 2012 alone, DOGGR issued 1,575 injection well permits. The oil companies did not provide engineering studies, geological studies, or casing diagrams to show protection of fresh water.

[4] See, http://www.conservation.ca.gov/dog/pubs_stats/annual_reports/Pages/annual_reports.aspx.

152. Between 2000 and 2014, oil companies in California steadily increased injections of salt water and ultimately increased salt water injections by 252%. The amount of salt water injections in 2000 was 15 billion gallons. By 2014, the amount injected was 38 billion gallons.

153. Defendants also intimidated witnesses who complained about contamination of fresh water. Lorelei H. Oviatt, Director of the Kern County Planning and Development Department, knew of complaints. Oviatt's position gave her extraordinary police powers over farmers. She would arrange meetings between the farmers and DOGGR representatives. When contamination concerns went beyond DOGGR, Oviatt threatened the witnesses and delayed vital assistance needed to protect farmers. She tried to silence any public concerns about contamination, expressing concern about "lengthy delays in oil activities."

I. Aquifer Exemptions – Farmer Complaints

154. The United States Environmental Protection Agency (EPA) had asked DOGGR for an action plan by September 1, 2011, and in the process, they discussed the status of exemption applications for certain aquifers under the Safe Drinking Water Act.

155. In early 2012, the EPA emailed Kustic about the exemptions and the EPA's understanding of the exempt waters. DOGGR did not respond. The EPA asked on June 4, 2012 about the status.

156. On June 7, 2012, Kustic assured the EPA via an email that DOGGR was comparing their documents to the EPA documents, had a few questions, and would "complete a review of any additional aquifers for possible exemption within the next 3 months." Kustic assured the EPA that hydraulic fracturing had the media's attention, but "the bulk of our resources are going towards the UIC program improvements."

157. The EPA emailed Kustic on June 19, 2012, complaining about injections into protected water. The Tulare Aquifer is "**not currently exempt**. However, this formation is receiving injection from multiple Class II [salt water disposal] wells." The

EPA was "very interested in discussing the status of this aquifer/formation at your earliest convenience."

158. Questions about the aquifer exemptions could not have come at a worse time for Kustic – DOGGR had what appears to have been its first notice of contamination problems in 2012.

159. In the summer of 2012, farmers struggled with increasing levels of sodium chloride (or salt) in their soil and water. The farmers learned from the local water board that oil production activities near their farms increased the chloride levels to a degree that exceeds the maximum contaminant levels set by Federal law.

160. The farmers then contacted the local deputy working for DOGGR. He reported to the farmers the salinity problems did not come from oil production.

161. The farmers afterwards reported the contamination problems to the State Oil & Gas Supervisor (Kustic) and his boss, the Director of the California Department of Conservation (Nechodom) – they did nothing.

162. California receives annual funding of $500,000 from United States Environmental Protection Agency to protect fresh water. Yet there appear to be no documents from DOGGR about any investigation into the complaints about water contamination. At a minimum, there should have been documents in the injection well files about the investigation.

163. Kustic did not respond to the EPA audit until after the November 4, 2012 election and passage of Governor Brown's tax initiative (Proposition 30). Kustic mentioned none of the concerns expressed by the farmers about contamination.

164. Instead, on November 16, 2012 (eighteen months after the EPA Audit concluded the state was not complying with the Safe Drinking Water Act), Kustic sent a letter to the EPA regarding the audit findings about the lack of areas of review or AOR's. Kustic wrote that the division "**protects underground sources of drinking water** (USDW) and requires that all injection is confined to the approved zone of injection."

165. When Kustic made this statement, he knew it was not true – the Oil Companies injected directly into protected fresh ground water. The falsity was demonstrated this year when DOGGR admitted that it approved permits for 532 wells that inject into protected water.

J. Withholding of Public Records and Secret Meetings

166. The California Public Records Act states that the Legislature recognizes "that access to information concerning the conduct of the people's business is a fundamental and necessary right of every person in this state." See, Cal. Gov. Code § 6250.

167. Brown required all requests to DOGGR under the California Public Records Act to be handled by his office, at least as to requests regarding the terminations of Miller and Chernow. The Brown administration withheld substantial amounts of information from the public and redacted voluminous emails, even up to the filing of this complaint.

