

# SUMMONS (CITACION JUDICIAL)

## NOTICE TO DEFENDANTS:

### (AVISO AL DEMANDADO):

CALIFORNIA COASTAL COMMISSION, a California public agency, and DOES  
1-25, inclusive

## YOU ARE BEING SUED BY PLAINTIFFS:

### (LO ESTÁ DEMANDANDO EL DEMANDANTE):

HORIZONTAL DEVELOPMENT LLC, a California limited liability company,  
ARMSTRONG PETROLEUM CORPORATION, a California corporation, and  
WEST NEWPORT OIL COMPANY, a California corporation

FOR COURT USE ONLY  
(SOLO PARA USO DE LA CORTE)

## ELECTRONICALLY FILED

Superior Court of California,  
County of Orange

08/12/2014 at 07:53:21 PM

Clerk of the Superior Court  
By Joseph Villegas, Deputy Clerk

**NOTICE!** You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center ([www.courtinfo.ca.gov/selfhelp](http://www.courtinfo.ca.gov/selfhelp)), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site ([www.lawhelpcalifornia.org](http://www.lawhelpcalifornia.org)), the California Courts Online Self-Help Center ([www.courtinfo.ca.gov/selfhelp](http://www.courtinfo.ca.gov/selfhelp)), or by contacting your local court or county bar association. NOTE: The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case. **¡AVISO!** Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California ([www.sucorte.ca.gov](http://www.sucorte.ca.gov)), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, ([www.lawhelpcalifornia.org](http://www.lawhelpcalifornia.org)), en el Centro de Ayuda de las Cortes de California, ([www.sucorte.ca.gov](http://www.sucorte.ca.gov)) o poniéndose en contacto con la corte o el colegio de abogados locales. **AVISO:** Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.

The name and address of the court is:

(El nombre y dirección de la corte es):

Superior Court of California, County of Orange

CASE NUMBER: 30-2014-00739490-CU-MC-CJC  
(Número del Caso):

Judge Andrew P. Banks

Central Justice Center

700 Civic Center Drive West

Santa Ana, CA 92701

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:

(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):

Tim Paone (SBN 069253) Tel: (949) 260-4600 Facsimile: (949) 260-4699 Email: [tpaone@coxcastle.com](mailto:tpaone@coxcastle.com)

Cox, Castle & Nicholson, LLP

19800 MacArthur Boulevard, Suite 500, Irvine, CA 92612-2435

DATE: 08/12/2014

(Fecha)

Alan Carlson, Clerk of the Court

Clerk, by

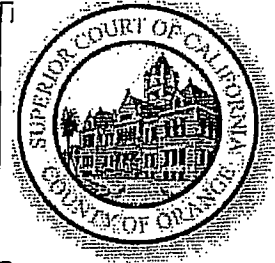
(Secretario)

Deputy  
(Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)

(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).

Joseph Villegas



NOTICE TO THE PERSON SERVED: You are served

1. ☐ as an individual defendant.

2. ☐ as the person sued under the fictitious name of (specify):

3. ☒ on behalf of (specify):

under:

☐ CCP 416.10 (corporation)

☐ CCP 416.20 (defunct corporation)

☐ CCP 416.40 (association or partnership)

☒ other (specify): CCP 416.50 public Entity

4. ☐ by personal delivery on (date):

SUMMONS

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): Tim Paone SBN 069253 Cox, Castle & Nicholson LLP 19800 MacArthur Boulevard, Suite 500 Irvine, CA 92612-2435 TELEPHONE NO.: (949) 260-4600 FAX NO.: (949) 260-4699 ATTORNEY FOR (Name): Plaintiffs, Horizontal Development LLC, et al. SUPERIOR COURT OF CALIFORNIA, COUNTY OF <b>ORANGE</b> STREET ADDRESS: 700 Civic Center Drive West MAILING ADDRESS: CITY AND ZIP CODE: Santa Ana, CA 92710 BRANCH NAME: Central Justice Center CASE NAME: Horizontal Development LLC, et al v. California Coastal Commission, et al.	<b>FOR COURT USE ONLY</b>  <b>ELECTRONICALLY FILED</b> Superior Court of California, County of Orange <b>08/12/2014 at 07:53:21 PM</b> Clerk of the Superior Court By Joseph Villegas, Deputy Clerk
<b>CIVIL CASE COVER SHEET</b> <input checked="" type="checkbox"/> <b>Unlimited</b> (Amount demanded exceeds \$25,000) <input type="checkbox"/> <b>Limited</b> (Amount demanded is \$25,000 or less) <b>Complex Case Designation</b> <input type="checkbox"/> <b>Counter</b> <input type="checkbox"/> <b>Joinder</b> Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)	CASE NUMBER: 30-2014-00739490-CU-MC-CJC JUDGE: Judge Andrew P. Banks DEPT:

