

**U.S. House of Representatives**  
**Committee on Natural Resources**  
**Washington, DC 20515**

December 17, 2021

The Honorable Debra A. Haaland  
Secretary  
U.S. Department of the Interior  
1849 C Street NW  
Washington, D.C. 20240

Dear Secretary Haaland:

In early October, 25,000 gallons of crude oil leaked from the San Pedro Bay pipeline off the coast of Southern California, fouling pristine beaches and causing significant damage to the region's environment and economy. The spill upended the lives of shop owners, vendors, fishers, and other small businesses who rely on tourism and the outdoor recreation industry, and the spill has killed wildlife and damaged coastal wetlands.<sup>1</sup>

Amplify Energy Corp. (Amplify) is the San Pedro Bay pipeline owner, and its subsidiary Beta Operating Co., LLC (Beta Offshore) is the operator. Beta Offshore is also the operator for the three platforms (Elly, Ellen, Eureka) that channel oil into the San Pedro Bay pipeline. The platforms were installed in the 1980s and are located on federal leases issued by the Bureau of Ocean Energy Management (BOEM) and regulated by the Bureau of Safety and Environmental Enforcement. Preliminary evidence suggests that the pipeline may have been damaged by a ship's anchor months ago, but oil only started gushing into the ocean following a more recent accident or event. While Federal and state agencies continue to investigate the precise circumstances, cause, and response of the spill, criminal and civil legal proceedings are moving forward expeditiously.

On December 15, the Department of Justice indicted Amplify, Beta Offshore, and the San Pedro Bay Pipeline Company with one count of negligent discharge of oil.<sup>2</sup> Among several allegations, the indictment asserts that the defendants acted negligently by pumping oil for multiple hours late on October 1 into the early morning hours of October 2 while a manual leak test was performed, despite multiple alarms indicating a pipeline leak.

As Secretary of the Interior, you hold significant authority over oil and gas development that occurs on the Outer Continental Shelf (OCS), including leasing and permitting decisions and protection of the coastal and marine environment. BOEM issues oil and gas leases on the OCS under the authority of the Outer Continental Shelf Lands Act (OCSLA), and OCSLA also authorizes the Secretary of the Interior to cancel existing oil and gas leases under numerous circumstances,

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<sup>1</sup> Testimony from Joint Subcommittee Field Hearing titled "*Southern California Oil Leak: Investigating the Immediate Effects on Communities, Businesses, and the Environment.*" Oct. 18, 2021. [https://naturalresources.house.gov/hearings/joint-field-hearing-in-irvine-california\\_october-18-2021](https://naturalresources.house.gov/hearings/joint-field-hearing-in-irvine-california_october-18-2021)

<sup>2</sup> "Three Companies Face Charges of Negligent Conduct During Offshore Oil Leak that Damaged Southern California Coastline." *U.S. Department of Justice*. Dec. 15, 2021. <https://www.justice.gov/usao-cdca/pr/three-companies-face-charges-negligent-conduct-during-offshore-oil-leak-damaged>

including if the lessee fails to comply with any provision of OCSLA, the lease, or applicable regulations.<sup>3</sup> Additionally, pursuant to OCSLA, BOEM regulations authorize you to cancel a lease at any time upon hearing and determination:

“that continued activity will probably cause serious harm or damage to life (including fish and other aquatic life), property, any mineral, national security or defense, or the marine, coastal, or human environment; that the threat of harm or damage will not disappear or decrease to an acceptable level within a reasonable period of time; and the advantages of cancellation outweigh the advantages of continuing the lease.”<sup>4</sup>

Considering the extensive economic and environmental damage caused by the oil spill, and the federal indictment against Amplify, Beta Offshore, and the San Pedro Bay Pipeline Company, we urge you to consider canceling all federal leases owned or operated by these companies involved in the October oil spill off Southern California. Companies that operate in public waters and extract taxpayer-owned oil and gas resources have a legal responsibility to conduct themselves in a specific manner. It has become clear that Amplify, Beta Offshore, and the San Pedro Bay Pipeline Company have failed to meet these standards. Thank you for your attention to these matters and for considering our request.

Sincerely,



Raúl M. Grijalva  
Chair  
Committee on Natural Resources



Alan Lowenthal  
Chair  
Subcommittee on Energy  
and Mineral Resources



Katie Porter  
Chair  
Subcommittee on Oversight  
and Investigations



Jared Huffman  
Chair  
Subcommittee on Water,  
Oceans, and Wildlife



Mike Levin  
Member of Congress

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<sup>3</sup> 43 USC 1334(d)

<sup>4</sup> 30 CFR § 556.1102(d)