168. The Bagley-Keene Act of 1967 requires that all meetings of state agencies be open to public scrutiny:

> "It is the public policy of this state that public agencies exist to aid in the conduct of the people's business and the proceedings of public agencies be conducted openly so that the public may remain informed.
>
> In enacting this article the Legislature finds and declares that it is the intent of the law that actions of state agencies be taken openly and that their deliberation be conducted openly.
>
> ***The people of this state do not yield their sovereignty to the agencies which serve them. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know.*** The people insist on remaining informed so that they may retain control over the instruments they have created.
>
> This article shall be known and may be cited as the Bagley-Keene Open Meeting Act." See, Ca. Gov. Code § 11120 (emphasis added).

169. In 2011, the Oil Companies pressured Miller to participate in "Oil and Gas Work Group" meetings to discuss these activities without public notice. Miller did not participate.

170. The meetings began again in 2012 when DOGGR and the Oil Companies met in closed door meetings through the "Oil & Gas Workgroup." Some members of the

Enterprise would meet in advance of the meetings in local hotels including at the Bakersfield Marriott.

171. The first 2012 meeting was set up by Blair Knox of California Independent Petroleum Association (CIPA). He emailed a list of individuals to participate from Western States Petroleum Association (WSPA), CIPA, DOGGR, Occidental, and Chevron, for a January 26, 2012 meeting. The agenda emailed by Knox suggests there would be comments by Nechodom and updates about the injection program. There was no public notice of this meeting on Department of Conservation or DOGGR's website.

172. CIPA also organized via email the next meeting with the Oil & Gas Workgroup, which took place on May 17, 2012. The agenda emailed by CIPA suggests there would be a "Road Map" or Strategic Plan from DOGGR.

173. On May 23, 2012, CIPA also asked via email for a report from DOGGR that would list all production by all other oil and gas companies in California. DOGGR has not provided the underlying records or emails showing what they provided to CIPA in response or what was then sent to other members of the Oil & Gas Workgroup.

174. CIPA also organized the next meeting with the Oil & Gas Workgroup, which was scheduled to take place on September 20, 2012. On August 31, 2012, Nechodom emailed to invite Oviatt to attend this meeting.

175. On October 8, 2012, Nechodom acknowledged via email the plans for Oil & Gas Workgroup meetings and the need for a formal Memorandum of Understanding about the workgroup. To date, DOGGR has not provided a copy of this agreement.

176. CIPA also organized via email the next meeting with the Oil & Gas Workgroup, which took place on January 9, 2013.

177. CIPA also organized via email the 2013 meetings with the Oil & Gas Workgroup, including the May 16, 2013 at Chevron's offices and the August 29, 2013, meeting. The August meeting would include a discussion of the aquifer exemptions – a discussion kept from the public until 2015.

K. Back-Room Development of Hydraulic Fracturing Regulations

178. Senator Fran Pavley introduced Senate Bill 4 (SB4) to require the disclosure of the chemicals associated with hydraulic fracturing on December 3, 2012.[5]

179. SB4 was awaiting a vote on the Assembly floor when Western States Petroleum Association (WSPA) took several legislators to dinner on September 4, 2013. WSPA paid for a dinner costing approximately $13,000 for Senators Lou Correa, Ron Calderon, and Norma Torres, and Assembly members Cheryl Brown, Henry Perea, Rudy Salas, Tom Daly, Bill Quirk, Jose Medina, Christina Garcia, Travis Allen, and Adam Gray.

180. After the dinner, on September 6, 2013, Assembly Member Adam Gray introduced an amendment to SB 4. This revision allowed hydraulic fracturing activity to continue for two years while California Environmental Quality Act review was conducted. This reverses the normal environmental review process where the analysis is done in advance to determine whether activity is safe. Hydraulic fracturing would not go through advance analysis.

181. When ultimately approved, SB4 defined hydraulic fracturing as an injection:

> "a well stimulation treatment that, in whole or in part, includes the ***pressurized injection*** of hydraulic fracturing fluid or fluids into an underground geologic formation in order to fracture or with the intent to fracture the formation, thereby causing or enhancing, for the purposes of this division, the production of oil or gas from a well." Cal. Pub. Res. Code § 3152 (emphasis added).

California's underground injections control (UIC) program require oil companies to provide casing diagrams, geologic mapping, and testing for leaks. See, e.g., CCR 1724.6 through 1724.10.