*Items 1-6 below must be completed (see instructions on page 2).*

1. Check one box below for the case type that best describes this case:

<b>Auto Tort</b> <input type="checkbox"/> Auto (22) <input type="checkbox"/> Uninsured motorist (46) <b>Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort</b> <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other PI/PD/WD (23) <b>Non-PI/PD/WD (Other) Tort</b> <input type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input type="checkbox"/> Fraud (16) <input type="checkbox"/> Intellectual property (19) <input type="checkbox"/> Professional negligence (25) <input type="checkbox"/> Other non-PI/PD/WD tort (35) <b>Employment</b> <input type="checkbox"/> Wrongful termination (36) <input type="checkbox"/> Other employment (15)	<b>Contract</b> <input type="checkbox"/> Breach of contract/warranty (06) <input type="checkbox"/> Rule 3.740 collections (09) <input type="checkbox"/> Other collections (09) <input type="checkbox"/> Insurance coverage (18) <input type="checkbox"/> Other contract (37) <b>Real Property</b> <input type="checkbox"/> Eminent domain/inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input type="checkbox"/> Other real property (26) <b>Unlawful Detainer</b> <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (38) <b>Judicial Review</b> <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re: arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39)	<b>Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403)</b> <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input type="checkbox"/> Securities litigation (28) <input type="checkbox"/> Environmental/Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41) <b>Enforcement of Judgment</b> <input type="checkbox"/> Enforcement of judgment (20) <b>Miscellaneous Civil Complaint</b> <input type="checkbox"/> RICO (27) <input checked="" type="checkbox"/> Other complaint (not specified above) (42) <b>Miscellaneous Civil Petition</b> <input type="checkbox"/> Partnership and corporate governance (21) <input type="checkbox"/> Other petition (not specified above) (43)
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2. This case ☐ is ☒ is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:
- |  |  |
|--|--|
| a. <input type="checkbox"/> Large number of separately represented parties   | d. <input type="checkbox"/> Large number of witnesses  |
| b. <input type="checkbox"/> Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve | e. <input type="checkbox"/> Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court |
| c. <input type="checkbox"/> Substantial amount of documentary evidence   | f. <input type="checkbox"/> Substantial postjudgment judicial supervision  |
3. Remedies sought (check all that apply): a. ☐ monetary b. ☒ nonmonetary; declaratory or injunctive relief c. ☐ punitive
4. Number of causes of action (specify): One
5. This case ☐ is ☒ is not a class action suit.
6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)
- Date: August 12, 2014
- Tim Paone

(TYPE OR PRINT NAME)

(SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

**NOTICE**

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

Page 1 of 2

# INSTRUCTIONS ON HOW TO COMPLETE THE COVER SHEET

**To Plaintiffs and Others Filing First Papers.** If you are filing a first paper (for example, a complaint) in a civil case, you must complete and file, along with your first paper, the *Civil Case Cover Sheet* contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check one box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the primary cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

**To Parties in Rule 3.740 Collections Cases.** A "collections case" under rule 3.740 is defined as an action for recovery of money owed in a sum stated to be certain that is not more than \$25,000, exclusive of interest and attorney's fees, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: (1) tort damages, (2) punitive damages, (3) recovery of real property, (4) recovery of personal property, or (5) a prejudgment writ of attachment. The identification of a case as a rule 3.740 collections case on this form means that it will be exempt from the general time-for-service requirements and case management rules, unless a defendant files a responsive pleading. A rule 3.740 collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

**To Parties In Complex Cases.** In complex cases only, parties must also use the *Civil Case Cover Sheet* to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

## CASE TYPES AND EXAMPLES

### Auto Tort

Auto (22)—Personal Injury/Property Damage/Wrongful Death  
Uninsured Motorist (46) *(if the case involves an uninsured motorist claim subject to arbitration, check this item instead of Auto)*

### Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort

Asbestos (04)  
Asbestos Property Damage  
Asbestos Personal Injury/Wrongful Death  
Product Liability *(not asbestos or toxic/environmental)* (24)  
Medical Malpractice (45)  
Medical Malpractice—Physicians & Surgeons  
Other Professional Health Care Malpractice  
Other PI/PD/WD (23)  
Premises Liability (e.g., slip and fall)  
Intentional Bodily Injury/PD/WD (e.g., assault, vandalism)  
Intentional Infliction of Emotional Distress  
Negligent Infliction of Emotional Distress  
Other PI/PD/WD

### Non-PI/PD/WD (Other) Tort

Business Tort/Unfair Business Practice (07)  
Civil Rights (e.g., discrimination, false arrest) *(not civil harassment)* (08)  
Defamation (e.g., slander, libel) (13)  
Fraud (16)  
Intellectual Property (19)  
Professional Negligence (25)  
Legal Malpractice  
Other Professional Malpractice *(not medical or legal)*  
Other Non-PI/PD/WD Tort (35)

### Employment

Wrongful Termination (36) Other Employment (15)

### Contract

Breach of Contract/Warranty (06)  
Breach of Rental/Lease  
Contract *(not unlawful detainer or wrongful eviction)*  
Contract/Warranty Breach—Seller Plaintiff *(not fraud or negligence)*  
Negligent Breach of Contract/Warranty  
Other Breach of Contract/Warranty  
Collections (e.g., money owed, open book accounts) (09)  
Collection Case—Seller Plaintiff  
Other Promissory Note/Collections Case  
Insurance Coverage *(not provisionally complex)* (18)  
Auto Subrogation  
Other Coverage  
Other Contract (37)  
Contractual Fraud  
Other Contract Dispute

### Real Property

Eminent Domain/Inverse Condemnation (14)  
Wrongful Eviction (33)  
Other Real Property (e.g., quiet title) (26)  
Writ of Possession of Real Property  
Mortgage Foreclosure  
Quiet Title  
Other Real Property *(not eminent domain, landlord/tenant, or foreclosure)*

### Unlawful Detainer

Commercial (31)  
Residential (32)  
Drugs (38) *(if the case involves illegal drugs, check this item; otherwise, report as Commercial or Residential)*

### Judicial Review

Asset Forfeiture (05)  
Petition Re: Arbitration Award (11)  
Writ of Mandate (02)  
Writ—Administrative Mandamus  
Writ—Mandamus on Limited Court Case Matter  
Writ—Other Limited Court Case Review  
Other Judicial Review (39)  
Review of Health Officer Order  
Notice of Appeal—Labor  
Commissioner Appeals

### Provisionally Complex Civil Litigation (Cal. Rules of Court Rules 3.400–3.403)

Antitrust/Trade Regulation (03)  
Construction Defect (10)  
Claims Involving Mass Tort (40)  
Securities Litigation (28)  
Environmental/Toxic Tort (30)  
Insurance Coverage Claims *(arising from provisionally complex case type listed above)* (41)

### Enforcement of Judgment

Enforcement of Judgment (20)  
Abstract of Judgment (Out of County)  
Confession of Judgment *(non-domestic relations)*  
Sister State Judgment  
Administrative Agency Award *(not unpaid taxes)*  
Petition/Certification of Entry of Judgment on Unpaid Taxes  
Other Enforcement of Judgment Case

### Miscellaneous Civil Complaint

RICO (27)  
Other Complaint *(not specified above)* (42)  
Declaratory Relief Only  
Injunctive Relief Only *(non-harassment)*  
Mechanics Lien  
Other Commercial Complaint Case *(non-tort/non-complex)*  
Other Civil Complaint *(non-tort/non-complex)*

### Miscellaneous Civil Petition

Partnership and Corporate Governance (21)  
Other Petition *(not specified above)* (43)  
Civil Harassment  
Workplace Violence  
Elder/Dependent Adult Abuse  
Election Contest  
Petition for Name Change  
Petition for Relief From Late Claim  
Other Civil Petition

**08/12/2014** at 07:53:21 PM

Clerk of the Superior Court  
By Joseph Villegas, Deputy Clerk

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7 Attorneys for Plaintiffs  
HORIZONTAL DEVELOPMENT LLC, ARMSTRONG  
8 PETROLEUM CORPORATION and  
WEST NEWPORT OIL COMPANY  
9

10 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
11 **FOR THE COUNTY OF ORANGE, CENTRAL JUSTICE CENTER**  
12

13 HORIZONTAL DEVELOPMENT LLC, a  
14 California limited liability company,  
ARMSTRONG PETROLEUM CORPORATION  
15 a California corporation, and WEST NEWPORT  
OIL COMPANY, a California corporation

16 Plaintiffs,

17 vs.

