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Supreme Court of California
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No. S271869

IN THE SUPREME COURT OF THE STATE OF CALIFORNIA

COUNTY OF MONTEREY, ET AL., Appellants,

v.

CHEVRON U.S.A., INC. ET AL., Respondents.

AFTER DECISION BY THE COURT OF APPEAL
SIXTH APPELLATE DISTRICT, CASE NO. H045791

APPEAL FROM THE SUPERIOR COURT OF THE COUNTY OF MONTEREY
THE HONORABLE, JUDGE THOMAS WILLS
CIVIL CASE NO. 16-CV-2978 & CONSOLIDATED CASES

CALIFORNIA RESOURCES CORPORATION'S JOINDER AND RESPONDENT'S BRIEF

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Attorneys for Respondent California Resources Corporation

I. JOINDER IN RESPONDENTS' ANSWERING BRIEF FILED BY CHEVRON U.S.A. INC., ET AL. AND RESPONDENT'S BRIEF OF CALIFORNIA RESOURCES CORPORATION

California Resources Corporation ("CRC") joins in the Respondents' Answering Brief submitted by Chevron U.S.A. Inc., et al. and respectfully requests that this Court affirm for the reasons stated therein.

We submit this separate brief for a narrow purpose: to emphasize what this Court's ruling will *not* do. The Superior Court held that if Measure Z were to go into effect, it would cause a categorical facial taking of CRC's mineral rights in Monterey County. (31 AA 7586-87.) That is because Measure Z prohibits CRC from drilling the oil-production and wastewater-disposal wells necessary to "extract any economic value" from its property. (31 AA 7587 [citing *Lucas v. S.C. Coastal Council* (1992) 505 U.S. 1003, 1019].) The Superior Court further held that Measure Z's political adjudication procedure—which attempted to force CRC and all other mineral rights owners to litigate their takings claims in front of the Monterey County Board of Supervisors in the first instance—violated due process. (31 AA 7581-85.)

Although Intervenors appealed those rulings, the Court of Appeal declined to reach the takings issue, instead affirming the Superior Court's judgment on the basis that state law preempts Measure Z. (See Opn. at p. 2.) Accordingly, Intervenors did not seek further review of the Superior Court's rulings on the takings issues.

Section 3106 of the Public Resources Code preempts Measure Z. CRC therefore respectfully requests that this Court affirm the Court of Appeal's decision for the reasons explained in the Respondents' Answering Brief submitted by Chevron U.S.A., Inc., et al. But this Court's preemption decision will not affect the Superior Court's determination that Measure Z effects a facial taking of CRC's property. That ruling stands, and CRC also

remains entitled to relief on that basis.

Dated: June 27, 2022 O'MELVENY & MYERS LLP

By: */s/ Barton H. Thompson*
Barton H. Thompson
Attorneys for Respondent California Resources Corporation

CERTIFICATE OF WORD COUNT
(Cal. Rules of Court, Rule 8.204(c)(1))

I, Heather Welles, declare and state as follows:

1. I am an attorney duly licensed to practice law before all courts of the State of California and am a counsel with the law firm O'Melveny & Myers LLP, attorneys of record herein for California Resources Corporation.

2. I make this declaration in support of the Joinder in Respondents' Answering Brief Filed By Chevron U.S.A. Inc., et al. and Respondent's Brief of California Resources Corporation.

3. I have personal knowledge of the facts set forth in this declaration and if called as a witness, could and would testify competently to them.

4. Pursuant to California Rules of Court, Rule 8.204(c)(1), I hereby make the following certification: The text of this brief consists of 305 words as counted by the word-processing program used to generate this brief.

Executed on June 27, 2022, under the laws of the State of California at Los Angeles, California.

/s/ Heather Welles
Heather Welles

PROOF OF SERVICE

I, Heather Welles, declare:

I am employed in the County of Los Angeles, State of California. My business address is O'Melveny & Myers LLP, 400 South Hope Street, 18th Floor, Los Angeles, California 90071. I am over the age of eighteen years and not a party to the action in which this service is made.

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submitted by California Resources Corporation on the interested parties in this action as follows:

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Executed on June 27, 2022, at Los Angeles, California.

/s/ *Heather Welles*

Heather Welles

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STATE OF CALIFORNIA
Supreme Court of California

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STATE OF CALIFORNIA
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Case Number: **S271869**
Lower Court Case Number: **H045791**

1. At the time of service I was at least 18 years of age and not a party to this legal action.

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I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

6/27/2022

Date

/s/Court Services

Signature

Thompson, Barton H. (72927)

Last Name, First Name (PNum)

O'Melveny & Myers LLP

Law Firm