182. The Oil Companies, however, took Kustic to dinner on November 5, 2013 where they discussed drafting of regulations to implement SB4 in furtherance of the goals of the enterprise to increase their ability to hydraulically fracture oil wells while also avoiding underground injection guidelines designed to protect water supplies.

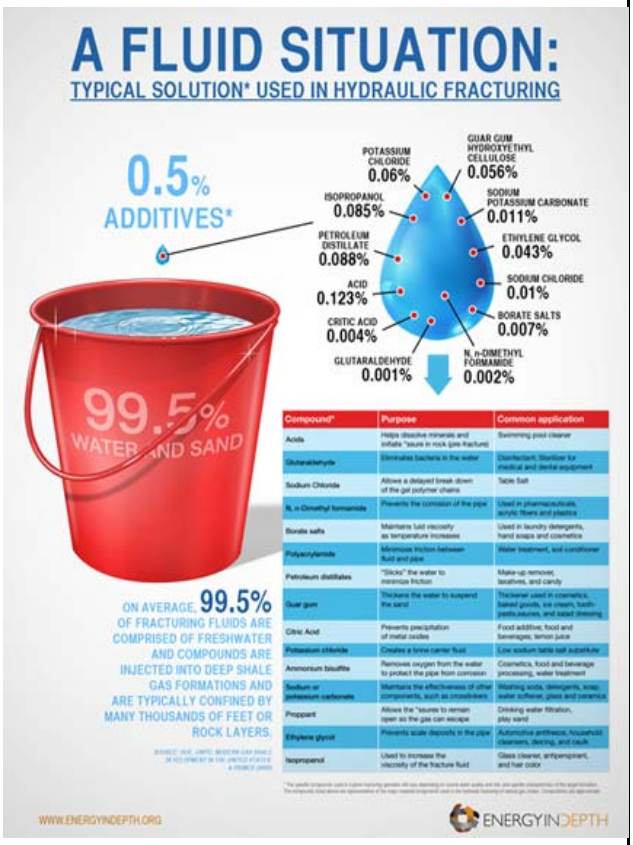
[5] See, http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml;jsessionid=69c24590f5631a40b11c598f064b.

183. Kustic emailed AERA on November 25, 2013 regarding draft reports and preliminary instructions under SB4 – Kustic sought their approval first. Kustic acknowledged that AERA uses more well stimulation than any other company in California and wanted AERA's approval before going public. Kustic welcomed AERA to share with other companies and asked for all comments by December 6.

184. Other emails provided by DOGGR demonstrate that the Oil Companies had advance notice of the regulations before they were made public, but DOGGR has withheld the emails transmitting the regulations and the comments by the Oil Companies. For example, California Independent Petroleum Association (CIPA) provided comments on the draft regulations before they went public.

185. On December 11, 2013, DOGGR under Kustic's leadership released proposed regulations and interim regulations under SB4 notable for many reasons including that the regulations define hydraulic fracturing as *exempt* from the underground injection regulations:

- Well stimulation treatments and underground injection projects are two distinct kinds of oil and gas production processes. ..CCR 1761(b)(1).
- "Well stimulation treatments are *not subsurface injection* or disposal projects and are not subject to Sections 1724.6 through 1724.10." CCR 1780(b) (emphasis added).



186. The interim regulations completely exempt "acid matrix stimulation treatments that use an acid concentration of 7% or less." CCR §1780(a). This keeps most of the "typical" fracturing outside the regulations. For example, this photo from Chevron's website describes hydraulic fracturing and highlights there are only

".5% additives."[6] Exxon (one of the owners of AERA) similarly explains that it uses concentrations of less than .5% in its internet descriptions of hydraulic fracturing ("fluids comprised of 99.5% water and sand are pumped into the wellbore").

187. The regulations drafted by the Enterprise created a loophole not in SB4 or approved by the Legislature.

L. Oil Companies Conceal the Impact and Discipline Members

188. The Oil Companies make sure that no company ever breaks ranks. If any company agrees to government regulations demonstrating confinement of toxic waste – or *real protection of water supplies at specific well sites* – the companies will face potential liability both for past, present and future activities. The Enterprise also disciplines members who break ranks. PXP told the Department of Conservation on March 29, 2011 that the industry was pressuring them not to follow the law or remediate problems associated with wells that could contaminate the fresh water. Joe Ashely from Occidental Petroleum told DOGGR on October 27, 2011 they had the information needed but were told to not provide it to DOGGR.