18 CALIFORNIA COASTAL COMMISSION, a  
19 California public agency, and DOES 1-25,  
inclusive,

20 Defendants.  
21

CASE NO. 30-2014-00739490-CU-MC-CJC  
Judge Andrew P. Banks

**COMPLAINT FOR DECLARATORY  
RELIEF**

22 Plaintiffs Horizontal Development LLC, a California limited liability company ("HDLLC"),  
23 Armstrong Petroleum Corporation, a California corporation ("Armstrong"), and West Newport Oil  
24 Company, a California corporation ("West Newport"), seek a declaration from the Court based upon  
25 the following allegations which, unless otherwise noted, are made upon information and belief:  
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1 Conservation Commission (the "Vested Rights Submittal"). The Vested Rights Submittal was based  
2 upon the Oil Operations conducted continuously within the Oil Field for more than thirty years  
3 preceding the filing of the Vested Rights Submittal. The Vested Rights Submittal was supplemented  
4 by the Claimant on September 7, 1973 (the "Vested Rights Supplement"). Together, the Vested  
5 Rights Submittal and the Vested Rights Supplement constitute the Claimant's vested rights claim  
6 submitted pursuant to Proposition 20 (the "Vested Rights Claim").

7 6. On October 30, 1973, the South Coast Conservation Commission adopted a  
8 "Resolution of Exemption" granting the Vested Rights Claim (the "Resolution of Exemption").

9 7. The Resolution of Exemption is not a permit. Rather, the Resolution of Exemption was  
10 and remains an acknowledgment by the South Coast Conservation Commission of the validity of the  
11 Vested Rights Claim.

12 8. Under established law, the Resolution of Exemption cannot limit the vested rights to  
13 continue the Oil Operations which existed under the Constitutions of the State of California or the  
14 United States at the time of the adoption of Proposition 20.

15 9. In 1976, the California Legislature adopted the Coastal Act. Pursuant to the Coastal  
16 Act, the California Coastal Commission succeeded to many of the responsibilities of the California  
17 Coastal Zone Conservation Commission. Specifically, the Coastal Act bound the California Coastal  
18 Commission to the 1973 acknowledgment of the Vested Rights Claim reflected in the Resolution of  
19 Exemption.

20 10. In reliance on the granting of the Vested Rights Claim, the Oil Operations have  
21 continued without interruption since October 30, 1973 (the "Vested Oil Operations").

22 11. Judicial review is required in this case because only a court, not the Commission, has  
23 jurisdiction to decide the scope and intent of the Resolution of Exemption in the context of the vested  
24 rights as defined by the Constitutions of the United States and the State of California. The 1973 action  
25 to acknowledge the Vested Rights Claim precludes the Commission from re-examining the very same  
26 issue then determined by the California Coastal Zone Conservation Commission.

27 ///

28 ///

THE PARTIES

12. Plaintiff HDLLC is a limited liability company organized and operating under the laws of the State of California with its principal place of business in Costa Mesa, Orange County, California. HDLLC has owned the mineral interest in the Oil Field since 1997 and, as a successor to the Claimant, has succeeded to the vested rights for the Oil Operations, including those reflected in the Resolution of Exemption.

13. Plaintiff Armstrong is a corporation organized and operating under the laws of the State of California with its principal place of business in Newport Beach, Orange County, California. Since 1983, Armstrong has conducted the Vested Oil Operations on behalf of the owners of the mineral rights in the Oil Field pursuant to and in reliance upon the Resolution of Exemption.

14. Plaintiff West Newport is a corporation organized and operating under the laws of the State of California with its principal place of business in Newport Beach, Orange County, California. West Newport is a wholly owned subsidiary of Armstrong. Since 1983, West Newport has conducted the Vested Oil Operations on behalf of Armstrong pursuant to and in reliance upon the Resolution of Exemption. From this point forward, Armstrong and West Newport shall be referred to jointly as "West Newport."