189. On March 15, 2013, Exxon Mobil CEO, Rex Tillerson joined in a lawsuit with Dick Armey to prevent hydraulic fracturing activity approved in his neighborhood. Tillerson admitted that constructing the wells and required water towers is "detrimental to or endanger[ing] the public health, safety, morals, comfort, or general welfare," from "uses which substantially impair and diminish the uses, values and enjoyment of other property in the neighborhood for purposes already permitted. "[7] Indeed, Tillerson asserted that approval of such activities in his neighborhood would "***mock the purpose of the [town] zoning ordinance, the primary purpose of which is to protect the citizens***." The media spotlight focused on this lawsuit in February of 2014. Shortly thereafter, Tillerson dropped ***out*** of the lawsuit.

[6] See, http://www.chevron.ua/documents/en/frack_fluid_en.pdf.
[7] Armey v. Bartonville Water Supply Corp., Dist. Court of Denton Co., Tex., Case No. 2012-30982-211.

M. Deceptive Marketing by the Enterprise

190. The Oil Companies created a marketing campaign to ensure the public repeatedly heard false and misleading positions on issues related to injection wells, water contamination, and fracking. The associates of the Enterprise denied that hydraulic fracturing causes any damage. The Enterprise members claim hydraulic fracturing: (1) happens deep underground; (2) is far from fresh water; (3) has been happening for decades; and (4) include casings to protect water.

191. To discredit any criticism of the practice, Western States Petroleum Association (WSPA) and California Independent Petroleum Association (CIPA) prepared and distributed through electronic wires and the internet Hydraulic Fracturing "Fact Sheets." For example, the WSPA Fact Sheets states that ***DOGGR "requires all wells to meet strict construction and design requirements to ensure the maximum protection of ground water supplies."***

192. The Oil Companies and their co-conspirators repeatedly deny that hydraulic fracturing causes damage to the water supply. They reassure the public in commercials, in public announcements, and on the internet by pointing out the casings installed to protect groundwater.

193. Chevron utilizes electronic wires to tell the public about the safety of one type of underground injection, hydraulic fracturing:

> "Chevron takes steps to protect groundwater during hydraulic fracturing and over the life of the well. ***Designing proper wells and control systems is the best form of prevention, and Chevron's wells are designed to protect groundwater for the life of the well.*** We have robust well designs with multiple layers of steel and cement specifically designed to protect groundwater. We run pressure tests to ensure the well's integrity and conduct a combination of tests over the life of the well to verify long-term integrity." (Emphasis added.)

194. Chevron further stated on the internet that "Safety is not just a priority, it's part of our culture. First and foremost is the safety of the people on location and process safety – in every task we perform. Environmental protection and operating in a sustainable manner are paramount. It all starts with a robust well design." Chevron,

however, is one of the operators directly injecting contaminated water into protected drinking water. These statements by Chevron are false.

195. Occidental represents on the internet that hydraulic fracturing is safe, further claiming that it is committed to public disclosure of all hydraulic fracturing operations and stating that it is "conducting hydraulic fracturing in a manner that does not impact the environment." Occidental also represents on the internet that "produced water is returned to its original source in deep geologic reservoirs." These statements are not true – Occidental's subsidiary in California was fined because it was caught dumping produced water into an unlined sump next to an almond orchard in Kern County.

196. To further and protect the Enterprise and conspiracy, and their profits, the Oil Companies made false and misleading statements to the public through press releases, advertising, and public statements intended to be heard by the public.

197. The Oil Companies also seek to create doubt about the risks of hydraulic fracturing by claiming, it has been done for sixty years, disregarding new technological innovations that allow oil companies, in recent years and at increased frequency, to use hydraulic fracturing to stimulate oil from previously inaccessible shale rock. Hydraulic fracturing is being utilized at deeper levels and at a higher pressure than any time in history.

198. The new technologies are now proving insufficient to reaching the Monterey Shale Oil. The U.S. Energy Information Administration admitted these difficulties in 2014 when it reported that fracking was not resulting in success for reaching oil in California.

199. Even in the face of this information from the EIA, the Oil Companies continue to misrepresent to the public that fracking has been done for decades without problems to water. And the Oil Companies are avoiding regulation by redrafting legislation intended to protect water. The associates of this Enterprise repeatedly made various public statements, utilized print and video advertisements, promotions and other

media as part of a concerted and coordinated campaign to put a good face on hydraulic fracturing and oil production.

N. Impact – Contaminated Water, Sink Holes, and Gas Leaks

200. California business owners who depend on fresh water from the California aqueduct face the risk of a loss of water supplies, forcing either drilling for new water wells, installation of expensive remediation equipment, or finding clean water from other sources.

201. The Committee bringing this suit includes farmers and employees directly affected by this conduct, collectively referred to as "Plaintiffs." The Committee members bring this action to recover lost income and revenue and costs paid for, and to be paid for, the remediation of environmental damage caused by the Oil Companies. Plaintiffs also seek a declaration revoking the illicitly obtained permits and requiring compliance with the laws designed to protect the air, land, and water. Plaintiffs also seek to restrain the Oil Companies and their co-conspirators from further violations of the law and to disgorge their profits from this unlawful conduct.

O. Senate Investigation

202. In January of 2015, DOGGR was forced to admit it was allowing the oil companies to directly inject contaminated salt water into drinking water. There were over 458 wells injecting directly into protected water.

203. News reporters broke the story that DOGGR allowed the oil companies to inject upwards of 6 billion gallons of contaminated water into fresh water in 2014 alone. It is believed the amount injected into wells without proper AOR's greatly exceeds that amount. 46% of those injection wells received permits in the prior four years from DOGGR.

204. Faced with these reports about the underground injection control UIC issues, Western States Petroleum Association (WSPA) responded that "the system works pretty well."

205. California Senator Fran Pavley then convened a hearing before the California Senate on March 10, 2015. The stated purpose of the hearing was to assess the underground injection control (UIC) program in California.

206. On March 10, 2015, Nechodom took the stand at the Senate hearing and stated that the focus in Spring 2012 turned to hydraulic fracturing.

> "By spring of 2012, it was quite clear that the administration and the legislature expected our department to be fully engaged in hydraulic fracturing."

207. This was ***not*** how Kustic described the status of the underground injection control (UIC) program to the United States Environmental Protection Agency on June 7, 2012. Kustic reassured the opposite:

> "Although, hydraulic fracking stimulation is gathering much attention in the media, . . . ***the bulk of our resources are going towards the UIC program improvements***."

208. Nowhere in Nechodom's prepared statement to the Senate did he mention that the Oil Companies refused to provide the geological studies that would have shown the location of protected water. Nowhere in his statement did he acknowledge the refusal to provide engineering studies. He instead focused on what the media considered important in 2012, not what DOGGR considered important when it reassured the EPA of improving the UIC program. Nechodom's testimony was false and misleading, done to cover-up the violations of the Safe Drinking Water Act that should have led to indictments.

P. Present and Continuing Threat

209. The conspiracy by the Enterprise to deceive, mislead, and withhold information from the public, and from public legislative, regulatory, and judicial bodies about the adverse consequences of underground injection activities has continued up through the present day.

210. Each day, the Oil Companies continue to submit applications for permits that do not comply with basic regulations to protect our water. The Oil Companies,

continue to engage in a misinformation campaign where they suggest that they comply with the regulations governing the proper design and installation of casings.

211. DOGGR, adopted emergency regulations that allow continued injection into the aquifer by the Oil Companies as part of the "Aquifer Exemption Emergency Rulemaking." DOGGR claims an emergency existed because it: "could not have implemented a rulemaking process for the presently-proposed regulation prior to that date because until then there had not yet been a determination of what deadlines would satisfy US EPA's demands for corrective action." DOGGR further states it "and US EPA have historically (up until about 2012) treated these eleven aquifers as exempt (hereinafter the "Eleven Aquifers Historically Treated as Exempt"), and the Division has approved injection wells into these aquifers." Yet DOGGR had known since 2011 of the violations of California regulations.

212. DOGGR is still being controlled behind the scenes by Brown. After Kustic retired, the Oil Companies resorted again to use of wires and mail to again complain about job losses, threatening the new State Oil & Gas Supervisor (Dr. Steve Bohlen). As long as Brown controls the political appointment process, there is a risk of continuing harm and further terminations of employees whose job requires that they protect California water from contaminated waste water.