15. Defendant California Coastal Commission (the "Commission") is the administrative body authorized by the California Public Resources Code to implement and enforce the provisions of the Coastal Act, subject to any and all limitations set forth in the Coastal Act, the Constitution of the State of California, and the Constitution of the United States. In some cases, the Commission acts through its Executive Director (the "Executive Director"), whose actions, in practice, are sometimes delegated to other members of the Coastal Commission's administrative staff. Throughout this complaint, the actions of the Executive Director himself and those of Commission staff members acting under his direction shall be jointly referred to as actions of "Staff" or "Commission Staff."

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1           19.     Although the Maintenance Letter bore the heading "Notice of Violation of the  
2 California Coastal Act," at no time before or after delivery of the Maintenance Letter has there been  
3 any determination under law by either the Commission itself or the courts that any violation of the  
4 Coastal Act does exist or has existed with respect to the maintenance issues raised by the Maintenance  
5 Letter. Nor has there been any opportunity for West Newport to address the allegations made against  
6 it directly to the Commission.

7           20.     At all times since the issuance of the Maintenance Letter, West Newport vehemently  
8 protested to Staff the allegations of the Maintenance Letter, expressing its belief that all maintenance  
9 activities within the Oil Field were consistent with the vested rights that existed for the Oil Operations,  
10 including those acknowledged by the Resolution of Exemption.

11           21.     In order to cooperate with the Commission in an effort to resolve the issues raised in  
12 the Maintenance Letter and without waiving or limiting any of its vested rights acknowledged by the  
13 Resolution of Exemption or which might otherwise exist, West Newport reached an interim  
14 understanding with the Commission that it would temporarily modify mowing activities within the Oil  
15 Field to give West Newport and the Commission the opportunity to resolve their differences regarding  
16 the scope of the vested rights that existed for mowing activities within the Oil Field.

17           22.     On or about August 17, 2012, representatives of West Newport met with  
18 representatives of the Commission at the Oil Field, including the staff member who authored the  
19 Maintenance Letter. During that meeting, despite repeated requests, the Commission representatives  
20 were unable to identify any portion of the Oil Field on which their allegations of unpermitted  
21 maintenance were occurring.

22           23.     The Maintenance Letter is neither a cease and desist order (a "Cease and Desist Order")  
23 nor a notice of intent to issue a notice of violation (a "Notice of Violation") under Sections 30809,  
24 30810, or 30812 of the Coastal Act. Therefore, unless (i) West Newport subjects itself to fines and  
25 penalties under Staff's interpretation of the Resolution of Exemption by resuming its maintenance  
26 activities to the level occurring before delivery of the Maintenance Letter *and* (ii) the Executive  
27 Director elects to initiate enforcement proceedings by issuing either a Cease and Desist Order or a  
28 Notice of Violation, the allegations of the Maintenance Letter will remain unresolved. Even an

1 enforcement proceeding before the Commission initiated by Staff to address a specific Coastal Act  
2 violation, however, is not an administrative remedy available to West Newport in the context of the  
3 exhaustion of administrative remedies prior to the commencement of this action and will not resolve  
4 the Dispute.

5 24. Additionally, the Maintenance Letter raises issues pertaining to the scope of the vested  
6 rights for the Oil Operations which go beyond the "mowing" issue and, if left unresolved, place West  
7 Newport in the precarious position of conducting the Vested Oil Operations on a day-to-day basis in a  
8 manner which would, under Staff's interpretation of the Resolution of Exemption, subject West  
9 Newport to the imposition of fines and penalties.

10 25. As of August 12, 2014, two years almost to the day after West Newport representatives  
11 met with Commission Staff at the Oil Field as described above, West Newport has continued to limit  
12 its mowing activities within the Oil Field, yet the Commission, through Staff, continues to allege, both  
13 publicly and privately, that maintenance violations have occurred within the Oil Field. Despite those  
14 allegations, West Newport has never received either a Cease and Desist Order or a Notice of Violation  
15 pursuant to the Coastal Act.

16 26. On or about January 31, 2014, Staff delivered a letter to West Newport alleging  
17 numerous violations of the Coastal Act based upon Staff's interpretation of the Resolution of  
18 Exemption (the "January Letter"). Those allegations include, among other things, charges that wells  
19 have been drilled and ancillary development has occurred in the Oil Field without required coastal  
20 development permits.

21 27. West Newport has advised Staff in writing and in person on numerous occasions that it  
22 vehemently disagrees with Staff's interpretation of the Resolution of Exemption as set forth in the  
23 January Letter. West Newport believes that all wells drilled within the Oil Field since 1973 have been  
24 drilled in compliance with the Coastal Act and are consistent with both the vested rights for the Oil  
25 Operations and the Resolution of Exemption.

26 28. Since 1973 and prior to 2012, previous Commission Staff raised issues similar and/or  
27 identical to those contained in the Maintenance Letter and the January Letter. In each instance, West  
28 Newport and/or its predecessor oil operators responded to Staff with an explanation of exactly what

1 was occurring within the Oil Field and the reasons why those activities were consistent with the  
2 Resolution of Exemption. In each case, after receiving the explanation, Staff did not further pursue its  
3 allegations. Since Staff is now asserting the same or similar allegations, in some cases, twenty years  
4 or more after the initial allegations were made and then dropped, West Newport believes that the  
5 Commission is estopped from pursuing enforcement claims based upon those erroneous allegations.

6 29. The actions taken by Staff have created a "chilling effect" on the continuation of the  
7 Vested Oil Operations by placing in question the right of West Newport to continue the Vested Oil  
8 Operations in a manner consistent with not just their interpretation of the Resolution of Exemption,  
9 but also with historical practices of Commission Staff since 1973. This "chilling effect" leaves West  
10 Newport in a compromised position where it is unable to continue historic vested maintenance  
11 practices and to further its plans related to the Vested Oil Operations without either (i) under duress,  
12 submitting to a process from which it is exempt or (ii) being subjected to an enforcement process for  
13 conducting operations which have previously been determined to be exempt from the Coastal Act.  
14 Because there is no administrative remedy which West Newport can apply for and pursue to resolve  
15 its disagreements with the Commission, judicial intervention is necessary.

16 30. As a result of the facts set forth above, there is a present and continuing controversy  
17 between West Newport, on the one hand, and the Commission, on the other, with respect to the Vested  
18 Oil Operations. The Dispute, in general terms, consists of the following:

- 19 a. The Commission, acting through Staff, contends that:
- 20 i. The Resolution of Exemption limits to 340 the total number of wells  
21 that can be drilled within the Oil Field without a coastal development permit.
- 22 ii. Many of the wells which have been drilled within the Oil Field since  
23 1973 were drilled without the required coastal development permits.
- 24 iii. Associated surface facilities, including roads, have been developed  
25 within the Oil Field without required coastal development permits.
- 26 iv. Although the Resolution of Exemption makes specific findings as to the  
27 scope of the Vested Oil Operations, the Resolution of Exemption should nonetheless be interpreted  
28

1 forty years later to have constrained future development to less than what that Commission  
2 specifically found to have vested.

3 b. West Newport contends that:

4 i. The vested rights found to have existed by the South Coast  
5 Conservation Commission included the very specific right to drill "28 new wells and additional  
6 drilling, repair and replacement of existing wells such that 340 wells may be in production at any one  
7 time."

8 ii. It was not the South Coast Conservation Commission's intention in  
9 1973 to limit the Claimant's development rights to less than the scope of the development which that  
10 Commission specifically found to have vested.

11 iii. At no time since 1973 have more than 340 wells been in production at  
12 any one time.

13 iv. All wells, other development, and site maintenance within the Oil Field  
14 for which a coastal development permit has not been sought have occurred and/or been developed in a  
15 manner consistent with the Vested Oil Operations and the Resolution of Exemption.

16 v. The Commission does not possess the authority to define or redefine the  
17 vested rights which exist for the Vested Oil Operations. Those vested rights are defined by the  
18 Constitutions of the State of California and the United States. Similarly, the Commission in 2014  
19 does not possess the authority to redefine or otherwise "revisit" the decision made by the South Coast  
20 Conservation Commission when it acknowledged the Vested Rights Claim in 1973.

21 vi. The Commission is estopped from asserting a different interpretation of  
22 the Resolution of Exemption than that which had been knowingly applied by the Commission from  
23 1973 to 2012.