213. The effects of the conspiracy will be felt for many years into the future, and the contamination of water will be time consuming and difficult to remediate. Unless restrained, the potential contamination will undermine water quality in our most important agriculture community for years to come.

214. The farmers bringing this suit have already experienced the impact of the injection wells – chloride levels in the soil and water are elevated because of these operations. The increase is damaging the crops because chloride ions, which are a component of salt, are readily absorbed by plant roots and then accumulate in plant leaves at toxic levels. The chloride cannot be leached from the fruit and nut trees growing in the

Valley. Toxic levels of chloride magnify the drought conditions, putting the farmers and the nation at risk.

215. Western States Petroleum Association (WSPA) implements the decisions of the Enterprise, occupies a position in the chain of command in the Enterprise, is provided with millions of dollars by the Enterprise associates to accomplish its goals, and is vital to disseminating the "party line" on issues like regulations of injection well activities and fracking. Through WSPA, the Oil Companies regularly met and set policy, including the misleading and fraudulent statements described in this Complaint.

216. WSPA also worked through attorneys to cloak all communications with the attorney client privilege and thus withhold information demonstrating the fraudulent nature of their communications.

FIRST CAUSE OF ACTION
RACKETEER INFLUENCED AND CORRUPT ORGANIZATIONS ACT (RICO)
18 U.S.C. §§ 1962(c), 1962(d), 1964

217. Plaintiffs incorporate by reference all of the preceding paragraphs as though fully set forth herein.

218. As early as September 27, 2011, and continuing up to and including the date of filing this complaint, the Enterprise did unlawfully, knowingly and intentionally conduct, participate, directly and indirectly, in the conduct, management and operation of the affairs of the Enterprise, and the activities of which affected interstate commerce, through a pattern of racketeering activity consisting of numerous acts in California and elsewhere, including, but not limited to, violations of 18 U.S.C. sections 241, 1341, 1343, 1346.43, 1512 (b) and 1513(b).

219. Defendants Brown, Nechodom, Kustic, Oviatt, DOGGR, WSPA, CIPA, OCCIDENTAL OIL AND GAS CORPORATION, CHEVRON U.S.A. INC., and others known and unknown, being persons employed by and associated with the Enterprise did unlawfully, knowingly, and intentionally conduct and participate, directly and directly in the conduct, management, and operation of the affairs of the Enterprise, which was

engaged in and affected interstate and foreign commerce through racketeering activity that included numerous acts indictable under 18 U.S.C. § 371 (conspiracy to defraud the United States); 18 U.S.C. §§ 241 (intimidation of any person engaged in free exercise of speech or any Constitutional right); 1341 (mail fraud) , 1343 (wire fraud), 1346.43 (honest services), 1512 (b) (intimidating and threatening witnesses), and 1513(b) (intimidating and threatening witnesses).

- Brown, Nechodom, Kustic, & Oviatt had a duty to provide honest services, utilizing federal funds designated for use in protecting fresh water to actually protect fresh water by enforcing California regulations under the Safe Drinking Water Act. They breached those duties by utilizing mail and wire fraud to deprive Californians of compliance with the Safe Drinking Water Act.
- The Oil Companies sent fraudulent communications via mail and electronic wires, in violation of 18 U.S.C. §§ 1341 and 1343, repeatedly suggesting that Miller was imposing new regulations, and suggesting they complied with regulations designed to protect fresh water.
- The Oil Companies utilized mail and electronic wires in violation of 18 U.S.C. §§ 1341 (mail fraud) and 1343 (wire fraud), to tout the safety of fracking, describing the casings purportedly used to protect fresh water and yet refusing to even provide evidence of adequate casings to get permits for the injection wells from DOGGR.
- Brown utilized wire communications through Cliff Rechstaffen and violated 18 U.S.C. §§ 241, 1305, 1341, 1343, 1512, and 1513, by threatening Miller and Chernow and ultimately terminating them in retaliation for their refusal to violate the Safe Drinking Water Act.
- Oviatt sent wire communications joining in the conspiracy and threatening witnesses and obstructing the right of farmers to petition the courts for relief from water contamination in violation of 18 U.S.C. §§ 241, 1512, 1513.
- Kustic sent wire communications promising to be “flexible” in permitting wells that he knew violated the Safe Drinking Water Act and utilized the telephone then in coordinating with other members of the Enterprise to fast-track permit decisions.
- Brown required that DOGGR withhold evidence, destroy documents, and/or refuse to provide documents in response to Public Records Act requests.