24 31. Despite periodic suggestions by Staff that the Dispute could be resolved by West  
25 Newport's submitting to the enforcement powers of Staff and the Commission, that approach is not an  
26 "administrative remedy" available to and which must be "exhausted" by West Newport prior to asking  
27 the courts to resolve the Dispute.

28

1           32.     The mere possession by the Commission of a continuing enforcement, supervisory, or  
2 investigatory power which would allow it to exercise (or not) its discretion over the Oil Field with  
3 respect to alleged violations of the Coastal Act does not afford West Newport with an administrative  
4 remedy to address the Dispute.

5           33.     There is no administrative process available to West Newport which would require the  
6 Commission to actually accept, evaluate, and resolve the Dispute at the request of West Newport.

7           34.     The Vested Oil Operations represent a lawful, ongoing, and economically significant  
8 business which contributes to the critical need for the production of oil within our country. For the  
9 Vested Oil Operations to be conducted efficiently and successfully, West Newport requires certainty  
10 with respect to the regulations and limitations that can be imposed upon them by the Commission.

11           35.     At the present time, the Commission, through the actions of Commission Staff, is  
12 wrongfully interfering with the ability of West Newport to continue its lawful and historic conduct of  
13 the Vested Oil Operations, all at great expense and risk to West Newport.

14           36.     West Newport has made a significant effort to resolve the Dispute, but Commission  
15 Staff has shown no interest in any resolution which does fully assume that Staff's wrongful  
16 interpretation of the Resolution of Exemption is correct.

17           37.     As a result of the facts set forth above, it is appropriate and necessary for the Court to  
18 issue an order consistent with the allegations of West Newport as set forth in this complaint.

19           38.     In actions where (i) there is no available administrative remedy to constrain the biased  
20 and reckless conduct of the Commission which is imputed to it through the acts of Staff, (ii) there are  
21 no means outside of judicial action which can constrain those biased and reckless actions, and (iii)  
22 there is otherwise no accountability to the public for the wrongful acts committed by Staff without fear  
23 of reprisal, it is in the broad interests of the people of the State of California that private actions be  
24 brought to appropriately deter wrongful conduct of Staff so that members of the public who have  
25 matters before the Commission will be treated fairly in accordance with the provisions of the Coastal  
26 Act and its regulations. As such, this action will confer a significant matter on all persons who must  
27 appear before the Commission or who, like West Newport, not actually having business before the  
28 Commission, are subjected to the wrongful actions of Staff. Absent private enforcement of the

1 important right to be treated without biased and reckless conduct by Staff, there will be no deterrent to  
2 such conduct and members of the public will continue to be subjected to that wrongful conduct.  
3 Therefore, in addition to the requested declaration from the Court, West Newport is entitled to an  
4 award of attorneys' fees pursuant to Section 1021.5 of the California Code of Civil Procedure.

5  
6 **REQUEST FOR RELIEF**

7 Based on the allegations set forth above, HDLLC and West Newport request judgment as  
8 follows:

9 1. For an order declaring that:

10 a. The vested rights found to have existed by the California Coastal Zone  
11 Conservation Commission included, among other things, the very specific right to drill "28 new wells  
12 and additional drilling, repair and replacement of existing wells such that 340 wells may be in  
13 production at any one time."

14 b. At no time since 1973 have more than 340 wells been in production at any one  
15 time.

16 c. All wells and other development within the Oil Field occurring since 1973 for  
17 which a coastal development permit has not been sought have been developed in a manner consistent  
18 with the vested rights for the Oil Operations and the Resolution of Exemption.

19 d. The Commission in 2014 does not possess the authority to define, redefine, or  
20 otherwise "revisit" the decision made by the California Coastal Zone Conservation Commission when  
21 it acknowledged the Vested Rights Claim in 1973.

22 e. The Commission is estopped from asserting a different interpretation of the  
23 Resolution of Exemption than that which had been knowingly applied by the Commission from 1973  
24 to 2012.

25 2. For an award of their costs of suit.

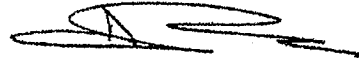
26 3. For an award of reasonable attorneys' fees pursuant to Code of Civil Procedure 1021.5.

27 4. For such additional relief as the Court deems just and proper.  
28

1 DATED: August 12, 2014

Respectfully submitted,

COX, CASTLE & NICHOLSON LLP

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By: \_\_\_\_\_

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Newport Oil Company