220. In callous disregard to the family of Mr. Taylor who died in an oilfield (where Chevron disregarded the UIC regulations), Governor Brown said, “There will be indictments and there will be deaths. But we're going to keep going.”

221. What Brown did not disclose in this remark was that, after the termination of Miller and Chernow, his office seized control of responding to Public Records Requests served on DOGGR. Thus, Brown's team would withhold the evidence of the continued permitting of injection wells.

222. The Enterprise, and in particular the Oil Companies, knowingly and intentionally devised an advertising and marketing schedule to obtain money and property with false representations about the safety of their injection activities. The Enterprise further made knowingly false statements in the mail and wires, at hearings and in other public appearances as part of a concerted and coordinated campaign to induce public acceptance of their representations about fracking, to avoid civil liability, and to conceal their efforts to misrepresent, suppress, distort, and confuse the facts.

223. These predicate acts resulted in: depriving the Committee of honest government services with the termination of regulators seeking to follow the law (Miller & Chernow) and hiring of regulators to break the law (Kustic); deprived members of the Committee of the right to petition and recover damages for contamination of their property; deprived the public of truthful information about fracking and injection wells; violated California Public Resources Code regulations under the Safe Drinking Water Act. These unlawful schemes all constitute "predicate acts" under 18 U.S.C. § 1961.

224. Each member of the Enterprise either committed or agreed that at least two of the predicate acts would be committed by a member of the conspiracy in furtherance of the Enterprise. It was part of the conspiracy that Defendants and their co-conspirators would commit numerous acts of racketeering activity in the conduct of the affairs of the Enterprise, including, but not limited to the acts of racketeering set forth herein.

225. These predicate acts are related because they had common purposes and goals to further the goal of the Enterprise to maximize profits, increase tax revenues, and avoid the consequences of the contamination of fresh water. Each Defendant has participated in the operation and management of the Enterprise including by engaging in

acts of discipline and retaliation against any government employee who tried to protect the water and any farmer who complained about the contamination.

226. Defendants, individually or collectively, have engaged and are engaging in a continuing and related pattern of racketeering activity within the meaning of 18 U.S.C.§ 1961(5), which poses a threat of continued unlawful activity. Defendants' unlawful acts constitute a "pattern of racketeering activity," in that there is a threat of continued unlawful activity. With respect to each of the Defendants, the pattern of unlawful activity at least has close-ended continuity in there was a closed period of repeated acts covering at least a period from September 2011 to the present.

227. As a direct and proximate result of the participation in and conduct of the affairs of the Enterprise alleged herein by Defendants through a pattern of racketeering activity in violation of 18 U.S.C.§ 1962 (c), Plaintiffs have been injured in their business and property, and are entitled to all remedies available under the law and at equity.

228. Defendants, acted with a callous disregard to quality of water needed by all Californians including Plaintiffs for growing food used to feed the nation. Indeed, 25% of all table food in the United States is grown in the San Joaquin Valley. Failing to follow basic regulations and to instead cloaking all communications with the cover of privacy demonstrates a callous disregard to the health, safety, and life all of all Californians.

SECOND CAUSE OF ACTION
VIOLATION OF THE CIVIL RIGHTS ACT OF 1871
42 U.S.C. § 1983

229. Plaintiffs incorporate by reference all of the preceding paragraphs as though fully set forth herein.

230. Members of the Committee are owners and have a beneficial interest in property in Kern County used for farming. These farms are near injection wells operated by the Oil Companies in such a way as to knowingly inject salt water into fresh water used for irrigating crops. These members have a constitutional right to own property under the Fifth Amendment and to engage in protected activities to petition for grievances under the First Amendment.

231. Brown is the Governor of the State of California, and all actions done by him are under color of law including demands that the State Oil & Gas Supervisor approve injection wells directly into or near fresh water. Occidental told analysts and investors in May of2014 that "towns don't want us there, we won't be there." But the Occidental CEO did not disclose that Brown is the one who intervenes to make it happen. Brown calls local politicians, like the Mayor of Carson, to remove moratoriums on drilling by Occidental because of local concerns about hydraulic fracturing.

232. Nechodom is the Director of the California Department of Conservation, and all actions done by him are under color of law including setting policies to permit injection wells directly into or near fresh water.

233. Kustic was the State Oil & Gas Supervisor, and all actions done by him are under color of law including permitting of injection wells directly into or near fresh water.

234. Oviatt is the Director of the Kern County Planning Commission, and all actions done by her are under color of law to block farmers from complaining about contamination. Oviatt also intervened to protect oil companies from a temporary moratorium on hydraulic fracturing in Arvin.

235. DOGGR is a government agency whose main office is in Sacramento, California. All actions by DOGGR are done under color of state law.

236. The Oil Companies conspired with Oviatt, Brown, Nechodom, and Kustic, to deprive farmers of their property and their right to petition the government when noticing contamination problems. The Oil Companies participated in confidential meetings to protect from disclosure their roles in blocking the farmers from expressing concerns about water quality.

237. Brown, Nechodom, Kustic, Oviatt, and DOGGR working with other members of the Enterprise participated in the conspiracy to deny Plaintiffs of their rights under the First and Fifth Amendments of the United States Constitution and to free access to information under California Public Records Act, the Bagley-Keene Act, and the Brown Act. Such overt acts are described above and include, among other items,

threatening witnesses and farmers affected by the contamination of fresh water who sought government protection and honest services.

238. DOGGR's policy to permit salt water injection wells without proper AOR's constitutes a regulatory taking because such contamination diminishes the value of the farms in violation of the right to due process under the Fifth Amendment. This deprivation of clean water is also in violation of Safe Drinking Water Act.

239. Under 42 U.S.C. section 1985(3), each of the members of the Enterprise engaged in a conspiracy to violate the constitutional rights of the farmers and engaged in overt acts to further that conspiracy, which resulted in these injuries.

240. There is no further remedy at law and irreparable injury to the farmers if equitable relief is not sought.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs requests relief against Defendants:

A. A judgment in favor of Plaintiffs on all claims and disgorgement of all ill-gotten profits;

B. An award for threefold the actual damages Plaintiffs sustained because of Defendants' violations of 18 U.S.C. §§ 1962(c) and (d) and the costs, including attorneys' fees, incurred by Plaintiffs in prosecuting RICO claims against RICO Defendants;

C. An award to Plaintiffs for the damages proven at trial;

D. An award to Plaintiffs for punitive damages;

E. An injunction against DOGGR mandating that it provide all requested communications and removing all redactions of information;

F. An injunction against DOGGR mandating that it require all geological studies and engineering studies to make sure groundwater is protected;

G. An injunction against the Oil Companies against any false, misleading or deceptive statements or representations concerning the safety of oil production or nonconventional well stimulation activities;

H. An injunction against the Oil Companies from participating in any Oil & Gas Workgroup;

I. An injunction against the Oil Companies from engaging in any public relations endeavor that misrepresents or suppresses information concerning the health risks and environmental risks associated with oil production or nonconventional well drilling activities and from associating with any other persons for the purpose of engaging in such conduct.

I. An injunction against Defendants to prevent further harm to Plaintiffs and to include provisions for further ongoing monitoring of Plaintiffs' properties and potential remediation by Defendants;

J. An injunction mandating that each Defendant disclosure, disseminate, and provide to the public all documents relating to research previously conducted directly or indirectly by themselves and their respective agents and affiliates that relate to the health and environmental consequences of oil production and nonconventional well stimulation, and the ability to develop less hazardous means to dispose of contaminated water;

K. Creation of a fund to correct all misinformation, including a fund administered and controlled by an independent third party relating to the public health and environmental issues associated with oil production and nonconventional well stimulation;

L. For reasonable attorneys' fees according to proof;

M. For interest at the legal rate on all amounts awarded;

N. For costs of suit incurred; and

O. Such other and further relief as this Court may deem just and proper.

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DEMAND FOR JURY TRIAL

Under Rule 38 of the F.R.C.P., Plaintiffs respectfully demand a jury trial.

DATE: June 3, 2015

REX PARRIS LAW FIRM

R. Rex Parris
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